PROSPECTUS
Dated : December 31, 2003
100% Book Building Issue

T.V. Today Network Limited

(Incorporated as a public limited company on December 28, 1999 and obtained
Certificate of Commencement of Business on February 7, 2000 under the Companies Act, 1956
Registered Office: Videocon Tower, E-1, Jhandewalan Extension, New Delhi 110 055
(Formerly located at K-9, Connaught Circus, New Delhi 110 001)
Phone: (91-11) 2368.4888 Fax: (91-11) 2368.4895 Website: www.aajtak.com Email: tvtodayipo@aajtak.com

Public issue of 14,500,000 equity shares comprising fresh issue of 10,000,000 equity shares of Rs.5 each at a price of Rs.95 for cash aggregating Rs.950 million and offer for sale of 4,500,000 equity shares of Rs.5 each at a price of Rs.95 for cash aggregating Rs.427.5 million (hereinafter referred to as the "Issue"). The Issue would constitute 25% of the fully diluted post issue paid-up capital of the Company.

The Issue is being made through 100% Book Building Process wherein up to 50% of the Issue shall be allocated to Qualified Institutional Buyers on a discretionary basis, 25% would be allocated to Non-Institutional Investors and 25% would be allocated to Retail Investors on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Risk in Relation to First Issue

This being the first issue of the Equity Shares of TV Today (the "Company"), there has been no formal market for the Equity Shares of the Company. The Issue Price (as determined by the Company in consultation with the Book Running Lead Manager and Co-Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

General Risks

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of 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 statements in Risk Factors beginning on page no. i of the Prospectus.

Issuer's Absolute Responsibility

TV Today having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to TV Today and the Issue, which 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.

Listing

The Equity Shares offered through this Prospectus are proposed to be listed on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited and in-principle approvals for listing our Equity Shares have been obtained from the aforesaid stock exchanges through their letters dated November 18, 2003 and November 21, 2003 respectively.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
JM MORGAN STANLEY PRIVATE LIMITED 141, Maker Chambers III, Nariman Point, Mumbai 400 021 India Tel. : +91- 22- 5630 3030 Fax. : +91- 22- 5630 1694 Email: tvtodayipo@jmmorganstanley.com	**MCS LIMITED** Unit: TV Today – Public Issue 'Sri Padmavathi Bhavan', Plot No. 93, Road No. 16, M.I.D.C. Area, Andheri (East), Mumbai 400 093 Tel. : +91-22-2820 1785; Fax. : +91-22-2820 1783 Email: tvtodayipo@mcsind.com Registered Office: 'Sri Venkatesh Bhavan', Plot No. 27, Road No. 11, M.I.D.C. Area, Andheri (East), Mumbai – 400 093

ISSUE PROGRAMME

ISSUE OPENED ON : THURSDAY DECEMBER 18, 2003

ISSUE CLOSED ON : SATURDAY DECEMBER 27, 2003

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In this Prospectus, the terms "we", "us", or "our", unless the context otherwise implies, refer to T.V. Today Network Limited including when it was a division of Living Media India Limited, one of its promoters, between April 1994 to March 2000. *Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ended March 31 of that year.*

FORWARD-LOOKING STATEMENTS; MARKET DATA

We have included statements in this Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry. For further discussion of factors that could cause our actual results to differ, see the section entitled "Risk Factors" beginning on page (i) of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. We, the BRLM, Co-BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company, the BRLM and Co-BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

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

We have relied extensively on TAM Media Research (TAM) for cable and satellite industry data. Unless otherwise specified, the "TAM viewership data" in this document implies viewership data for all cable and satellite homes in India covered by TAM, for all viewers with age of more than 4 years and viewership for all day.

Further, the National Readership Survey analyses the Indian Media Sector across various Socio Economic Classifications (SECs), viz. SEC A, SEC B, SEC C, SEC D and SEC E. The Market Research Society of India (MRSI) has designed the following SEC Grid. The MRSI survey categorised eight socio-economic groups based on both occupation and education of the chief wage earner of a household. The eight socio-economic classes have been labeled as A1, A2, B1, B2, C, D, E1, and E2. A1 denotes the uppermost socio-economic class, and E2

stands for the lowest socio-economic class. The basis of such classification is indicated in the following SEC Grid:

EDUCATION								
OCCUPATION		**Illiterate**	**School up to 4 years or literate but no formal schooling**	**School 5 to 9 years**	**Higher Secondary Certificate / Senior Secondary Certificate**	**College education, but not graduation**	**Graduation or Post-Graduation**	**Graduation or Post-Graduation Professional**
1. Unskilled workers		E2	E2	E1	D	D	D	D
2. Skilled workers		E2	E1	D	C	C	B2	B2
3. Petty traders		E2	D	D	C	C	B2	B2
4. Shop owners		D	D	C	B2	B1	A2	A2
5. Businessmean	None*	D	C	B2	B1	A2	A2	A1
Industrialists	1–9*	C	B2	B2	B1	A2	A1	A1
Industrialists	10 + *	B1	B1	A2	A2	A1	A1	A1
6. Self-employed professionals		D	D	D	B2	B1	A2	A1
7. Clerks/salesmen		D	D	D	C	B2	B1	B1
8. Supervisory level		D	D	C	C	B2	B1	A2
9. Officers/Executives – junior		C	C	C	B2	B1	A2	A2
10. Officers/Executives– senior		B1	B1	B1	B1	A2	A1	A1

Note: * No. of employees

RISK FACTORS

You should carefully consider the risks described below before you make an investment decision. Risks have been quantified, wherever possible. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment.

Internal Risk Factors

The following outstanding litigations are pending against our Company, our promoters and directors of our Company.

There are two criminal cases filed against us relating to certain news item aired by us, wherein we have filed petitions for quashing the case and the same are pending hearing and final adjudication. Further, a criminal contempt notice has been issued against us, wherein we have filed an apology in response and the case is pending hearing and final adjudication. In addition, we have filed three criminal cases against various persons for defamation and dishonour of cheques.

We cannot provide any assurance relating to the consequences of these litigations. In the event the above cases are not disposed off in our favour, penalties and/ or other adverse actions may be taken against us or our officers/ employees.

There are cases, where third parties have chosen the name of their various news publications, such as news channels and newspapers similar to the trademarks or logos that we use. We have filed cases against such third parties who have used similar trademarks or logos and these cases are presently pending before the various courts in India. In the event of our failure to restrain third parties from using similar trademarks or logos the viewership of our news channels and our business may be adversely affected.

There are fourteen criminal cases filed against Living Media and/or its employees in various courts in India. These cases pertain to the stories carried by Living Media's group publications on various issues of national and human interests. Most of these cases have been stayed by the upper courts based upon our appeals filed under section 482 of Code of Criminal Procedure, 1973. In some of these cases, non-bailable warrants have been issued against Mr.Prabhu Chawla, Mr.Aroon Purie and others. However, these non-bailable warrants have been stayed by the respective courts. Further, in one case, a bailable warrant has been issued against Mr. Aroon Purie, and the same has also been stayed. In one of these cases, the matter is concluded and written submissions filed, however, the judgement has been reserved. In addition, one person has filed a criminal miscellaneous appeal against Living Media challenging an order passed against him in the subordinate courts.

Fifteen suits for damages have been filed against Living Media in various courts which are pending hearing and final adjudication. The total amount claimed by the plaintiffs is approximately Rs.931 million.

Prasar Bharti (Broadcasting Corporation of India) has served two notices upon Living Media in relation to the programs that Living Media used to broadcast on its channels.

The first notice dated November 20, 2001 relates to outstanding amounts of Rs.15.1 million, with interest at the rate of 18% per annum, in respect of telecast of the programmes '*Aaj Tak*' and '*Subaah Aaj Tak*' on National/Metro network of Doordarshan during the period from September 2000 to December 2000. We have disputed this claim of Prasar Bharti. On April 3, 2003, Prasar Bharti issued a notice for invocation of the arbitration and has claimed Rs.18.5 million, including interest of Rs.5.2 million, as of March 31, 2003. The matter has been referred to arbitration.

'Aaj Tak' was screened on Doordarshan and it had been agreed between Prasar Bharti and World Media that a reasonable fee will be charged for the uplinking / downlinking facilities at its different Kendras (pursuant to an agreement dated February 1, 1997) in respect of the programs "Aaj Tak" and "Saptahik Aaj Tak" on Doordarshan

and its metro channel during the period of February 1995 to March 2001. However, pursuant to a dispute between Doordarshan and World Media on the amount to be charged for the uplinking / downlinking facilities. Prasar Bharti served a notice on Living Media dated March 26, 2001 for a claim of Rs.28.6 million. World Media, through its reply has responded to Prasar Bharti's notice and requested for an arbitration. However, Prasar Bharti has served a further notice on Living Media dated August 3, 2002 for Rs.48.2 million, including interest of Rs.18.6 million at the rate of 18% per annum, as of March 1, 2002. The Company shall dispute this claim under the dispute resolution mechanism laid down under applicable laws. All liabilities that may arise in Living Media's disputes with Prasar Bharti shall be borne by us.

There are nine criminal cases against Mr. Aroon Purie for defamation and other violations in relation to publications of Living Media. In addition, eight suits for damages are pending against Mr. Aroon Purie, and the claims for the same aggregate to approximately Rs. 923 million, which sum is part of the claims against Living Media mentioned hereinabove.

For further details of outstanding litigation against us, our directors, our promoters and companies promoted by our promoters, see "Outstanding Litigations and Material Developments" on page 84 of the Prospectus.

We are substantially dependent on our news channel, Aaj Tak for our revenues.

We derived 100% of our advertisement income from our news channel, *Aaj Tak* during the last three financial years 2001, 2002 and 2003. Such advertisement income constituted approximately 92%, 99% and 99.7% of our revenues during the last three financial years 2001, 2002 and 2003, respectively. For the four month period ended July 31, 2003, 99.6% of our advertisement revenue accrued from our Hindi news channel, *Aaj Tak,* while 0.4% was on account of our English news channel, *Headlines Today.* We anticipate that *Aaj Tak* will continue to account for a substantial portion of our revenues in the foreseeable future. Consequently, our future success, to a large extent, will depend on viewership and continued market leadership of *Aaj Tak*. In the event of change in preferences of viewers and advertisers or other related factors, such as increased competition, may reduce viewership for *Aaj Tak* and this could have an adverse effect on our business, financial condition and results of operations.

We are focussed only on the news broadcasting industry.

Our future success depends on the continued leadership of our channels in the news broadcasting industry and our ability to execute our business strategy and expansion plans within estimated costs and time. There have been substantial changes in recent years, such as regulatory and technological changes, unforeseen news events, increasing competition or other occurrences, which we believe, have led to increased demand for news. If the growth rate of the news broadcasting industry were to slow down, we could experience slower growth in viewership, reduced viewer loyalty, and reduced number of advertisers or viewers relying on alternative source of news, which could have an adverse effect on our business.

Our focus on the news broadcasting industry may limit our ability to offer a complete advertising solution to potential advertisers, which some of our competitors may be able to offer.

As we are presently focussed only on the news broadcasting genre, we cannot assure you of the success of the proposed launch of our niche channels.

These factors may adversely affect our business, financial condition and results of operations.

We face significant competition from existing news channels and potential entrants to the news broadcasting industry.

In a growing news broadcasting industry, our market share in the Hindi news genre in terms of viewership, according TAM viewship data, has declined from approximately 50% in the week ended November 16, 2002 to

approximately 29% in the week ended November 15, 2003, due to the increased competition with launch of new channels in the news broadcasting industry. The Competitors for *Aaj Tak* are *Star News, Zee News, NDTV India, Sahara Samay National* and *DD News*, while *NDTV 24x7, BBC World, CNN* and *CNBC TV-18* provide competition to Headlines Today. Loss of market share and viewership to competitors may adversely affect our profitability. We expect competition could increase with new entrants coming into the news broadcasting industry and existing players consolidating their positions.

A number of new news channels have been launched in 2003 such as NDTV India, Star News, Sahara Samay National, NDTV 24x7 and DD News and they have built market share by both expansion of market and by capturing market from the existing channels, including us. Our competitors may not be focussed on profitable growth as we are, and this could disturb the news broadcasting industry's profitability dynamics. Some of our competitors have access to significantly greater resources and hence the ability to compete more effectively. As a result of competition, we may have to reduce our advertising prices, increase our capital expenditures in order to differentiate ourselves from other news broadcasters and increase our advertising and distribution expenditures, which may adversely affect our business.

Further, *Doordarshan*, controlled by the Government, which is the incumbent news broadcaster, has recently launched a *24 hour* news channel, *DD News*, similar to our existing news channels. Post its recent launch, the market shares of other news broadcasters including us has declined. As per TAM viewership data, our market share has significantly declined from approximately 38% in the Hindi news genre in terms of number of viewers for the week ended October 25, 2003 to approximately 29% for the week ended November 15, 2003, as *DD News* has to be mandatorily carried on the prime band of all cable operators under a direction from the Government and a possible shift in viewer preferences towards watching *DD News*. As per TAM viewership data, our reach has declined from approximately 24.9 million viewers for the week ended October 25, 2003 to approximately 22.7 million viewers for the week ended November 15, 2003. Factors such as changes in viewer preferences, DD News' greater reach due to its terrestrial nature, access to significantly greater resources and changes in advertiser preferences could adversely affect our business.

The Government has recently liberalised regulations for implementation of conditional access system, in a phased manner, and has recently allowed broadcasting through direct-to home-medium. A delay in introduction of such alternative broadcast delivery technologies may adversely affect the growth of our business.

Our promoter, Living Media, has exclusive rights for the content that we produce for deploying in publication, internet or other medium for online delivery.

Living Media, our promoter, has the exclusive right under the business transfer arrangement to use the content available, developed or acquired by us in our business for deploying in publication, internet or other medium for online delivery, without paying us any consideration. This arrangement also allows Living Media to assign and transfer such rights to non-competing third parties. This may adversely affect our revenues and business, as we do not derive any consideration from this arrangement and should deployment in such alternative delivery channels become remunerative.

The brand, Aaj Tak, and the related brands are owned by our promoter, Living Media, and we have an exclusive right to use them in perpetuity.

The trade marks *Aaj Tak* and the other trademarks being used by our news channel *Aaj Tak,* are owned by our promoter, Living Media. Living Media, has entered into a trade mark license agreement giving us the right to use these trademarks in perpetuity and on an exclusive basis without payment of any royalty. As we do not own these trade marks and have the right to use, we will not be in a position to benefit from the sale of these trademarks.

We may not be able to differentiate our news channels to maintain our leadership position.

News being non-proprietary and largely non-exclusive results in the content being similar across news channels

with key differentiating factors being speed, editorial quality and credibility. We cannot assure you that we will be able to adequately differentiate our news channels on a continuous basis, which could adversely affect our viewership or number of loyal viewers and thereby our revenues.

We rely primarily on advertisement income

Our primary source of revenue is advertisement, which is primarily dependent on viewership, loyalty of viewers and being the preferred platform for mass communication. We have over 600 advertisers and the top ten advertisers constituted approximately 19.3% of the total advertising revenue in financial year 2003. Although we may charge a subscription fee in future, when appropriate, we will continue to substantially rely on advertisement revenues. Any change in the advertiser preferences regarding our channels which may arise due to the loss of market share, availability of alternative mass communication medium or any other reason, will adversely affect our business and financial condition.

Our advertisers may terminate contracts, many of which are terminable with little advance notice, before completion or choose not to renew such contracts, due to non-achievement of their advertising objectives, which may adversely affect our revenues. No contracts with advertisers were terminated until October 31, 2003 in the current financial year. Changes in market trends could result in our advertisers demanding price reductions, or change certain terms of the contract, which may adversely impact our revenues. Additionally, non-payment or delay in payment by our advertisers could result in bad debts, thereby adversely affecting our financial position.

We charge fixed annual advertising rate from advertisers, based on our estimates of market position and we substantially book our advertising time inventory in advance. As we are limited by a fixed amount of advertising time, or advertising time inventory, we are unable to leverage any increase in our viewership ratings to charge additional rates, which could restrict our revenues and business.

Technological breakdowns including our information technology based communication systems may disrupt our operations.

We provide news based on state-of-the-art technology and rely on an information technology based communications infrastructure, which links our operations and is critical to our business. As part of our present expansion plans, we propose to set up back-up transmission facilities. We also rely on technology for our internal communications and management information systems. In the case of a technological breakdown, the process of broadcasting news may be adversely affected. It may also disrupt our internal decision-making process by causing loss of data and making it difficult for us to communicate with each other in a timely manner. This may adversely affect our business and operations.

The success of our business is substantially dependent on our management team and their loss could adversely affect our businesses.

We have a strong team of professionals to oversee the operations and growth of our businesses, including our Chairman and Managing Director, Chief Executive Officer and seven key managerial personnel to oversee our business. Our success is substantially dependent on the expertise and services of our management team. The loss of the services of such personnel may have an adverse effect on our business, financial condition and results of operations.

Further, our ability to maintain our leadership position in the news broadcasting industry substantially depends on our ability to attract, train, motivate and retain highly skilled personnel. In financial years 2001, 2002, 2003 and four month period ended July 31, 2003, we experienced employee attrition rates, computed on year-end employee strength, of approximately 10%, 10%, 20% and 9.5%, respectively. Any increase in our attrition rates, would adversely affect our growth plans.

Any inability to manage our rapid growth could disrupt our business.

We have experienced significant growth in recent periods. Our total advertisement revenues increased by 112% in financial year 2003, compared to financial year 2002 and by 367% in financial year 2002 compared to financial year 2001. While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within budget or that we will meet the expectations of the targeted viewers, achieve the planned viewership, increase viewer loyalty or get customers who will advertise on our channels.

We expect our rapid growth pattern to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Larger broadcasting operations will also increase our fixed operating costs, and there can be no assurance that we will experience a sustained increase in revenue or derive operational synergies to offset these higher costs.

Our inability to manage our growth could have a material adverse effect on our business, financial condition and results of operations.

Restriction on foreign investment in our Company limits our ability to raise capital outside India.

According to the prescribed limits under the Foreign Exchange Management Act, 1999 ("FEMA"), and the applicable regulations there under, the Industrial Policy of the Government of India and the Uplinking Guidelines, not more than 26% of our equity capital, as a company in the news broadcasting business, can be held by foreign investors and such investment can only be made in our company through the foreign direct investment ("FDI") route. Further, prior permission shall be required to be sought for any alteration in the foreign shareholding patterns. While calculating the 26% FDI limit, the foreign holding component, if any, in the equity of the Indian shareholder companies of the company will be reckoned on a pro rata basis so as to arrive at the total foreign holding in the company. These regulations also limit our ability to seek and obtain additional equity investments from foreign investors, which may adversely affect our ability to raise capital, value of our then listed equity shares and expansion of our business.

We had made an application to the Ministry of Information & Broadcasting, Government of India (MIB) under the Uplinking Guidelines and the FIPB for allotting shares to foreign investors through the Issue. The MIB in its reply vide its letter dated November 17, 2003, has given permission to change the foreign shareholding pattern through the Issue conditional upon foreign investment being received to the extent of 26% through the FDI route. Other forms of foreign investment have not been allowed and MIB has restated certain conditions of the Uplinking Guidelines being applicable to the Issue. In keeping with the conditions mentioned in the abovementioned approval, we shall not be offering shares in the IPO to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India.

However, we have made a representation to the MIB for reconsideration of the policy relating to investment by FIIs and NRIs. However, as no formal communication has been received from the MIB in reply to our representation and in keeping with the MIB approval, we are not offering shares under this Issue to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India. For details see "Issue Procedure - Who can Bid" on page 135 of the Prospectus. These conditions could adversely affect the value of our Equity Shares traded on the stock exchanges by restricting the ability of foreign investors, to invest and trade in our Equity Shares.

We have not placed orders or entered into agreements for substantial portions of our planned investments from the net proceeds of the Fresh Issue.

We have not yet entered into service or purchase agreements for a substantial portion of our planned expansion and upgradations, which we currently propose to fund by the net proceeds of the Fresh Issue. We have estimated

our total fund requirement and its deployment towards the project is at our discretion and is not subject to monitoring by any independent agency. Any increase in prices of these equipments may adversely affect our estimates of the project cost.

Some of the equipment that we intend to deploy is expected to be imported and must be paid for in foreign currency. We estimate that 39% of the payment for proposed capital expenditure may be made in foreign currency. Import of our equipment is subject to Government regulations and approvals and foreign exchange credit availability. A delay in obtaining required approvals, changes in foreign exchange rates adversely affecting the value of the Rupee or the inability to obtain technology locally could lead to a delay in the supply of necessary equipment and exchange rate fluctuations may affect our import cost, which may adversely impact our operations and project cost.

We may be required to obtain additional Government approvals for expanding our operations.

We require government approvals and licenses including uplinking permission for the channels, frequency assignments, establishment of wireless stations, use of flyaway terminals and use of outdoor broadcasting vans, for executing our expansion plans.

We are awaiting certain operational approvals for deployment of the KU band digital signal news gathering vans.

Although in the past we have had no problem in obtaining these approvals, and while we will continue to apply for certain of these approvals pursuant to our expansion plans, these approvals may not be available to us in time and/ or on favourable term and conditions, which may result in time delays and cost overruns, which could adversely affect our business.

Any future equity offerings by us or our existing shareholders, or the issue of options under an employee stock option plan, may lead to dilution of your shareholding in us or affect the market price of our equity shares.

As a purchaser of equity shares in this Issue, you may experience dilution in your shareholding to the extent that we make future equity offerings or issue stock options under any employee stock option plan. Further, sale of our equity shares by our existing shareholders could impact the market price of our equity shares.

We may face defamation charges for inadvertent errors in reporting.

While presenting news as it happens, we at times, rely on secondary sources for newsgathering. Although we take prudent care to verify the source and correctness of information, our news may have certain inadvertent errors because of incorrect or non-factual information given by these secondary sources. This may expose us to litigations or defamation charges, which could adversely affect our goodwill and business.

Contingent Liabilities, Guarantees and Capital Commitments

According to the audited financial statements as of July 31, 2003, estimated amount of contracts remaining to be executed on capital account, net of advances, which were not provided for was Rs.23 million and outstanding guarantees furnished to banks and financial institutions amounted to Rs.26 million.

Valuation Methodology and Accounting Practice in media business

There are no standard valuation methodology or accounting practices in the emerging internet/ media and related industries. Our financials are not comparable with the players in the industry.

The valuations in the media industry are presently high and may not be sustained in future and may also not be reflective of the future valuations of the industry.

Our Promoters have promoted certain loss making companies

Certain ventures of our Promoters are loss making during the last three years. These are not expected to have any negative impact on our business. For details, see "Our Promoter" on page 52 of this Prospectus.

There was a decrease in cash and bank balances during four month period ending July 31, 2003

Our cash and bank balances were Rs.26.7 million, Rs.285.5 million and Rs.12.4 million, at the end of financial years 2002, 2003 and the four month period ending July 31, 2003. The reduction in cash and bank balances during the four month period ending July 31, 2003 was on account of pre-payment of the outstanding term loans. For details, see "Financial Statements - Balance Sheet" on page 96 of this Prospectus.

We have issued equity shares in the past 12 months at a price lower than the price band for this Issue.

We issued 800,000 Equity Shares of Rs. 10 each (1,600,000 equity shares of Rs. 5 each post-split) at a price of Rs.52.50 on a post-split basis on January 24, 2003 to G. E. Capital Mauritius.

Related Party Transactions

There were transactions aggregating Rs. 24.88 million, Rs. 59.65 million, Rs. 60.13 million and Rs. 586.41 million with related parties during the four month period ended July 31, 2003, financial years 2003, 2002 and 2001, respectively. For details see "Financial Statements - Related Party Transactions" on page 101 of the Prospectus.

External Risk Factors

Our business is subject to extensive regulation by the Government, which could have an adverse effect on our business.

The Indian news broadcasting industry is subject to significant Government regulation. The Government's recently notified regulations governing companies uplinking news and current affairs from India stipulate a number of equity ownership and control restrictions. These licenses also require prior approval of the Ministry of Information Broadcasting on management and operational matters, including appointment of Board of Directors, Chief Executive Officer, shareholding of the promoter and foreign shareholding. Our licenses to uplink news from India reserve broad discretion to the Government to influence the conduct of our businesses by giving it the right to modify, at any time, the terms and conditions of our licenses and take over our news channels or terminate or suspend our licenses in the interests of national security or in the event of a national emergency, war or similar situation. Under our licenses, the Government may also impose certain penalties including suspension, revocation or termination of a license or suspension of a license, in the event of default by us.

We need to seek approvals from regulatory bodies, such as the Ministry of Information Broadcasting and other regulatory authorities for conducting our business. Our business might suffer in case there are adverse changes to the regulatory environment. These could include new regulations that we are unable to comply with or new regulations that allow our competitors an advantage. Changes in the regulatory structure may thus adversely affect our business.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

The broadcasting industry is subject to rapid and significant changes in technology. Although we strive to keep our technology in accordance with the latest international technological standards, the technology currently employed by us may become obsolete or subject to new technologies. The cost of implementing new technology could be significant and could adversely affect our business and financial condition. In addition, our ability to respond to technological changes, may depend upon our ability to obtain additional financing, which we may not be able to

obtain or may obtain on terms which may not be favourable to us.

We rely on the co-operation of cable operators and multi-system operators, which may adversely affect our business.

We have a large penetration amongst cable and satellite homes primarily due to our strong distribution and co-operation of multi-system operators, cable operators and last-mile operators. In case of any dispute with either party or in case we are not able to offer them favourable terms in any dealings with them, we might lose the advantage we have over other channels in this regard. A loss in penetration would directly affect our viewership, and thus our market share, which may adversely affect our profitability.

Technical failures and natural disasters can damage our existing set up.

Our uplinking and other infrastructure used in the process of broadcasting news, is vulnerable to technological failures and also to natural disasters such as earthquakes and floods. We maintain insurance for our assets which covers them against burglary, special contingency, or all risk, depending upon the asset. We do not maintain business interruption insurance to protect us from technological failures or from any other factors that could result in disruption of our business operations. While we do have insurance for replacement of most of our existing infrastructure, the disruption our services, due to damage of this equipment, would lead to loss of revenues and since we have no insurance against this loss of revenue, our business may be adversely affected.

Notes:

- Public issue of 14,500,000 equity shares comprising fresh issue of 10,000,000 equity shares of Rs.5 each at a price of Rs.95 for cash aggregating Rs.950.0 million and offer for sale of 4,500,000 equity shares of Rs.5 each at a price of Rs.95 for cash aggregating Rs.427.5 million.
- Investors are advised to refer to the paragraph on “Basis of Issue Price” on page 147 of this Prospectus.
- Investors may note that in case of over-subscription in the Issue, allotment shall be on proportionate basis to Retail Bidders and Non-Institutional Bidders. Please refer to the paragraph on “Basis of Allotment” on page 154 of this Prospectus.
- The average cost of acquisition of Equity Shares by Living Media India, our Promoter is Rs.5 per Equity Share, and the book value per Equity Share of face value of Rs. 5 each, as of July 31, 2003 was approximately Rs.17.4. The net worth of the Company as of July 31, 2003 was Rs.835.2 million.
- Investors are free to contact the BRLM for any clarification or information, who will be obliged to attend to the same.
- Outstanding loans and related party transactions for the last three years are on page 101 of this Prospectus.

SUMMARY

You should read the following summary with the Risk Factors included from page numbers (i) to (viii) and the more detailed information about us and our financial statements included in this Prospectus.

Indian Television Broadcasting Industry

India has emerged as the third-largest cable television viewing nation in the world after China and United States, with approximately 41 million cable and television households, at the end of 2002, according to the FICCI KPMG Report. The growth of television channels and viewership has resulted in television achieving the highest reach amongst the various primary media delivery channels including press, radio, cinema and internet.

The primary sources of revenues for the television broadcasting industry are advertising and subscription fees. According to the FICCI KPMG Report, in 2002, the television broadcasting industry's advertising revenue was approximately Rs.35,000 million and the subscription revenue of television broadcasters was approximately Rs.8,000 million.

According to the FICCI KPMG report, the estimated growth of the Indian television broadcasting industry will be:

- Cable and satellite households will grow to approximately 64 million by 2007;
- Advertising revenues of the Indian television broadcasting industry to grow to Rs.55,000 million by 2007;
- Subscription revenues of the Indian television broadcasting industry to grow to Rs.72,000 million by 2007; and
- The overall revenue of television broadcasters to register a compuonded annual growth rate of approximately 24% from Rs.48,000 million in 2002 to Rs.139,000 million by the end of 2007.

India has witnessed significant and rapid changes in its economy, politics and external relations, resulting in a significant flow of news that appeals to a wide and diverse base of viewers. The average time spent viewing news on television has increased from approximately three minutes a day in calendar 2001 to approximately six minutes a day in calendar 2003, until August 2, 2003.

News channels are adopting diverse strategies for presenting and packaging news, which is allowing channels to target a wider viewership base by presenting attractively packaged programmes that involves viewers.

The high absolute number of viewership built by news channels offers an attractive platform for advertisers to build reach at cost effective advertising rates, target a higher proportion of viewership among the SEC A and SEC B households, target audiences with higher involvement and generate high frequency visibility for the advertisers across various time-bands. The news broadcasting genre has, as a result, witnessed a rapid growth in the number of advertisers and brands.

Our Business

We are the leading news broadcaster of India, based on number of viewers for the week ended November 15, 2003. We have changed the way news is delivered to Indian audiences and have continuously innovated to retain and increase our viewership. With viewership of approximately 22.7 million viewers, as per TAM viewership data for week ended November 15, 2003, we have effectively created a unique platform of a large and loyal audience for the advertisers to reach their target group.

We believe that our leadership position is on account of our superior understanding of the audience preferences based on our management's experience in the news business, since the launch of *Newstrack,* in 1988. The key milestones achieved since 1988 have been elaborated in the section "Our History" on page 43 of the Prospectus. Our consistent leadership position, we believe, in terms of number of viewers for the period May 2001 to November 15, 2003, is due to our editorial excellence, independent distribution and sales capabilities, customized state-of-the-art technology and a motivated team of well-qualified professionals.

We are the first Indian broadcaster to uplink from India, a 24 hour Hindi news channel, *Aaj Tak* in December 2000, followed by the launch of *Headlines Today* in March 2003.

- *Aaj Tak* delivers news in Hindi, reaching out to the large Hindi user segment constituting approximately 52% of India's urban population as per NRS 2002. The Indian Television Academy awarded *Aaj Tak* the "*Best News Channel"* for three consecutive years 2001, 2002 and 2003 and the channel was awarded the "TV News Channel of the Year" during Indian Telly Awards 2002 and 2003. *Aaj Tak* is the market leader in the news broadcasting genre with approximately 29% market share in the Hindi news genre as per TAM viewership data for week ending November 15, 2003, and has been the market leader since May 2001, as per TAM viewership data.
- Our English news channel, *Headlines Today*, primarily targets young urban viewers, who need sharp and crisp delivery of news. Our market share was approximately 9% amongst English news channels, according to TAM viewership data for the week ending November 15, 2003.

We intend to maintain our leadership position by investing in infrastructure, technology and people to cater to the fast growing needs of viewers and advertisers. We will consolidate our market leadership by capitalising on the growth opportunities, that we believe exist, in the Indian broadcasting industry such as niche channels, adopting the subscription revenue model, and international distribution of our channels.

For the financial year 2003 and the four month period ended July 31, 2003, our operating revenues were approximately Rs.1084.9 million and Rs.367.9 million, respectively, EBITDA was approximately Rs.543.6 million and Rs.172.8 million, respectively, and our net profit was approximately Rs.259.3 million and Rs.82.0 million, respectively.

Factors behind our success

We attribute our success to our following key competitive strengths, which we believe will enable us to maintain and enhance our leadership position:

- Superior understanding of audience preferences with extensive reach across regions and socio-economic classifications as well as loyal viewership enjoyed by us;
- Strong recognition for our brand name, *Aaj Tak;*
- Our editorial excellence with focus on news broadcasting and commitment towards a strong editorial team and process;
- Independent network distribution resulting in high connectivity for our news channels;
- Competent and established advertising sales team;
- Customised state-of-the-art technology ensuring efficiency, cost effectiveness and quality of news gathering and news broadcasting; and
- Motivated team of well qualified professionals with a strong management team with a proven ability to successfully plan and execute our business strategy.

Awards and Recognitions

Our strong position in the Indian news broadcasting market has won us various awards and recognitions, including:

- *Aaj Tak* received the "Best News Channel Award" from Indian Television Academy Awards in 2001, 2002 and 2003;
- *Aaj Tak* was awarded the "TV News Channel of the Year" during Indian Telly Awards 2002 and 2003;
- Only media brand to be included in the Brand Derby study by *Business Standard,* 2002;
- *Aaj Tak* was rated as "India's #1 News Channel in terms of brand recall, credibility and lead time" in June 2003 by Exchange4media.com - NFO MBL television News Watch; and
- *Aaj Tak* has been rated as one of the most successful brand launches during the past seven years, in the Brand Derby in the study conducted by *Business Standard,* September 2003.

Business Strategy

We believe that we are well positioned to expand in the fast growing news broadcasting industry which is well positioned to achieve further growth as a result of increasing penetration, viewer preference to continuously stay informed and the growing number of advertisers in the news broadcasting genre. Our strategic objective is to further consolidate our leadership position in the news broadcasting genre by adopting the following business strategies:

- Increase viewership by upgrading our studios and bureaus, investing in state-of-the-art technology and software, creatively innovate to differentiate ourselves from competition to increase viewer loyalty, launching niche channels and distributing our news channels to Indians abroad;
- Capture an increasing share of advertising revenue potential by introducing innovations and incentives in our annual rate card, focus on offering sponsorships of our programs, offering differentiated programming mix at the weekends and expanding time bands and increasing inventory utilization;
- Significantly increase the inventory utilization on *Headlines Today;*
- Charge subscription revenue, when appropriate; and
- Managing growth while optimizing cost.

THE ISSUE

Equity Shares offered:

Fresh Issue by the Company	10,000,000 Equity Shares
Offer for Sale by Selling Shareholders	4,500,000 Equity Shares
Total Equity Shares	14,500,000 Equity Shares

of which:

Qualified Institutional Buyers portion	upto 7,250,000 Equity Shares (allocation on a discretionary basis)
Non-Institutional portion	minimum of 3,625,000 Equity Shares (allocation on a proportionate basis)
Retail portion	minimum of 3,625,000 Equity Shares (allocation on a proportionate basis)

Under-subscription, if any, in any of the three categories would be allowed to be met with spill-over from the other categories, at the sole discretion of the Company, BRLM and Co-BRLMs.

Equity Shares outstanding prior to the Issue	48,000,000 Equity Shares
Equity Shares outstanding after the Issue	58,000,000 Equity Shares
Use of proceeds.....	We intend to use the net proceeds of the Fresh Issue for enhancing the existing infrastructure of our existing news channels, deploying state-of-the-art technology and equipments and create infrastructure to exploit subscription revenues. Please see section entitled "Objects of the Issue" on page 19 of this Prospectus for additional information.

Corporate Information

TV Today was incorporated on December 28, 1999 as a public limited company and obtained certificate of Commencement of Business on February 7, 2000 under the Companies Act. Our principal corporate and registered office is located at Videocon Tower, E-1, Jhandewalan Extension, New Delhi 110 055, India. Our telephone number is +91-11- 2368.4888.

SUMMARY FINANCIAL DATA

You should read the following summary financial data, which have been prepared in accordance with Indian GAAP, in conjunction with our audited financial statements for each of financial years 2001, 2002 and 2003 and the four month period ended July 31, 2003, including the notes thereto and the reports thereon, which appear elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations". These financial statements are prepared in accordance with Indian GAAP, which differs in certain significant respects from US GAAP. For more information on these differences, see "Summary of Significant Differences Between Indian GAAP, IAS and US GAAP" included elsewhere in this Prospectus.

(in Rs.Million)

Particulars	March 31, 2001	March 31, 2002	March 31, 2003	July 31, 2003
Income				
Revenue	118.18	516.53	1,084.93	367.85
Other income	0.64	0.39	8.92	3.28
Total Income	**118.82**	**516.92**	**1,093.85**	**371.13**
Total Expenditure	**230.38**	**366.03**	**550.28**	**198.29**
Profit/(Loss) EBITDA	**(111.56)**	**150.89**	**543.57**	**172.84**
Interest & Financial Charges	15.34	49.77	45.98	11.23
Amortisation:				
Preliminary Expenses written off	0.18	0.18	0.18	0.06
Deferred Revenue Expenditure charged off	1.06	4.24	4.24	2.38
Profit/(Loss) before Depreciation and Tax	(128.14)	96.70	493.17	159.17
Depreciation	22.60	68.79	76.85	32.00
Net Profit/(Loss) before Tax	**(150.74)**	**27.91**	**416.32**	**127.17**
Current Tax	—	0.42	44.00	39.26
Deferred Tax	—	—	113.02	5.95
Net Profit/(Loss) as per audited Statement of Account (A)	**(150.74)**	**27.49**	**259.30**	**81.96**
Adjustment on account of changes in accounting policies	55.12	(10.29)	—	—
Impact of prior period items	(0.80)	(3.51)	4.30	—
Adjusted Profit/(Loss)	**(96.42)**	**13.69**	**263.60**	**81.96**
APPLICATION OF FUNDS				
Total Fixed Assets	570.93	561.55	688.63	747.35
Net Current Assets	(45.76)	146.85	489.22	161.95
Miscellaneous Expenditure (to the extent not written off or adjusted)	20.85	16.43	26.51	24.07
TOTAL ASSETS	**546.02**	**724.83**	**1,204.36**	**933.37**
SOURCES OF FUNDS				
Share Capital	208.00	232.00	240.00	240.00
Securities Premium	122.00	280.40	356.40	356.40
Reserves and Surplus	(96.42)	(82.73)	180.87	262.83
Deferred Tax Liability/(Asset)	(55.12)	(44.83)	68.19	74.14
Loan Funds	367.56	339.99	358.90	—
TOTAL LIABILITIES	**546.02**	**724.83**	**1,204.36**	**933.37**

				(in Rs.Million)
	March 31, 2001	**March 31, 2002**	**March 31, 2003**	**July 31, 2003**
Cash flow data				
Net cash provided / (used) by/ in operating activities	(60.01)	(43.53)	411.55	193.87
Net cash provided / (used) by/ in investing activities	(622,41)	(57.47)	(482,05)	190.89
Net cash provided/ (used) by/ in financing activities	692.22	103,02	65,38	(379.05)
Net increase/ (decrease) in cash and cash equivalents	9.80	2.02	(5.12)	5.71

GENERAL INFORMATION

Authority for the Issue

The Fresh Issue of 10,000,000 Equity Shares has been authorised by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at the annual general meeting of our shareholders held on September 30, 2003. Living Media, Bharti Systel and Anika International have confirmed their interest to Offer for Sale 1,700,000, 2,400,000 and 400,000 Equity Shares, respectively, as part of this Issue through their board resolutions dated October 6, 2003, October 14, 2003 and October 14, 2003, respectively. The Issue, comprising of the Fresh Issue and the Offer for Sale, have been authorised pursuant to a resolution of the Board of Directors adopted on October 18, 2003. ICICI Trusteeship, Bharti Systel and GE Capital Mauritius have vide their respective letter dated October 14, 2003, October 15, 2003 and October 17, 2003, respectively, given their consent under their respective investment or subscription agreements authorising the Board of Directors to take all necessary actions for the Issue.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI. None of the directors or persons in control of our promoters, Living Media and World Media, have been prohibited from accessing the capital market under any order or direction passed by SEBI.

Eligibility for the Issue

The Company is eligible for the Issue according to Clause 2.2.1 of the SEBI (Disclosure & Investor Protection) Guidelines, 2000, which states the following:

- The Company has net tangible assets of atleast Rs.30 million in each of the preceding three full years (of 12 months each) of which not more than 50% is held in monetary assets.

  If more than 50% of the net tangible assets are held in monetary assets, the Company has made firm commitments to deploy such excess monetary assets in its business or projects;
- The Company has a track record of distributable profits as per Section 205 of Companies Act, for at least three out of immediately preceding five years.

  For calculating distributable profits in terms of Section 205 of Companies Act, 1956 extra-ordinary items shall not be considered;
- The Company has a net worth of atleast Rs.10 million in each of the preceding three full years of 12 months each;
- In case the Company has changed its name within the last one year, atleast 50% of the revenues for the preceding one full year is earned by the Company from the activity suggested by the new name; and
- The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of size does not exceed five times the pre-Issue net worth, as per the audited balance sheet of the last financial year.

The financial parameters of "TV Today Division" of Living Media for the financial year 1999 and 2000 have been considered for calculation of the eligibility norms under Clause 2.2.1 of the SEBI Guidelines in due compliance with Clause 2.2.2 B (iv) of the SEBI Guidelines.

Financial Year ended March 31 (Rs. million)

IPO Eligibility Criterion	TV Today Division		TV Today Network Limited		
	1999	2000	2001	2002	2003
Distributable Profits, as per Section205	52.31[1]	31.52[1]	(150.75)[2]	4.89[2]	259.29[2]
Net Tangible Assets[3]	N.A.	N.A.	604.23	792.87	1,352.83
Cash and Bank Balances	N.A.	N.A.	19.93	26.67	285.54
Networth[4]	N.A.	N.A.	212.73	413.24	750.76

(1) Distributable profits pertain to the Division "TV Today Division" of Living Media. As per the certificate dated November 13, 2003 of Price Waterhouse, provisions of Section 205 of the Companies Act, 1956 are not applicable to an accounts of a Division. The above statement is an arithmetical calculation of profits of the Division as per the audited accounts of the Division in the manner laid out in Section 205 of the Companies Act, 1956. The above distributable profits calculated as per Section 205 of the Companies Act, 1956 are subject to the following non-adjustments:

- Current income tax expenditure in the financial statements has been calculated as if the Division is a separate taxable entity even though it was only a division of the Company which was a single taxable entity.

- No separate accounts were maintained for the Division for the period February 1994 to March 1994 as in the opinion of the Company the level and volume of operations of the Division were for that period not significant and consequently did not have a material impact on the summary financial statements of the Division.
- Income tax demands raised against the Company, not accepted by them outstanding as at date have not been allocated to the Division in respect of amounts if any, that may relate to the operations of the Division, which in the opinion of the Company are not expected to be material.
- The above distributable profits calculated as per Section 205 of the Companies Act, 1956 are subject to the transfer to reserves of such percentage of profits as prescribed u/s 205 (2A) and rules made there in.

(2) As per the certificate dated November 13, 2003 of Price Waterhouse. The above distributable profits as per Section 205 of the Companies Act, 1956 have been calculated from the audited financial statements of the respective years audited as per provisions of Section 227 of the Companies Act, 1956. The above distributable profits calculated as per Section 205 of the Companies Act, 1956 are subject to the transfer to reserves of such percentage of profits as prescribed u/s 205(2A) and rules made there in.

(3) Net Tangible Assets of the Company have been computed on the basis of adjusted summary of assets and liabilities of the respective years drawn after considering the impact of accounting policy changes and material adjustments/prior period items pertaining to earlier years.

(4) Networth includes equity share capital and reserves and surplus less miscellaneous expenditure not written off.

(5) Under the business transfer agreement, Living Media transferred its TV Today division to TV Today Network Limited with effect from April 1, 2000. For details see "Our History". As TV Today Network Limited was incorporated on December 28, 1999 and it had operations only in financial year 2001, no Profit & Loss Account was prepared for the period December 28, 1999 to March 31, 2000 and accordingly the figures for financial year 2000 are not included above

Disclaimer Clause

AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, JM MORGAN STANLEY PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURES AND INVESTOR PROTECTION AS FOR THE TIME BEING IN FORCE. 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 RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, JM MORGAN STANLEY PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 28, 2003 AND DECEMBER 5, 2003 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 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 MATERIALS IN CONNECTION WITH THE FINALISATION OF THE 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, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

   WE CONFIRM THAT:

   (A) THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE 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.
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**
4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS."**

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE HAS BEEN COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE HAS BEEN COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56,

SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

Caution

The Company and the BRLM and Co-BRLMs accepts no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM and Co-BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding and the Underwriting Agreement entered into between the Company and the Underwriters.

All information shall be made available by the BRLM, Co-BRLMs and the Company 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 etc.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, 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). This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the exclusive jurisdiction of appropriate court(s) in Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted to the SEBI. 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 no change in the affairs of TV Today since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of the Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter number NSE/LIST/56516 dated November 21, 2003, granted permission to the Issuer to use the Exchange's name in this Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed subject to the Issuer fulfilling the various criteria for listing including the one related to paid-up capital and market capitalisation (i.e. the paid-up capital shall not be less than Rs.100 million and market capitalisation shall not be less that Rs.250 million at the time of listing). The Exchange has scrutinized the Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of The Stock Exchange, Mumbai

The Stock Exchange, Mumbai ("the Exchange") has given vide its letter dated November 18, 2003 permission to this Company to use the Exchange's name in this Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

i) warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or

ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii) 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 Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

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 for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act has been delivered for registration with RoC. A copy of the Red Herring Prospectus/ Prospectus has been filed with SEBI at Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 021.

Listing

Applications were made to The Stock Exchange, Mumbai and National Stock Exchange of India Limited for permission to deal in and for an official quotation of the Equity Shares of the Company. The relevant in-principle approvals have been granted by The Stock Exchange, Mumbai and National Stock Exchange of India Limited through their letters dated November 18, 2003 and November 21, 2003, respectively.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it (i.e. from the date of refusal or within 70 days from the date of Issue Closing Date, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from expiry of eight days, will be jointly and severally 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.

The Company together with the assistance of the BRLM and Co-BRLMs, shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation and adoption 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 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Fresh Issue amount including devolvement of the Syndicate, if any, within 60 days from the Bid Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest @ 15% per annum. If there is any delay in refund of amount collected, the Company and the Directors, shall be jointly and severely liable to refund the amount due by away of interest @15% per annum for the delayed period beyond 68 days for the date of closing of the Issue.

If the number of allottees in the proposed Issue is less than 1,000, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after the Company becomes liable to pay the amount, the Company shall pay interest at the rate of 15% per annum for the delayed period.

The Minimum Subscription clause is not applicable with respect to Offer for Sale under this Issue.

Withdrawal of the Issue

The Company, in consultation with the BRLM and Co-BRLMs, reserves the right not to proceed with the Issue anytime after the bidding, without assigning any reason thereof.

Letters of Allotment or Refund Orders

The Company shall dispatch allotment advice, refund orders and give benefit to the Beneficiary Account with Depository Participants and submit the allotment and listing documents to the Stock Exchanges within two working days of finalisation of the basis of allotment/transfer of Equity Shares. The Company shall dispatch 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 risk.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days from the Issue Closing Date;
- It would dispatch refund orders within 15 days from the Issue Closing Date; and
- It shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The 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 a bank appointed by the Company as a refund banker 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.

Issue Programme

Issue Period

ISSUE OPENED ON	**:**	**THURSDAY DECEMBER 18, 2003**
ISSUE CLOSED ON	**:**	**SATURDAY DECEMBER 27, 2003**

Bids and any revision in bids shall be accepted **only between 10 a.m. and 3 p.m.** (India Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form.

Book Running Lead Manager

JM MORGAN STANLEY PRIVATE LIMITED
141, Maker Chambers III
Nariman Point
Mumbai 400 021.
Tel. No.: +91 -22- 5630 3030
Fax. No.: +91 -22- 5630 1694
E-mail: tvtoday.ipo@jmmorganstanley.com

Co-Book Running Lead Managers

KOTAK MAHINDRA CAPITAL COMPANY LIMITED
3rd Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021.
Tel. No.: +91 -22- 5634 1100
Fax. No.: +91 -22- 2284 0492
E-mail: tvtoday.ipo@kotak.com

ICICI SECURITIES LIMITED
41/44, Minoo Desai Marg,
Colaba, Mumbai 400 005.
Tel. No.: +91 -22- 2288 2460
Fax. No.: +91 -22- 2283 7045
E-mail: tvtoday.ipo@isecltd.com

Syndicate Members

KOTAK SECURITIES LIMITED
1st Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021.
Tel. No.: +91 -22- 5634 1100
Fax. No.: +91 -22- 2284 0492

ICICI BROKERAGE SERVICES LIMITED
41/44, Minoo Desai Marg,
Colaba, Mumbai 400 005.
Tel. No.: +91 -22- 2288 2460
Fax. No.: +91 -22- 2283 7045

Inter-se allocation of responsibilities

Book Running Lead Manager ("BRLM") to the Issue

JM Morgan Stanley Private Limited ("JMMS")

Co-Book Running Lead Managers ("Co-BRLM") to the Issue

Kotak Mahindra Capital Company Limited ("KMCC")
ICICI Securities Limited ("I-Sec")

S.No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of Instruments etc.	JMMS	JMMS
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc.	JMMS	JMMS
3.	Drafting and Design of Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, Registrar of Companies and SEBI.	JMMS	JMMS
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	JMMS	JMMS
5.	Selection of various agencies, connected with the Issue, including Registrar, Printers, Advertising Agency, Bankers to the Issue etc.	JMMS KMCC	JMMS
6.	▪ Company positioning ▪ Pre-marketing exercise	JMMS KMCC I-Sec	JMMS
7.	Formulate the Marketing Strategy to tap respective investor categories including ▪ Domestic and Foreign Institutional Investors ▪ Retail Investors	JMMS KMCC I-Sec JMMS I-Sec KMCC	JMMS KMCC

S.No.	Activities	Responsibility	Co-ordinator
	▪ HNIs, Domestic Corporates, etc.	JMMS KMCC I-Sec	JMMS
8.	Marketing of the issue, which will cover *inter alia,* ▪ Formulate marketing strategy ▪ Preparation of publicity budget ▪ Finalise Media and PR strategy ▪ Finalising centers for holding conferences for brokers, press, etc. ▪ Follow-up on distribution of publicity and issue material including form, prospectus and deciding on the quantum of the issue material.	JMMS KMCC	JMMS
9.	Running the Book, Deciding pricing and Finalising institutional allocation of shares, in consultation with the Company/ Selling shareholders; Intimation of allocation	JMMS KMCC I-Sec	JMMS
10.	Finalization of Prospectus and RoC Filing etc.	JMMS	JMMS
11.	The post bidding activities including, Management of escrow accounts, Co-ordinate non-institutional allocation, intimation of allocation, Dispatch of refund to bidders etc.	KMCC JMMS	KMCC
12.	The post issue activities for the Issue will involve essential follow up steps, which include the finalization of listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as the Registrars to the Issue, bankers to the Issue and the bank handling refund business. Even if many of these activities will be handled by other intermediaries, the designated BRLM / Co-BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	KMCC JMMS	KMCC

Registrar to the Issue

MCS Limited
'Sri Padmavathi Bhavan'
Plot No. 93, Road No. 16
M.I.D.C. Area , Andheri (East)
Mumbai 400 093
Tel no.: 91-22-2820 1785; Fax no.: 91-22-2820 1783
Email: tvtodayipo@mcs.com

Registered Office :
'Sri Venkatesh Bhavan',
Plot No. 27, Road No. 11,
M.I.D.C. Area , Andheri (East),
Mumbai – 400 093

Legal Advisors

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Advocates & Solicitors
Amarchand Towers, 216, Okhla Industrial Estate,
Phase III, New Delhi 110020
Tel: +91-26920500, 51590700
Fax: +91-11-26924900

Auditors

Price Waterhouse
P-1 Aditya Vihar, Saidulajab
Mehrauli Badarpur Road
Opposite D-Block, Saket
New Delhi 110 030.
Tel: +91-11- 2652 3760
Fax: +91-11- 2686 4391

Bankers to the Issue and Escrow Collection Bankers

ICICI Bank Limited
Capital Market Division,
30 Mumbai Samachar Marg,
Fort, Mumbai 400 001, India
Tel. : (91 22) 2265 5285/ 2265 5206
Fax. : (91 22) 2261 1138

HDFC Bank Limited
Hindustan Times House,
6th Floor, 18-20 K.G.Marg,
New Delhi 110 001, India
Tel. : (91 22) 2373 1212, 2373 1919
Fax. : (91 22) 2335 9601

Kotak Mahindra Bank Limited
UGF-1-11, Upper Ground Floor,
Ambadeep, 14 Kasturba Gandhi Marg,
New Delhi 110 001, India
Tel. : (91 22) 5179 0000
Fax. : (91 22) 2335 1803

Standard Chartered Bank
H-2, Connaught Circus,
New Delhi 110 001, India
Tel. : (91 22) 2340 6432/ 2340 6438/ 2340 6803
Fax. : (91 22) 2340 6439

IDBI Bank Ltd.
11th Floor, Surya Kiran Building H-2, Connaught Circus,
New Delhi 110 001, India
Tel. : (91 22) 2340 6432/ 2340 6438/ 2340 6803
Fax. : (91 22) 2340 6439

Bankers to the Company

Canara Bank
F-19, Connaught Circus
New Delhi – 110 001, India
Tel. : (91 11) 2331 6569
Fax. : (91 11) 2331 2114

ICICI Bank Ltd.
ICICI Bank Tower, NBCC Place, Bisham Pitamah Marg,
Pragati Vihar, New Delhi – 110 003, India
Tel. : (91 11) 2439 000
Fax. : (91 11) 2439 0070

IDBI Bank Ltd.
11th Floor, Surya Kiran Building H-2, Connaught Circus,
New Delhi 110 001, India
Tel. : (91 22) 2340 6432/ 2340 6438/ 2340 6803
Fax. : (91 22) 2340 6439

Compliance Officer and Company Secretary

Mr. Manish Nayyar
T.V. Today Network Limited
Videocon Tower, E-1 Jhandewalan Extension
New Delhi 110 055
Phone: (91-11) 2368.4878
Fax: (91-11) 2368.4897
E-mail : manish.nayyar@aajtak.com
Residential address:
C - 159, Vikas Puri,
New Delhi 110 008

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, share certificates, refund orders, etc.

Credit Rating

As the Issue is of Equity Shares, a credit rating is not required.

Trustees

As the Issue is of Equity Shares, the appointment of Trustees is not required.

Book Building Process

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

(1) The Company;
(2) Book Running Lead Manager;
(3) Co-Book Running Lead Managers;
(4) Syndicate Members are appointed by the BRLM and Co-BRLMs.

SEBI, through its guidelines has permitted an issuer proposing to offer securities to the public to have an option to offer 100% of the Issue

through the Book Building Process, wherein upto 50% of the Issue shall be allocated on a discretionary basis to QIBs. Further, not less than 25% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 25% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders (including HUFs), whose maximum Bid amount is not more than Rs. 50,000, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any of the categories, will be met with spill over from the other categories. The Company will comply with these guidelines for this Issue. In this regard, the Company has appointed JM Morgan Stanley Private Limited as the BRLM to the Issue to procure subscription to the Issue.

The process of book building, under SEBI guidelines, is relatively new and the investors are advised to make their own judgement about investment through this process prior to making a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

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

Underwriting Agreement

After the determination of the Issue Price and prior to filing of the Prospectus with RoC, the Company has entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM and Co-BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

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

Name and Address of the Underwriters	Number of Equity Shares Underwritten	Amount Underwritten (Rs. million)
JM Morgan Stanley Private Limited 141, Maker Chambers III, Nariman Point, Mumbai 400 021	7,250,000	688.75
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021	5,074,900	482.12
ICICI Securities Limited 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005	2,174,900	206.62
Kotak Securities Limited 1st Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021	100	0.01
ICICI Brokerage Services Limited 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005	100	0.01

The above underwriting agreement is dated December 30, 2003.

In the opinion of the Board of Directors (based on a certificate given to it by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above tables the BRLM, Co-BRLMs and the Syndicate Members shall be responsible for ensuring the payment of the amount allocated to investors procured by them. In the event of any default in payment the respective underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to the extent of the defaulted amount. Allocation to QIBs is discretionary as per the terms of the Prospectus and may not be proportionate in any way and the patterns of allocation to the QIBs could be different for the various Underwriters.

CAPITAL STRUCTURE

in Rs.

(As of September 30, 2003)		Face value	Aggregate value
SHARE CAPITAL			
A. Authorised Capital [1]			
68,000,000	Equity Shares of Rs.5 each	340,000,000	—
300,000	Preference Shares of Rs.100 each	30,000,000	—
B. Issued, Subscribed And Paid-Up Capital			
48,000,000	Equity Shares of Rs.5 each fully paid-up	240,000,000	—
C. Present issue to the public in terms of this Prospectus			
Fresh Issue			
10,000,000	Equity Shares of Rs.5 each	50,000,000	950,000,000
Offer for Sale [2]			
4,500,000	Equity Shares of Rs.5 each	22,500,000	427,500,000
D. Equity Capital after the Issue			
58,000,000	Equity Shares of Rs.5 each	290,000,000	—
E. Share Premium Account			
	Before the Issue	356,400,000	
	After the Issue	1,256,400,000	

(1) The authorised share capital of the Company at the time of incorporation was Rs.300 million divided into 2,700,000 equity shares of Rs.100 each and 300,000 preference shares of Rs. 100 each. The face value of the equity shares was reduced from Rs.100 per share to Rs.10 per share in the extra-ordinary general meeting held on June 12, 2000. Thus, the revised authorised capital was 27,000,000 equity shares of Rs.10 each and 300,000 preference shares of Rs.100 each.

In our annual general meeting dated September 30, 2003, the authorised share capital was increased and a stock-split was also approved through a special resolution resulting in our authorised capital consisting of 68,000,000 equity shares of Rs.5 each and 300,000 preference shares of Rs.100 each.

(2) The Offer for Sale has been approved by Living Media, Bharti Systel and Anika International vide their Board resolutions dated October 6, 2003, October 14, 2003 and October 14, 2003, respectively. Under these resolutions, Living Media, Bharti Systel and Anika International are offering for sale 1,700,000, 2,400,000 and 400,000 Equity Shares, respectively, and which have been held by them for more than one year at the time of filing the draft Red Herring Prospectus with SEBI i.e. October 28, 2003. The Company has consented to the Offer for Sale through its Board Resolution dated October 18, 2003.

Notes to the Capital Structure:

1) Share Capital History of our Company:

Date of Allotment	Name of Allottee	Number of Equity Shares	Cumulative number of shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Cumulative Share Premium (Rs.)
January 6, 2000	Living Media	8	8	100	100	Cash	-
June 12, 2000	Living Media	N.A.	80	10	**8 equity shares of Rs. 100 each sub-divided into 80 equity shares of Rs.10 each**		
July 3, 2000	Living Media	4,450,000	4,450,080	10	10	Cash	-
July 18, 2000	Living Media	4,819,920	9,270,000	10	10	Cash	-
July 21, 2000	Living Media	8,730,000	18,000,000	10	10	Cash	-
September 11, 2000	ICICI Trusteeship	2,400,000	20,400,000	10	50	Cash	96,000,000
March 26, 2001	Anika International	400,000	20,800,000	10	75	Cash	122,000,000
August 2, 2001	Bharti Systel	2,400,000	23,200,000	10	76	Cash	280,400,000
January 24, 2003	G.E.Capital Mauritius	800,000	24,000,000	10	105	Cash	356,400,000
Total		**24,000,000**					
September 30, 2003		N.A.	48,000,000	5	**24,000,000 equity share of Rs. 10 sub-divided into 48,000,000 equity shares of Rs.5 each**		
Total		**48,000,000**					

2) Promoters Holding and Lock-In :

Name of the Promoter	Date of Allotment & Date when made fully Paid-up	Consideration (Cash, bonus, kind)	No. of shares (of face value of Rs.10 each)	No. of shares (of face value of Rs.5 each)	Face Value (Rs.)	Issue Price (Rs.)	Percentage of pre-Issue paid-up capital	Percentage of Post-Issue paid-up capital	Lock-in Period [3]
Living Media[2]	January 6, 2000	Cash	80[1]	160	10	10	–		
	July 3, 2000	Cash	4,450,000	8,900,000	10	10	18.54%		
	July 18, 2000	Cash	4,819,920	9,639,840	10	10	20.08%		
	July 21, 2000	Cash	8,730,000	17,460,000	10	10	36.38%		
Total			**18,000,000**	**36,000,000**	**10**	**10**	**75.00%**		
Less[3]	January 24, 2003	Cash	(1,000,000)	(2,000,000)	10	10	4.17%		
Total			**17,000,000**	**34,000,000**	**5**	**5**	**70.83%**	**55.7%**	See Note (3) and (4) below

Notes:

(1) On January 6, 2000, Living Media was issued eight equity shares of Rs. 100 each. Subsequently on June 12, 2000, the shares were split into 80 equity shares of Rs. 10 each.

(2) Along with its seven nominees, including Mr.Aroon Purie, Promoter of Living Media.

(3) Living Media transferred 1,000,000 of its Equity Shares to GE Capital on January 24, 2003.

(4) In accordance with SEBI Guidelines, 20% of the post-Issue capital held by the promoter, Living Media, would be locked in for a period of three years from the date of allotment of shares in this Issue. For the purposes of this lock-in, shares allotted to Living Media last would be locked in first.

The pre-Issue share capital held for more than one year by Living Media at the time of filing the Draft Red Herring Prospectus with SEBI i.e. October 28, 2003 and are being offered as part of "Offer for Sale" will be free from any lock-in requirement.

Locked-in securities held by promoter may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.

Further, 2,400,000 and 400,000 Equity Shares being offered as part of "Offer for Sale" by Bharti Systel and Anika International, respectively, were held by them for more than one year at the time of filing the Draft Red Herring Prospectus with SEBI on October 28, 2003 and hence can be offered for sale under this Issue and will be free from

any lock-in requirement.

Other than the above, the entire pre-Issue Equity Share capital of TV Today, other than 4,800,000 equity shares held by ICICI Trusteeship Services A/c ICICI Emerging Sectors Fund, being shares held by the trustee company of a SEBI registered Indian venture capital fund, would be locked in for the period of one year from the date of allotment of equity shares in this Issue. However, the shares held by ICICI Trusteeship Services A/c ICICI Emerging Sectors Fund shall be locked-in as per the provisions of the SEBI (Venture Capital Funds) Regulations, 1996 and any amendments thereto.

(5) Shares held by persons other than the promoters, prior to the Issue and which are locked in for one year from the date of allotment in the Issue may be transferred to any other person holding such shares which are locked in, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

(6) Our Promoter, World Media does not directly hold any Equity Shares in the Company.

3) Our promoters, their relatives and associates, and our Directors have not purchased or sold or financed, directly or indirectly, any equity shares during a period of six months preceding the date on which the Prospectus is filed with SEBI.

4) Shareholding pattern of the Company before and after the Issue:

Category	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage	Number of Equity Shares	Percentage
Promoters				
Living Media	34,000,000	70.8%	32,300,000	55.7%
Others				
ICICI Trusteeship Services (A/c ICICI Emerging Sectors Fund)	4,800,000	10%	4,800,000	8.3%
Anika International	800,000	1.7%	400,000	0.7%
Bharti Systel	4,800,000	10%	2,400,000	4.14%
GE Capital Mauritius Equity Investment	3,600,000	7.5%	3,600,000	6.2%
Public	—	—	14,500,000	25.0%
Total	**48,000,000**	**100%**	**58,000,000**	**100%**

5) The list of top 10 shareholders of the Company and the number of Equity Shares held by them:

a) Top ten shareholders on the date of filing the Prospectus with RoC

Sr. No.	Name of the Shareholders	Number of Equity Shares	
		On the date of filing	Ten days prior to filing
1	Living Media [1]	34,000,000	34,000,000
2	ICICI Trusteeship Services (A/c ICICI Emerging Sectors Fund)	4,800,000	4,800,000
3	Anika International	800,000	800,000
4	Bharti Systel	4,800,000	4,800,000
5	GE Capital Mauritius Equity Investment	3,600,000	3,600,000
	Total	**48,000,000**	**48,000,000**

[1] along with its seven nominees including Mr. Aroon Purie, promoter of Living Media.

b) Top ten shareholders two years prior to the date of filing the Prospectus with RoC

Sr. No.	Name of the Shareholders	Number of Equity Shares
1	Living Media [1]	36,000,000
2	ICICI Trusteeship Services (A/c ICICI Emerging Sectors Fund)	4,800,000
3	Anika International	800,000
4	Bharti Systel	4,800,000
	Total	**46,400,000**

[1] along with its seven nominees including Mr.Aroon Purie, promoter of Living Media.

As of the date of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of TV Today.

6) Our shareholders, ICICI Trusteeship Services (A/c ICICI Emerging Sector Funds) and Bharti Systel, have through their letters dated October 14, 2003 and October 15, 2003, respectively, consented to the termination of their respective Investment Agreements with us on listing of our Equity Shares on the stock exchanges. GE Capital Mauritius Equity Investment, through its letter dated October 17, 2003, has consented to termination of the GE Investment Agreement with us, excepting certain clauses relating to this Issue. For further details, see "Our History – Agreements with our Shareholders".

7) Neither the Company, its Directors nor the BRLM have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company from any person.

8) The Company has not raised any bridge loan against the proceeds of this Issue.

9) We shall not be offering shares in the Issue to persons resident outside India including foreign institutional investors (FIIs), non-resident Indians (NRIs) and companies in which there is majority ownership and control by persons resident outside India. For details, see "Issue Procedure - Who Can Bid" on page 135 of the Prospectus.

10) In this Issue, up to 50% of the Issue shall be allocated on a discretionary basis to Qualified Institutional Buyers. Further, not less than 25% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 25% of the Issue shall be available for allocation on a proportionate basis to Retail Bidders, subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any of the three categories would be allowed to be met with spill over from any other category, at the sole discretion of the Company, the BRLM and Co-BRLMs.

11) A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, which is equal to 14,500,000 equity shares, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

12) An oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of 100, while finalising the basis of allotment.

13) There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Prospectus with SEBI until the Equity Shares offered through this Prospectus have been listed.

14) The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.

15) The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash, in the past. For details, please refer to note no.1 given above.

16) There shall be only one denomination for the Equity Shares of our Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

17) The Company had 12 members including seven nominees of Living Media as of November 25, 2003.

OBJECTS OF THE ISSUE

The net proceeds of this Issue after deducting underwriting and management fees, selling commissions and all other Issue related expenses payable by us is estimated at Rs.1314.99 million. We intend to deploy the net proceeds for upgrading and expanding our news broadcasting business and for other general corporate purposes. As a result of this Issue, we also expect to provide greater liquidity to our existing shareholders.

The main objects clause and objects incidental or ancillary to the main objects clause of the Memorandum of Association of the Company enable the Company to undertake its existing activities and the activities for which the funds are being raised through this Issue.

Funds requirement for our news broadcasting business

The estimated funds requirement to upgrade our existing news channel infrastructure, creating back-up uplinking infrastructure, acquiring state-of-the-art newsgathering equipments and creating infrastructure for adopting the subscription revenue model is set forth below:

(in Rs. Millions)

	Particulars	Amount until period ending March 31, 2004	Amount until period ending March 31, 2005
1.	**Setting up / upgradation of news bureaus**	11	—
2.	**Upgradation of existing news channel and news gathering infrastructure**		
	Engineering Equipment [1]	37	—
	News Gathering [2]	300	150
	Graphics and Compositing Equipment [3]	25	—
	Spy cameras and accessories	2	—
	Transmission Infrastructure upgrade [4]	57	—
	Backup Uplink Infrastructure [5]	47	127
	Multi-Camera setup for Mumbai [6]	21	—
	Information Technology Infrastructure upgrade [7]	—	65
	Sub-Total	489	342
3.	**Pay Channel Infrastructure**		
	Digital Integrated Receiver Decoder	—	68
	Conditional Access Software [8]	—	13
	Hardware for installation in Earth Station	—	19
	Sub-Total	—	100
	Total	**500**	**442**

(1) includes Sony camcoders with accessories for shooting news.

(2) includes KU/C band outdoor broadcasting van, digital satellite news gathering vans and transmission and receiving equipments for video delivery over high speed data lines.

(3) includes upgradation of the graphics system, computer systems and software for production of in-house promotions.

(4) includes upgradation to multiple channel per carrier from single carrier per channel, enabling us to save bandwidth and Transmission power, increasing efficiency of satellite transponders, improving the management of the network and making it flexible for future upgrades.

(5) includes equipment for setting up backup transmission, which will also include an earth station like the current one.

(6) includes equipment to create a complete production control room and studio such as our existing studios at Delhi. This will include addition of key equipments, such as studio cameras, switcher, monitors, under-monitor displays, studio lighting, lighting, DV VTRs, audio mixer, microphones and teleprompters.

(7) includes media archival solution system for storage of news footage, integrated applications for all our departments, which will include servers and software for implementing enterprise resource planning solution, on-line backup solutions, localised mailing setup, network security and monitoring solutions, and other computer hardware and software.

(8) includes one time licence fees and hardware for implementing conditional access systems.

We have, in November 2003, issued purchase orders favoring Integrix India, HFCL and Beehive Systems for purchase of some KU Band DSNG vans and other news gathering equipment for an amount of Rs.59 million. These equipments are expected to be delivered to us by January 2004. We have not entered into any contracts with any vendors for the purchase of the other equipments or any other materials for which we are proposing to raise the funds with this Issue.

Of the above estimated funds requirement of Rs.942 million, approximately Rs.370 million is estimated to be paid in foreign currency.

No part of the Issue Proceeds will be paid by us as consideration to Promoters, Directors, key management personnel, associate or group companies, except the proceeds of the Offer for Sale which shall be paid to the respective shareholders.

General Corporate Purposes

We intend to use approximately Rs.60 million of the net proceeds of this Issue for general corporate purposes.

Issue expenses

The expenses for this Issue include underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees payable to the stock exchanges, among others. The total expenses for this Issue are estimated to be approximately 5% of the total proceeds of this Issue, with the Selling shareholders bearing upto 60% of the Issue expenses for their shares being sold under this Issue.

The Company has received working capital sanction of Rs.200 million from certain lenders in addition to the existing working capital limit of Rs.70 million from Canara Bank, which has not been utilised.

Sources of Financing of Our Balance Fund Requirement

The total fund requirement estimated until March 31, 2005 net of Issue Expenses is Rs.1002 million. We have spent approximately Rs 4.94 million towards advances for various equipment until November 30, 2003, which was financed through internal accruals. .

We intend to fund our requirements through a combination of internal accruals, loans and the proceeds of this Issue. We have received in-principle approvals from certain lenders for part of the borrowings planned for our proposed project, subject to the terms and conditions to be finalised prior to disbursement, based on market conditions. We believe that we have sufficient arrangements to meet 75% of the estimated fund requirement, after excluding the amount being raised through the Fresh Issue.

Interim Use of Proceeds

Pending any use as described above, we intend to invest the proceeds of this Issue in high quality, interest / dividend bearing short term / long term liquid instruments including deposits with banks for the necessary duration. These investments would be authorised by our Board or a duly authorised committee thereof.

INDIAN TELEVISION BROADCASTING INDUSTRY

History and Development

Television broadcasting commenced in India in 1959, when *Doordarshan* started its black and white transmission. The subsequent decades have witnessed significant changes in the industry, which include a progressive transition from black and white television sets to colour television sets and from a single channel environment to one having multiple channels accessible to viewers.

During this period, the penetration of television broadcasting has increased significantly. For example, India has emerged as the third-largest cable television viewing nation in the world after China and the US with approximately 41 million cable television households at the end of 2002 according to FICCI KPMG The Indian Entertainment Sector Report of 2003 (the "FICCI KPMG Report").

The growth of television channels and viewership has resulted in television achieving the highest reach amongst the primary media delivery channels as highlighted below:

Media Reach (%)	Press	Television	C&S Television	Radio	Cinema	Internet
SEC A	78	88	70	24	12	9
SEC B	65	86	59	21	11	3
SEC C	50	83	50	20	11	1
SEC D	32	75	36	17	11	0
SEC E	16	61	24	15	11	0

Source: NRS 2002 (June 2001-July 2002)

The above figures represent percentage reach of each medium in the respective Socio Economic Classification (SEC) in urban India

For definition of Media Reach, please see section "Definitions and Abbreviations" of this Prospectus

Television's share of overall advertising spending has also increased consistently over the last few years relative to the primary media delivery channels. During the year 2002, the television sector in India accounted for approximately 41% of the total advertisement pie, as compared to 51% for print media, according to the FICCI KPMG Report.

Breakdown of Ad-spend: 1990-2001

Year	TV (%)	Print (%)	Radio (%)	Cinema (%)	Outdoor (%)
1990	16%	70%	3%	1%	11%
1991	17%	70%	3%	1%	10%
1992	21%	67%	3%	1%	8%
1993	23%	66%	3%	1%	8%
1994	22%	66%	3%	1%	8%
1995	24%	65%	3%	—	7%
1996	29%	63%	3%	—	6%
1997	33%	59%	2%	—	6%
1998	35%	58%	2%	—	5%
1999	36%	55%	2%	—	7%
2000	37%	54%	2%	—	7%
2001	38%	53%	2%	—	7%

Source: The Businessworld Marketing Whitebook 2003-2004

Industry Structure

The Indian Broadcasting industry can be segmented across two categories:

- Terrestrial Broadcasting: This is broadcast through transmitters and are received though antennas. Prasar Bharti Corporation ("Prasar Bharti"), the only terrestrial television broadcaster in India, owned by the Govenment of India, operates several channels under the umbrella brand of "*Doordarshan*". These channels operate in Hindi, English and several other Indian regional languages. As the terrestrial broadcaster, Doordarshan can potentially be accessed by all television households, whereas viewers access to cable and satellite channels is limited to the cable households.
- Cable and satellite broadcasting: This is broadcast through a satellite transponder and require equipments for signal reception, that includes dish antennas, amplifiers, modulators, and decoders. The number of channels on air that a representative cable and satellite household receives on an average have increased to over 100 from only two in 1992. Several Doordarshan channels are also available in the cable and satellite broadcasting mode. Cable and satellite channels can be categorised in the following segments:

Genre	**Channels**
General Hindi Entertainment	Star Plus, Sony, Zee TV, Sahara Manoranjan, SAB
Sports	ESPN, Star Sports, Set Max, DD Sports, Ten Sports
News	Aaj Tak, NDTV 24x7, Zee News, Star News, Sahara Samay, BBC, CNN, Headlines Today, NDTV India, DD News
Hindi Movies	Zee Cinema, Set Max, Star Gold
English Movies	HBO, Star Movies, Zee MGM
Music	ETC, B4U, Channel V, MTV, Zee Music
Regional channels	DD, Zee Alpha, Tara, ATN, Prabhat, ETV, Sun, Eenadu, Raj, Vijay, Asianet

Revenue Streams

The primary sources of revenues for the cable and satellite broadcasting industry are advertising and subscription fees. The other sources of revenue for the cable and satellite broadcasting companies include international distribution of the channels (primarily for subscription revenue) and content syndication towards leveraging their programming library.

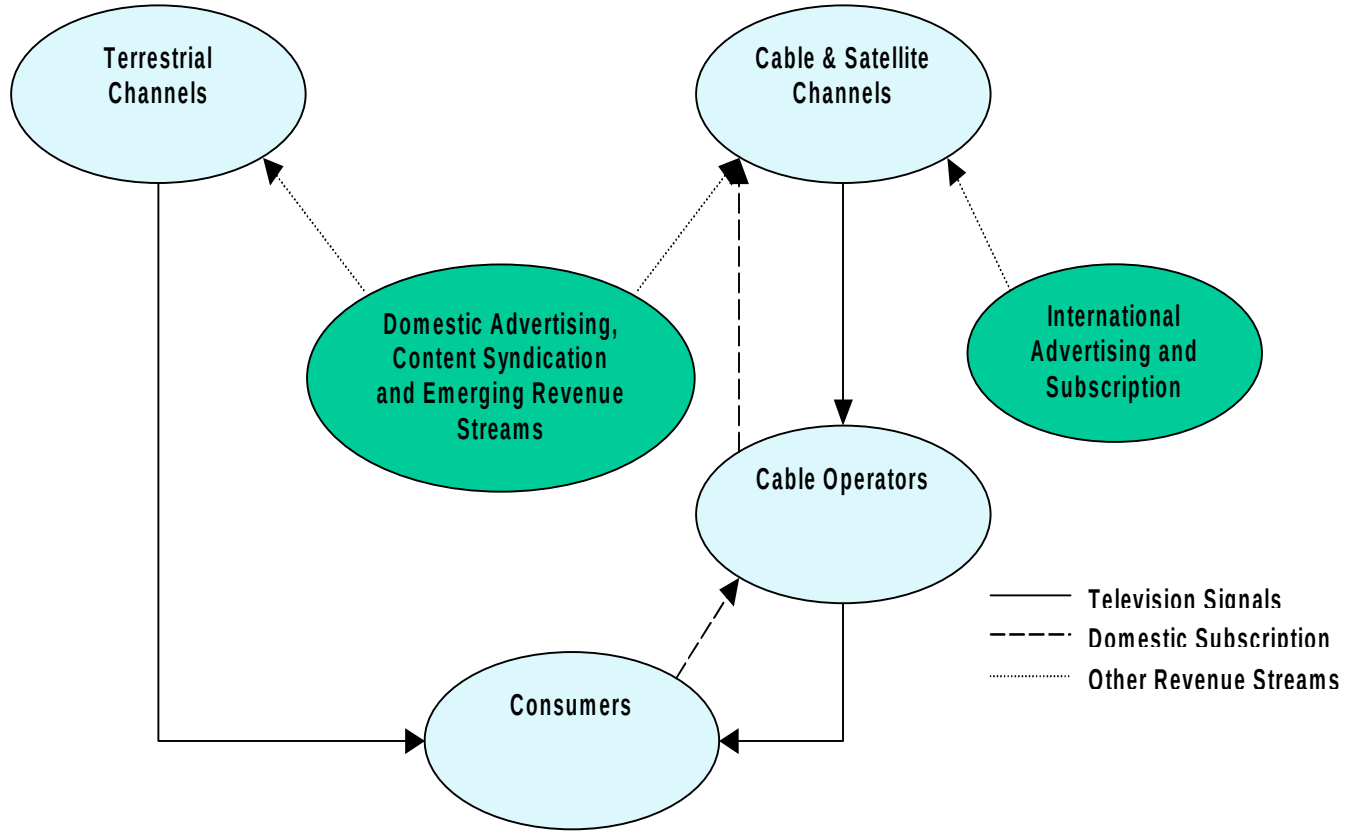
Advertising revenue - Television broadcasters, typically, earn advertising revenue by selling timeslots during their programmes where advertisers place their advertisements. According to the FICCI KPMG Report, the television broadcasting industry's advertising revenue was Rs. 35,000 million in 2002. This accounted for approximately 41% of the total amount spent on media advertising in India.

Subscription revenue - Several cable and satellite channels are currently broadcast with digitized and encrypted signals. These signals are beamed to cable operators, which could be Multi-system operators or local cable operators or independent cable operators, who decrypt them and thereafter feed the signals as a part of the uniform content package to consumers. The cable operators, typically, own the last mile of cable and collect a monthly fee from their subscribers. Cable operators give a share of this subcription revenue to the broadcasters, based on the number of subscriber households. The subscription revenue accruing to broadcasters represented approximately 13% of the Rs 60,000 million gross subscription revenue that was being collected by the cable industry from cable and satellite households during the year 2002. In 2002, the subscription revenue of television broadcasters was approximately Rs. 8,000 million.

International Advertising and Subscription - According to www.indiandiaspora.nic.in, as of May 2002, there were approximately 20 million non-resident indians and persons of Indian origin living outside India, with over a million each in 11 countries. These persons represent a potential market opportunity, which the Indian broadcasters may tap.

Content Syndication - Broadcasters can monetize their programming library and footage through syndication of content to various users. For example, international broadcasters or documentary producers can acquire rights to content from Indian broadcasters for relevant events such as elections, foreign policy statements, human-interest stories, natural calamities and other events that have an international relevance.

The process flow of reaching to viewers and the typical flow of advertising and subscription revenue is illustrated below:



Industry Outlook

Some of the factors that could potentially drive growth in the industry's revenues are as under:

Overall Economic Growth - The growth rates for the Indian economy are currently amongst the highest in the world. Given the large base of population and relatively higher growth rates, the Indian broadcasting industry is expected to demonstrate growth in the near future.

Potential for Increase in Advertising Intenisty ratio – India's spend on advertising as a percentage of the country's GDP increased from 0.41 in 2001 to 0.44 in 2002. According to the FICCI KPMG Report, the current level of advertising spending in India as a percentage of GDP is still relatively lower as compared to various developed and emerging economies of the world such as Thailand, U.K., U.S.A., Germany, Korea, Brazil, Japan and France, offering potential for growth in the advertising spend.

Increase in Television's share of domestic Advertising Spending - The share of television in the total India media advertising spend has registered a consistent increase from 16% in 1990 to 41% in 2002. According to the FICCI KPMG Report, with increased consumerism and continued entry of global brands, there is potential for the share of television advertisement in the total India media advertising spend to grow further.

Increasing Cable Penetration – The cable and satellite penetration in India reached approximately 41 miilion households at the end of 2002 from approximately 0.4 million households in 1992. The FICCI KPMG Report expects, due to the penetration differential, the growth in television and cable and satellite households to continue with the television households and cable and satellite households estimated to reach approximately 111 million and approximately 64 million respectively by 2007. The cable and satellite households are expected to register a compounded annual growth rate of 9.3% over the period of 2002 to 2007, and reach a penetration of approximately 57.6% within television households.

Number and Penetration of Cable Homes in India		
Year	**TV Households**	**Cable and Satellite Households**
2002	82	41
2003	88	44
2004	93	49
2005	99	53
2006	104	57
2007	111	64

Source : FICCI KPMG Report

Increase in Television Broadcasters' Share of the Domestic Subscription Revenue - The FICCI KPMG Report expects the share of revenues to broadcasters in the domestic subscription revenue to increase from approximately 13% in 2002 to approximately 36% by 2007. However, the projected growth in subscription revenues for the broadcasters will be closely interlinked with the pace and effectiveness at which conditional access system and others are rolled out across the country.

Television Broadcaster's Share of Gross Subscription Revenue	
Year	**Television's Share (%)**
2002	13.3
2003	15.8
2004	21.4
2005	25.3
2006	33.3
2007	35.6

Source: FICCI KPMG Report

Potential increase in international, content syndication and emerging revenue streams.

Overall Revenue Growth

According to the FICCI KPMG Report, the overall revenue of television broadcasters is expected to register a compounded annual growth rate of approximately 24% from Rs. 48,000 million in 2002 to Rs. 139,000 million by the end of 2007. The expected revenue from subsciption, advertising and other revenue streams are as highlighted below:

Estimated Indian Television Broadcasting Industry Revenue (Rs Million)			
Year	**Subscription**	**Advertising**	**Others**
2002	8,000	35,000	5,000
2003	12,000	40,000	6,000
2004	21,000	43,000	8,000
2005	31,000	47,000	8,000
2006	53,000	51,000	11,000
2007	72,000	55,000	12,000

Source : FICCI KPMG Report

Indian News Broadcasting industry

Historically, the Indian news broadcasting industry has been synonymous with news bulletins from government-owned broadcaster, *Doordarshan*. One of the earliest exposures of the Indian television viewers to satellite news channels was in 1991, when CNN telecast the Gulf war live to viewers in India. Due to the demand for coverage of the Gulf war, cable operators fed CNN's signal into Indian homes.

Although *Doordarshan* permitted private producers to buy time on its channels in 1986, news was a preserve of *Doordarshan's* in-house production until 1994. In 1995, TV Today, then a division of Living Media, began telecasting a daily 20-minute news bulletin, *Aaj Tak*, on the metro channel of *Doordarshan*.

The face of the news genre changed significantly in 1997, when Indian private players started launching 24-hour news channels. Zee News launched its news channel in 1997, and Star introduced its news and current affairs channel, Star News, by commissioning New Delhi Television Limited to provide the entire 24-hour programming content. In December 2000, TV Today launched its 24-hour news channel under the *Aaj Tak* brand.

The average time spent viewing news has increased from approximately three minutes a day in calendar year 2001 to approximately six minutes a day in calendar year 2003 until August 2, 2003.

Viewership Drivers

Some of the drivers for increasing news viewership are:

Dynamic environment with significant news flow - India is witnessing significant and rapid changes in its economy, politics and external relations. This is resulting in a significant flow of news that appeals to a wide and diverse base of viewers.

Speed of News Gathering - News broadcasters have focused on bringing the news as fast as possible to the viewers. Factors such as geographical spread of news gathering network, use of advanced technology in communication and production are facilitating the rapid dissemination of news to the consumers.

Programming Strategy - News channels are adopting diverse strategies for presenting and packaging news. The programming strategy is allowing channels to target a wider viewership base and present attractively packaged and presented programming that involves viewers with the programming.

In addition to the overall increase in viewership, advertising spending is increasing on news channels for a range of factors that include:

High Absolute Reach - The high absolute reach of news channels offers an attractive platform for advertisers to build reach. For example, *Aaj Tak* had reach of approximately 22.7 million viewers, according to TAM viewership data for the week ended November 15, 2003.

Focused male viewership - News channels have a relatively high viewership share among the target male audience. The channel share of news channels rose from approximately 7% in 2001 to approximately 9.7% in 2003 (until November 15, 2003) among the 15years + male audiences. News channels offer a good platform for brands attempting to establish an image of credibility and seriousness.

Channel Share among Male Audience

Genre	Channel Share (%)
Mass	42.7
Movies	25.7
News	9.7
Sports	7.1
English Movies	6.5
Infotainment	5.0
Music	3.3

Source: Tam Media (until November 15, 2003) males 15 years+, All India, excludes regional, terrestrial and miscellaneous channels

SEC Profile of Viewership - While news channels attract viewers across socio economic classes, they have a higher proportion of viewership among the SEC A and SEC B households relative to all cable and satellite viewership. These households typically have higher purchasing power and are attractive targets for several advertisers.

Viewership Break-up Across SEC (%)		
Socio Economic Category	**All Channels**	**Hindi News**
A	17.1	27.9
B	24.5	26.8
C	26.7	23.8
D & E	31.7	21.5

Source: TAM viewership data for week ended November 15, 2003

Audience involvement - News channels have generated greater audience involvement. For example, approximately 51% of the viewers who saw news for one minute stay on to the news channel for the next 15 minutes, which is highest among niche genres such as English news, infotainment, music and religion.

High frequency visibility - News channels allow advertisers the opportunity to generate high frequency since they attract viewership throughout the day.

Viewership Break-up Across Time-bands (%)		
Time Band	**All Channels**	**Hindi News**
5-7	1.9	3.9
7-11	10.6	17.0
11-15	19.8	16.3
15-19	21.0	16.7
19-23	38.1	32.9
23-02	08.6	13.2

Source: TAM Data of all C&S Households (15 years +) for the week ended November 15, 2003

Data for full day 5AM to 3AM: Hours after 2AM have not been included in full day

Competitive rates - News channels are estimated to be significantly cheaper than other niche genres on the basis of the Cost Per Rating Point (CPRP). CPRP represents the cost to an advertiser to reach a universe of viewers of a defined target group with a defined rating point.

CPRP Comparison – News Genre vs Niche Genres

Genre	Cost Per Rating Point Index
Mass Entertainment	10
Hindi Movies	49
Hindi News	121
Sports (excluding Indian Cricket)	297
Music	355
English Movies	446

Source: Initiative Media Study, July 2003

Local and regional advertisers - Some news channels that have been uplinking from India have been able to target domestic rupee advertisers. They have also focused on developing newer markets by attracting spenders on other media to the news broadcasting genre.

The number of advertisers and brands have grown rapidly on the news broadcasting genre.

Number of Advertisers and Brands on News Channels		
Year	**No. of Advertisers**	**No. of Brands**
2000	500	990
2001	650	1400
2002	985	3182
2003	1137	4751

Source: TAM ADEX

In addition to advertising, news channels can also target other revenue streams, including:

Domestic Subscription Revenue - The Indian television industry is in the initial stages of the implementation of additional distribution platforms such as direct to home broadcasting and head-end-in the-sky. News channels could use these addressable distribution platforms to access domestic subscription revenue;

Content Syndication - News channels have the potential to syndicate their content to international broadcasters as well as platforms that may emerge in the future such as Radio, Internet and Wireless Mobile; and

International Advertising and subscription.

Impact of successful CAS implementation on the Indian Broadcasting Industry

The current structure of the cable industry results in high 'leakage' of revenues with cable operators under-declaring their subscriber bases to broadcasters of pay-TV channels. The under-declaration results in a very small share of subscription revenues for broadcasters, with the substantial share of subscription revenues being retained by local cable operators (who provide the cable connection to subscribers and receive monthly payments from subscribers) and multi-system operators (MSOs, who download encrypted signals of pay-TV channels and retail it to the local cable operators).

Successful implementation of Conditional Access System (CAS) is likely to address the problem of under-declaration and, hence result in higher share of subscription revenues for broadcasters.

Indian Television Broadcasting Industry - Regulations

The introduction of regulation in the cable broadcasting industry was with the Cable Television Networks (Regulation) Act, 1995. Thereafter, the Government is continuously introducing various legislations and guidelines on issues relating to uplinking policy, cable television networks and broadcasting. Few legislations governing such areas are under consideration by the Parliament of India. The salient features of regulations are as under:

Guidelines for Uplinking News and Current Affairs Channels from India

In July 2000, the Ministry of Information and Broadcasting, Government of India issued Guidelines for Permission or License for Uplinking from India ("Uplinking Guidelines"). These Uplinking Guidelines were formulated to permit privately controlled companies in India to establish uplinking hubs or teleports, permit uplinking of television channels from India and to facilitate Indian news agencies to have their own uplinking facilities for the purposes of news gathering and its further distribution to other news agencies or broadcasters only.

On March 26, 2003, the Government introduced Guidelines for Uplinking of News and Current Affairs TV Channels from India, which were further amended on August 26, 2003 ("Uplinking Guidelines"). These Uplinking Guidelines govern all news and current affairs television channels. The key features of the Uplinking Guidelines are as under:

Background:

The use of all equipment/platforms for collection of footage/news by channels uplinked from outside for specific programme(s) / event(s) of temporary duration will be entertained on recommendation from the Press Information Bureau and permitted on a case to case basis, in consultation with the Ministry of Home Affairs, Government of India, and other ministries / departments concerned.

Applicability:

The Uplinking Guidelines apply to existing news and current affairs TV channels uplinked from India as well as to those proposing to uplink

from India. For the purposes of these guidelines (i) news and current affairs channel means a channel which has any element of news and current affairs in its programme content; and (ii) an existing channel means any channel which has been permitted by the Ministry of Information and Broadcasting, Government of India, to uplink from India.

Existing channels will be required to conform to the Uplinking Guidelines within a period of one year from the date of issue of the said guidelines.

Eligibility Criteria:

An applicant company desirous of uplinking news and current affairs TV channel(s) from India will be considered eligible, if it fulfils the following criteria:

It is registered/incorporated in India under the Companies Act, 1956,

Foreign equity holding in the applicant company does not exceed 26% of the total paid up capital, and in calculating the 26% the foreign holding component, if any, in the equity of the Indian shareholder companies of the applicant company will be duly reckoned on *pro rata* basis so as to arrive at the total foreign holding in the applicant company. The company shall make full disclosure, at the time of application, of Shareholders' Agreements, Loan Agreements and such other agreements that are finalized or are proposed to be entered into ("Key Agreements"). Any subsequent changes in these would be disclosed to the Ministry of Information and Broadcasting, Government of India, within 15 days of any changes, having a bearing on the foregoing agreements.

It will be obligatory on the part of the company to take prior permission from the Ministry of Information and Broadcasting, before effecting any alteration in the foreign shareholding patterns and the shareholding of the largest Indian shareholders or any alteration in any Key Agreements.

Atleast 51% of the total equity (excluding the equity held by Public Sector Banks and Public Financial Institutions as defined in Section 4A of the Companies Act, 1956) in the new entity, is held by the largest Indian shareholder, which in case of an individual, would include all relatives (as defined in Section 6 of the Companies Act, 1956) of such shareholder, all companies in which such shareholder has controlling interest and who have entered into a legally binding agreement to act as a single unit, and which in case of an Indian company would include the group of Indian companies under the same management and ownership control and have entered into a legally binding agreement to act as a single unit. An "Indian company" has been defined to mean a company that has a resident Indian or a relative (as defined under Section 6 of the Companies Act, 1956 and HUF) either singly or in combination holding at least 51% of the shares.

The company requires to intimate the names and details of all non-resident persons proposed on the Board of Directors of the company and any foreigners/NRIs to be employed/engaged in the company either as consultants (or in any other capacity) for more than 60 days in a year, or, as regular employees.

At least 75% of the directors on the Board of Directors of the company and all key executives and editorial staff including the CEO, known by any designation and/ or head of the channel, shall be resident Indians. All appointments of key personnel (executive and editorial) shall be made by the applicant company without any reference on from any other company, Indian or foreign. The representation on the Board of Directors of the company shall as far as possible be proportionate to the shareholding.

The company must have complete management control, operational independence and control over its resources and assets and must have adequate financial strength for running a news and current affairs TV channel.

Period of Approval/Permission:

Ten years.

Basic Conditions/Obligations:

Permission for usage of facilities/infrastructure for live news/footage collection and transmission, irrespective of the technology used, will be given to only those channels which are uplinked from India. To ensure compliance of this policy in respect of permissions/licences given/to be given for utilization of VSAT/RTTS/Satellite vide phone and similar other infrastructure, which lends itself for use in uplinking/ point to point transfer of content for broadcast purposes, separate guidelines will be issued by the Ministry of Communications and Information Technology.

The channel/company will ensure that its news and current affairs content provider(s), if any, are accredited with the Press Information Bureau. Such accredited content provider(s) only can use equipment/platform for collection/transmission of news/footage.

The company/channel should ensure that it uses equipment which is duly authorised and permitted by the competent authority, or its content provider(s), if any, use equipment duly authorised by the competent authority.

The company/channel shall undertake to comply with the programme and advertising codes, as laid down in the Cable Television Networks (Regulation) Act, 1995 and the Rules framed thereunder.

It shall keep record of the content uplinked for a period of 90 days and produce the same before any agency of the government, as and when required.

It shall furnish such information, as may be required by the Ministry of Information & Broadcasting, Government of India , from time to time.

The company/channel shall provide for the necessary monitoring facility, at its own cost, for monitoring of programmes or content by the representatives of the Ministry of Information & Broadcasting, Government of India or any other government agency as and when so required.

The applicant company should use transponder on a satellite in C-Band only and the same should have been co-ordinated with INSAT system.

The applicant company/channel shall comply with all the terms and conditions of the permission/approval prescribed by the Ministry of Information & Broadcasting and failure to comply with any of the terms and conditions will result in withdrawal of such permission/ approval and suspension/cancellation of the wireless operating licence issued by the WPC.

Procedure:

The company shall require to apply to the Secretary, Ministry of Information & Broadcasting, Government of India in triplicate in the prescribed proforma (Form 2.1) along with affidavits in Form 2A and 2B and share holding pattern of the company in the prescribed form.

On receipt of the applications and the affidavit as mentioned above, if the concerned company is found eligible, its request will be sent for security clearance to the Ministry of Home Affairs, Government of India and for clearance of usage of satellite to the Department of Space, Government of India.

On receipt of these clearances, the concerned company will be permitted by the Ministry of Information & Broadcasting, Government of India to uplink its channel(s) through an authorised hub/teleport.

Transitory Arrangements:

Content Providers/Channels who are currently using VSAT/RTTS/satellite video phone and similar other infrastructure, which lends itself for use for uplinking/point-to-point transfer of content for broadcast purposes, will be allowed a maximum period of three months to come within the framework of these Uplinking Guidelines.

Conditional Access System (CAS)

The Cable Television Networks (Regulation) Amendment Act, 2002, ("The Cable Television Act") amends the Cable Television Networks (Regulation) Act, 1995 and introduces the transmission of a pay channel by a cable operator through an addressable system i.e. a conditional access system for cable services ("CAS").

The key features of the Cable Television Act are summarized below:

- There shall be no requirement for any subscriber to have a receiver set of a particular type to receive signals of cable television network, provided that, the subscriber shall use an addressable system to be attached to his receiver set for receiving programmes transmitted on pay channels. An exception shall be certain programmes of basic service tier shall be receivable by any subscriber on the receiver set of a type existing immediately prior to the commencement of this Cable Television Act without any addressable system attached to such receiver set in any manner.
- The Government may notify that it shall be obligatory, in such notified areas and times, for every cable operator to transmit or retransmit programmes of any pay channel through an addressable system.
- The Government may notify in different states that one or more specified free-to-air channels are to be included in the package of channels forming basic service tier and any or more such specified channels genre wise for providing a programme mix of entertainment, information, education and such other programmes.
- The Government may notify, in different areas, a specified maximum amount which a cable operator may demand from the subscriber for receiving the programmes transmitted in the basic service tier provided by such cable operator.
- All equipment required to adhere to the specifications of the Cable Television Act shall be installed by the cable operator within six months of the date specified in the notification issued by the Government in this regard.

- Periodical reporting by cable operators on the subscriber base, subscription rates and number of subscribers receiving programmes transmitted in basic services tier or pay channels.
- Publication of the subscription rates at the periodic intervals at which such subscriptions are payable for receiving each pay channel is required by such cable operator.
- Any breach of the Cable Television Act will be a cognizable offence.
- The notifications issued pursuant to the Cable Television Act mandate the cable operators to transmit programmes of every pay channel through an addressable system in the cities of Mumbai, Kolkata and Chennai from September 1, 2003.
- The notification issued pursuant to the Cable Television Act regarding free-to-air channels indicate the maximum number of channels and the maximum subscription fees to receive the programmes transmitted in the basic service tier in the cities of Mumbai, Kolkata and Chennai.

BUSINESS

Overview

We are the leading news broadcaster of India, based on number of viewers for the week ended November 15, 2003. We have changed the way news is delivered to Indian audiences and have continuously innovated to retain and increase our viewership. With viewership of approximately 22.7 million viewers, as per TAM viewership data for week ended November 15, 2003, we have effectively created a unique platform of a large and loyal audience for the advertisers to reach their target group.

We believe that our leadership position is on account of our superior understanding of the audience preferences based on our management's experience in the news business, since the launch of *Newstrack,* in 1988. The key milestones achieved since 1988 have been elaborated in the section "Our History" on page 43 of the Prospectus. Our consistent leadership position, we believe, in terms of number of viewers for the period May 2001 to November 15, 2003, is due to our editorial excellence, independent distribution and sales capabilities, customized state-of-the-art technology and a motivated team of well-qualified professionals.

We are the first Indian broadcaster to uplink from India, a 24 hour Hindi news channel, *Aaj Tak* in December 2000, followed by the launch of *Headlines Today* in March 2003.

- *Aaj Tak* delivers news in Hindi, reaching out to the large Hindi user segment constituting approximately 52% of India's urban population as per NRS 2002. The Indian Television Academy awarded *Aaj Tak* the "*Best News Channel"* for three consecutive years 2001, 2002 and 2003, and was awarded the "TV News Channel of the Year" during Indian Telly Awards 2002 and 2003. *Aaj Tak* is the market leader in the news broadcasting genre with approximately 29% market share in the Hindi news genre as per TAM viewership data for week ending November 15, 2003, and has been the market leader since May 2001, as per TAM viewership data.
- Our English news channel, *Headlines Today*, primarily targets young urban viewers, who need sharp and crisp delivery of news. Our market share was approximately 9% amongst English news channels, according to TAM viewership data for the week ending November 15, 2003.

We intend to maintain our leadership position by investing in infrastructure, technology and people to cater to the fast growing needs of viewers and advertisers. We will consolidate our market leadership by capitalising on the growth opportunities, that we believe exist, in the Indian broadcasting industry such as niche channels, adopting the subscription revenue model, and international distribution of our channels.

For the financial year 2003 and the four month period ended July 31, 2003, our operating revenues were approximately Rs.1084.9 million and Rs.367.9 million, respectively, EBITDA was approximately Rs.543.6 million and Rs.172.8 million, respectively, and our net profit was approximately Rs.259.3 million and Rs.82.0 million, respectively.

Factors behind our Success

We attribute our success to our key competitive strengths, which we believe will enable us to maintain and enhance our leadership position.

Superior understanding of audience preferences

Extensive Reach

The total number of viewers we reach was approximately 22.7 million viewers for week ended November 15, 2003. The reach of *Aaj Tak* is wide and diversified which is evident from the following tables.

Calendar Year	Aaj Tak Viewership (1) (in millions)	Total Cable and Satellite Viewership (in millions)
2000	0	48.1
2001	10.3	52.8
2002	18.5	58.7
2003 (until November 15, 2003)	24.5	71.4
For week ended November 15, 2003	22.7	77.5

Source: TAM viewership data.

(1) Represents average weekly reach for the weeks during financial years 2000, 2001, 2002 and 2003

Reach of Aaj Tak in Metros and Non-Metros for the week ended November 15, 2003 :

Channel	Metros[1] (Reach in millions)[3]	Non-Metros[2] (Reach in millions)[3]	Total (Reach in millions)[3]
Hindi			
Aaj Tak	8.5	14.2	22.7
Zee News	6.7	10.6	17.3
Star News	8.1	9.3	17.4
Sahara Samay National	4.3	7.2	11.5
NDTV India	7.2	9.3	16.5
DD News	10.7	8.7	19.4
English			
NDTV 24 x 7	4.1	4.8	8.9
BBC World	3.2	2.2	5.4
CNN	1.0	0.9	1.9
Headlines Today	1.3	1.0	2.3
CNBC TV 18	2.2	1.72	3.9

Source: TAM Viewership data for week ended November 15, 2003

(1) Metros include viewership in the cities of Delhi, Mumbai, Kolkatta, Chennai, Bangalore and Hyderabad

(2) Non Metros include viewership in the states of Andhra Pradesh, Uttar Pradesh, West Bengal, Tamil Nadu, Punjab, Haryana, Chandigarh, Himachal Pradesh, Maharashtra, Madhya Pradesh, Karnataka, Kerala, Gujarat, Orissa which are covered by TAM viewership data

(3) Represents average weekly reach for the week ended November 15, 2003

According to TAM viewership data for week ended November 15, 2003, *Aaj Tak* leads its competition in all regional zones of the country and also all Socio Economic Classifications ("SEC"). *Aaj Tak* also enjoys loyal viewership and according to TAM viewership data for week ended November 15, 2003, viewers spent the highest number of minutes in a week on *Aaj Tak*.

Channel	Minutes spent for the week[1]
Hindi	
Aaj Tak	32
Zee News	20
Star News	23
Sahara Samay National	16
NDTV India	20
DD News	25
English	
NDTV 24 x 7	8
BBC World	8
CNN	6
Headlines Today	8
CNBC TV 18	16

Source: TAM viewership data for week ended November 15, 2003

(1) Represents the cumulative minutes spent on individual channels by their viewers

Aaj Tak's reach and viewer loyalty has placed us ahead of our competition in terms of market share.

Hindi News channels	Market Share (in %)
Aaj Tak	29.1
Zee News	14.4
Star News	16.2
Sahara Samay National	7.4
NDTV India	13.3
DD News	19.6
Total	**100**

Source: TAM viewership data for week ended November 15, 2003

We believe that our extensive reach will provide us with significant competitive advantages, which may enable us to:

- maintain and expand market share by providing an effective medium for advertising by our key advertisers;
- offer "value-for-money" advertising packages;
- capitalize on our strong distribution network for deriving subscription revenues in the future; and
- generate higher returns as we scale up our advertising rates.

Brand name recognition

Aaj Tak brand has been rated as one of the most successful brand launches in the last seven years, by Brand Derby, in their study of September 2003. We are the only news broadcasting company to be included in the Brand Derby. This is the outcome of a conscious business strategy to create *Aaj Tak* as a brand.

The top-of-the-mind recall by viewers of various news channels is as under:

Figures in percentage

Channel	All India	English Viewers	Hindi Viewers
Aaj Tak	46	43	71
BBC	16	39	1
Zee News	13	7	15
Star News	11	13	9

Source: Exchange4media.com-NFO MBL Television News Watch, June 2003

We plan to continue to reinforce the brands *Aaj Tak* and *Headlines Today* and brand values with extensive publicity and promotion and creating an interactive relationship with our viewers.

Editorial excellence

We believe that editorial excellence is one of the key drivers for our business. Our editorial team works towards a focused objective of presenting news as it happens, round the clock and emphasizes on coverage of live news with good visuals. News is presented in a manner that it captivates the viewer's attention with wide ranging coverage.

Focus on news broadcasting

We are focused on broadcasting news. Our promoters have been providing news for more than 25 years through India's leading news publication *India Today* in terms of circulation of approximately 14.4 million, according to National Readership Survey, 2002. By focusing our resources on the news genre, we believe that our promoters and management is better equipped to anticipate industry trends and capitalise on new business opportunities that may emerge in news broadcasting genre. For example, foreseeing the demand for news, *India Today Group* pioneered the launch of a monthly news cassette, *Newstrack* in 1988. Thereafter, in 1995, before the onset of satellite television, *India Today Group* became one of the first commercial producers to telecast news by providing a 20 minute daily bulletin on the Metro channel of *Doordarshan*, the incumbent news broadcaster. We launched our 24 hour news channel in December 2000. Since launch of our news channels, we have changed the way news gets covered by offering live on-site news coverage with good visual appeal rather than the earlier studio discussion format, introduced transparent advertising rate cards for our customers and tapped local and regional advertisers, among others. We believe that our well-developed expertise in providing news, synergies that exist with the *India Today Group* and innovations that we continue to introduce will differentiate us from other news channels, enabling us to enhance penetration, attract higher loyal viewership and thereby garner higher revenues.

Editorial

The editorial team uses a news wheel that focuses on headlines, general news, sports news, business news, weather and other features. The innovative news wheel, with the help of technology, enables us to break news as it happens.

The editorial team endeavoers to ensure that news stories are balanced and carry the views of various stakeholders. Our endeavour is to empower and encourage journalists to be multi-skilled. Our commitment to strong editorial team is highlighted from a strong team of 331 consisting of one news director, five executive producers, 107 reporters, 218 editorial producers and others, which represents more than half of our total employee strength. To minimize duplication and optimize costs, the assignment and news gathering division operates as

a common resource to deliver the needs of both the channels.

Independent distribution and sales capabilities

Network Distribution

Our 12 member distribution team is supported by a network of 34 dealers catering to approximately 200 multi-system operators and approximately 3,000 cable and last mile operators spread across the major cities in India. The network team seeds digital satellite receivers for reception of *Aaj Tak* and *Headlines Today*, addresses complaints, provides ground support to cable networks under their allocated areas and act as a key source of market information by regularly providing ground-level feedback to the distribution team. We have established close relationships with multi-system operators, cable operators and last-mile operators. We believe that our combined efforts have resulted in a high connectivity for our news channels. As per TAM viewership data for the week ended November 15, 2003, *Aaj Tak* has connectivity to approximately 77% households covered by TAM.

Our independent distribution capabilities and long-term relationships with multi-system operators, cable operators and last mile operators have ensured the last-mile link to the viewers. We believe that complete control on our channel distribution, inventory and market rather than being part of a bouquet is critical for our current free-to-air news channels. With the likely entry of multiple delivery systems such as head-end in the sky, direct-to-home and conditional access system, our independent distribution strength will enable a smooth transition.

Competent and established advertising sales team

We have a 25 member advertising sales team across the country who have developed long standing relationships with advertisers and offer them customized solutions.

We have established a strong relationship with more than 600 advertisers since 2001, of which more than 200 advertisers advertised with us for more than a year. *Aaj Tak,* being the first channel to uplink from India enabled us to tap the domestic advertiser base. We have an optimal mix of international, national, regional and local clients. During financial year 2003 and the four month period ended July 31, 2003, our top 10 advertisers accounted only for approximately 19.3% and 19%, respectively, of our revenues, During financial year 2003, our advertiser base spanned over 47 product category groups across a wide range of industries such as fast moving consumer goods, automobiles, consumer durables and apparel.

We formulated an innovative, comprehensive and transparent advertising rate card, and all our transactions are based on the rate card. Our best practices combined with the unique incentivised structure and rewarding of loyal advertisers have, we believe, contributed to strengthening our relationship with our advertisers. By the end of the first quarter of financial year 2003, approximately 71% of our revenues were contracted in advance for the financial year, which implies the underlying stability and visibility of revenues.

We believe that our superior reach, mass appeal across all categories of viewers (as per SECs) and loyal viewers allows us to retain and attract more advertisers.

We have an automated scheduling system which is completely integrated with our billing and collection systems, thereby ensuring timely invoicing and efficient receivables management. We are the first media company in India to have implemented *SalesLogix CRM system*, an effective sales automation tool which helps the sales team collect and analyse data, track accounts and opportunities and generate sales reports.

Customized state-of-the-art technology

To achieve our objective of delivering news as it happens, we identified technology as a key enabler. Across the entire chain of collection, assimilation and presentation of news, we have selected the most suitable technology to ensure efficiency, cost effectiveness and quality. We have deployed several state-of-the-art technology specifically customized to our needs. This approach, we believe, gives us a competitive advantage in terms of superior and speedy delivery of news.

For news gathering, we have 24 bureaus, of which 15 are connected live to the main office and operate five outdoor broadcasting vans and one digital satellite news gathering unit. All the news bureaus including the outdoor broadcasting vans and major international news agencies transmit their signal directly into the central feed network which sends the footage and stories to the central storage, enabling the journalists to edit on their desktops, and provide live news without processing delays.

We have deployed non-linear editing technology for broadcasting news. The advantage of being non-linear is that it facilitates speedy production, multiple edits in the same audio-video footage, allows graphics to be seamlessly inserted as part of the news and allows easy modifying and updating of stories on desktops.

Our technology team constantly endeavours to keep us abreast of the latest development in the field of broadcasting, few instances of which are:

- We introduced small lightweight cameras for covering news, which enables us to optimize the size of news gathering teams and provide easier and quick access to remote locations;
- We use high speed data lines instead of VSATs for news-gathering from the news bureaus, enabling us to receive many news feeds simultaneously as against one feed at a time from VSATs;
- We are the first fully automated news channel in India;
- We use customized Octopus Newsroom System and Aveco Automation systems for our front-end and back-end operations, respectively;
- We introduced cellphones with MMS in our business for immediate delivery of still pictures; and
- We have initiated efforts to, post receipt of Government approval, deploy the KU band outdoor broadcasting vans for improving the mobility.

Motivated team of well-qualified professionals

We have an integrated team of over 600 employees comprising news reporters, editorial, sales, technical and distribution professionals, who work seamlessly to successfully deliver organizational goals. We are a young and energetic organization with the average age of employees at approximately 30 years. The top management team has substantial years of relevant industry experience.

We believe that we have a strong management team with a proven ability to successfully plan and execute our business strategy. A key reason for our rapid growth since we launched our channel has been our ability to proactively identify new opportunities and capitalize on them. We devised strategies that factor in the fast changing industry environment and have followed them with strong execution skills.

Members of our top management team have been conferred with several awards and recognitions. Our Chairman and Managing Director was awarded the Padma Bhushan in March 2001 and the *Limca People of the Year Award* in 1996 for his extraordinary contributions to journalism. He was also recently awarded the Scroll of Honour from Indian Television Academy for his contributions to news and current affairs. Our CEO has been awarded the Media Person of the Year 2001 by Dinamalar Media Meet and the TV CEO of the Year award by Indian Telly Awards 2002.

We have demonstrated our ability to attract, nurture and retain talent within the organization.

Awards and Recognitions

Our strong position in the Indian news broadcasting market has won us various awards and recognitions, including:

- *Aaj Tak* received the "Best News Channel Award" from Indian Television Academy Awards in 2001, 2002 and 2003;
- *Aaj Tak* was awarded the "TV News Channel of the Year" during Indian Telly Awards 2002 and 2003;
- *Aaj Tak* received the "Best Promo for a news show" for black and white television commercial campaign during Indian Telly Awards 2002;
- *Aaj Tak*'s black and white television commercial campaign won us the "Campaign of the Year Award" from RAPA Awards 2001 and 2002; and
- Only media brand to be included in the Brand Derby study by *Business Standard* 2002.
- *Aaj Tak* was rated as "India's #1 News Channel in terms of brand recall, credibility and lead time" in June 2003 by Exchange4media.com - NFO MBL television News Watch;
- *Aaj Tak* has been rated as one of the most successful brand launches during the past seven years, in the Brand Derby in the study conducted by *Business Standard* September 2003

Business Strategy

We believe that we are well positioned to expand in the fast growing news broadcasting industry which is well positioned to achieve further growth as a result of increasing penetration, viewer preference to continuously stay informed and the growing number of advertisers in the news broadcasting genre. Our strategic objective is to further consolidate our leadership position in the news broadcasting genre by adopting the following business strategies:

Increase viewership

We believe that the key drivers for the growth of a news broadcaster will be increased penetration and state-of-the-art technology. We intend to expand viewership of our channels by:

- upgrading our studios and bureaus, which will enable us to improve connectivity, provide a sleek and sharp look to our news channels to increase our competitive differentiation;
- investing in state-of-the-art technology and software to enable us to reach news to our viewers in the fastest possible time and to enhance news gathering capabilities;
- creatively innovate to differentiate ourselves from competition to increase viewer loyalty;
- launching niche channels; and
- distributing our news channels to Indians abroad.

Capture an increasing share of advertising revenue potential

We believe that our extensive reach, viewership loyalty and continued leadership will attract new advertisers and retain loyal advertisers. In financial year 2003 and the four month ended July 31, 2003, we added 166 and 50 new advertisers, respectively. We aim to capture a larger share of the advertising revenue potential by:

- introducing innovations and incentives in our annual rate card;
- focus on offering sponsorships of our programs;
- offering differentiated programming mix at the weekends and expanding time bands; and
- increasing inventory utilization.

Enhancing revenues by leveraging Headlines Today

With the recent launch of our second news channel, the saleable advertising time inventory for us has doubled and will be a likely key revenue driver in the near future. We aim to significantly increase the inventory utilization on *Headlines Today*, by:

- offering initiation and other incentives to advertisers;
- focus on offering combination packages for advertising on *Aaj Tak* and *Headlines Today;* and
- expanding our advertiser base, specifically to companies who target the upwardly mobile youth and prefer the English news genre as the primary advertising platform.

Editorially, we plan to introduce special programmes to enhance viewership, while we change on-air look when we move to the new studio. Further, we believe, that expenditure on advertising and promotion will increase the profile of *Headlines Today* and its viewership.

Tapping subscription revenues, when appropriate

According to FICCI-KPMG Report, the Indian subscription revenue market aggregated to approximately Rs. 60,000 million and offers us attractive alternative stream of revenue. With multiple delivery systems such as head-end in the sky, direct-to-home, conditional access system, we would evaluate the merits and demerits of a pay channel and position ourselves on a competitive platform, at an appropriate time to tap the subscription revenue potential.

Managing growth while optimizing cost

We intend to continue our proactive strategy of enhancing productivity through optimal aggregation of our resources with the help of cutting edge technology, thereby reducing the cost of operations and maximizing return on investment. For instance, assignment and news gathering wings constitute a news resource pool, catering to the broadcasting requirements of both the channels.

Our News Channels

We presently broadcast news through two 24-hour news channels, *Aaj Tak* in Hindi and *Headlines Today* in English.

Aaj Tak, our flagship news channel was launched in December 2000 and attained market leadership within six months of its launch in terms of viewers, as per TAM viewership data. *Aaj Tak* has been enjoying consistently leading market shares of the Indian news broadcasting industry from May 2001 until November 15, 2003. According to TAM viewership data, *Aaj Tak* had a leading market share of approximately 29% of the Indian news broadcasting market, for the week ended November 15, 2003. For the same period, according to TAM viewership data, *Aaj Tak* was the only news channel amongst the top 25 channels watched in India across all genres including entertainment and

movies. The Indian Television Academy awarded *Aaj Tak* the "*Best News Channel"* award for three consecutive years 2001, 2002 and 2003, and the channel was awarded "TV News Channel of the Year " award during Indian Telly Awards 2002 and 2003. It was also rated as the "*Best News Channel of India"* by Exchange4media.com – NFO MBL Television News Watch in their survey of June 2003, in terms of all key parameters, such as quality of content, coverage, credibility, speed and visual appeal. Presently, it reaches approximately 22.7 million viewers across India, as per TAM viewership data for the week ended November 15, 2003.

Headlines Today, our English news channel, was launched in March 2003 and primarily targets young urban viewers, who need sharp and crisp delivery of news. *Headlines Today* provides sharp short duration crisp news bulletins with greater content from international events. We have achieved approximately 9% market share amongst English news channels as per TAM viewership data for week ended November 15, 2003.

We leverage on the available synergies between the two channels and adopt strategies to continuously expand our reach and increase our viewership. We believe the core strengths which have enabled us to establish and maintain leadership position for *Aaj Tak* are quality editorial content, strong advertising sales team, good distribution, strong technology and a committed team of well qualified professionals.

Our region-wise market share in the Hindi news broadcasting genre was as under

Hindi News Channels	North(1) %	East(2) %	West(3) %	South(4) %	Central(5) %
Aaj Tak	29.2	27.3	31.8	20.7	30.8
Zee News	15.6	18.2	14.0	10.3	11.5
Sahara Samay National	5.2	0	10.3	0	11.5
Star News	13.5	18.2	16.8	13.8	27.0
NDTV India	14.6	9.0	15.0	6.9	7.7
DD News	21.9	27.3	12.1	48.3	11.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TAM Viewership data for the week ended November 15, 2003

(1) North Zone covers the metropolitan area of Delhi and states of Uttar Pradesh, Punjab, Haryana, Chandigarh, Himachal Pradesh

(2) East Zone covers the metropolitan area of Kolkatta and the states of West Bengal and Orissa

(3) West Zone covers the states of Maharashtra, Gujarat and the metro of Mumbai

(4) South zone covers the metropolitan areas of Chennai, Bangalore, Hyderabad and the states of Andhra Pradesh, Tamil Nadu, Karnataka and Kerala

(5) Central zone covers the state of Madhya Pradesh

Apart from reaching the most number of homes, we also lead in terms of viewer loyalty based on the average weekly time spent by viewers on *Aaj* Tak. Further, according to TAM viewership data for the week ended November 15, 2003, we lead across all SEC categories.

Market Share (in %) of Hindi News channels amongst different categories of viewers (All Day)

Category	Aaj Tak	Zee News	Star News	NDTV India	Sahara Samay	DD News	Total
Sec A(1)	27.0	14.9	18.9	13.5	6.8	18.9	**100.0**
Sec B(2)	26.4	16.7	18.1	11.1	8.3	19.4	**100.0**
Sec C(3)	32.8	14.1	14.1	15.6	7.8	15.6	**100.0**
Sec D/E(4)	32.8	10.3	13.8	12.1	6.9	24.1	**100.0**

Source: TAM Viewership Data for week ended November 15, 2003

(1), (2), (3), (4) represent SECA, B, C, D/E represents Socio Economic Classifications

Editorial

We are focused on news broadcasting and derive a strong lineage from our promoters and management who, we believe, are equipped to anticipate industry trends and capitalise on new business opportunities that may emerge in news broadcasting industry. Our editorial team works towards a focused objective of presenting news as it happens, round the clock and emphasizes on coverage of live news with good visuals. We present news in a manner that it captivates the viewer's attention with wide ranging coverage. We believe that editorial

excellence is a critical driver for our business.

Our commitment to editorial excellence is highlighted from a strong team of 331 as of October 31, 2003, which represents more than half of our total employee strength. The team is well structured with pre-defined responsibilities. The news director is supported by a team of executive producers who are responsible for various news segments such as national news, business news, sports news, health, lifestyle and metropolitan news. The executive producers are supported by a well-trained and motivated team of journalists, reporters, news anchors, copy writers, cameramen, technician, sub-editors and others. To minimize duplication and optimize costs, the assignment and news gathering division operates as a common resource to deliver the needs of both the channels.

Our news gathering facility comprises of 24 news bureaus, of which 15 are connected live to the central feed room and five outdoor broadcasting vans and one digital satellite news gathering unit. As of October 31, 2003, we had 107 reporters, 58 cameramen and approximately 70 freelance journalists across India, who utilize these facilities to provide high quality news coverage. We believe that our leadership position in the news broadcasting industry enables us to enjoy trust and confidence of the various authorities and newsmakers who also give us lead and access to event or live breaking news in order to reach to a wide audience.

The editorial team develops the news agenda, in advance, based on the news outlook for the day and inputs from various bureaus and news wires. The news agenda is reviewed at the beginning of the day and delivered to the assignment desk through the executive producers. The assignment desk monitors the development of news stories and keeps itself abreast of the various developments that have a news potential. Inputs are continuously taken from reporters during the day. One of the senior producers decides the placement of news within our dynamic news wheel. The news wheel is flexible and, with the help of technology, enables us to break news as it happens.

The editorial team has vast experience in providing quality content and expertise in journalism and makes its best efforts to uniquely position the news channels. The editorial team endeavours to ensure that news stories are balanced and carry the views of various stakeholders. In the event of live breaking news, the editorial team is well equipped to quickly deliver the news without any biases and at the same time maintaining its correctness and completeness. The team strives to build the story and provide the viewer with the breaking news as it happens with suitable checks and balances on its authenticity.

To increase and retain our viewership, we have a programming division, which produces various programmes for meeting viewer preferences. According to TAM viewership data, for the week ended November 15, 2003, nine of the top 10 programs telecast amongst the news genre were ours.

Program[1]	**Day**	**Channel**	**Viewership (in '000)**
Aaj Tak 9 PM	Tuesday	Aaj Tak	335
Vishesh	Tuesday	Aaj Tak	334
Crime File	Saturday	Zee News	324
Aaj Tak 8 PM	Sunday	Aaj Tak	310
Aaj Tak 11 PM	Saturday	Aaj Tak	285
Jurm	Saturday	Aaj Tak	278
Vishesh	Monday	Aaj Tak	263
Vishesh	Wednesday	Aaj Tak	249
Duniya Ravivar	Sunday	Aaj Tak	242
Aaj Tak 7 PM	Thursday	Aaj Tak	235

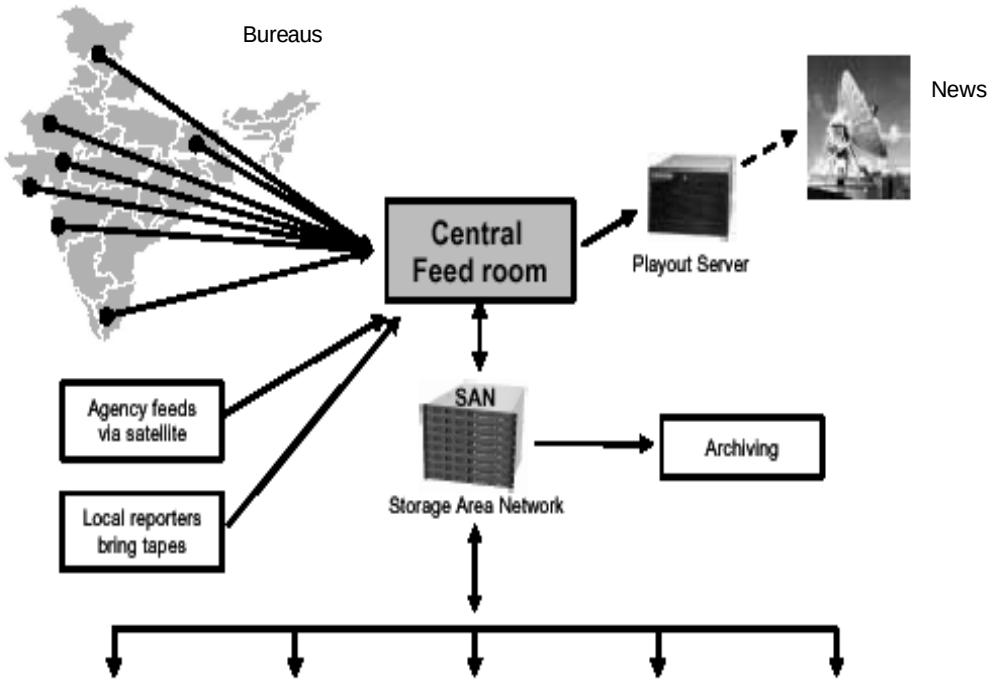
Source: TAM viewership data for week ended November 15, 2003

(1) Programs with a duration of more than 3 minutes have been considered.

Our endeavour is to empower and encourage journalists to be multi-skilled. Our journalists are well-trained in areas of videography, editing, writing, assignment and production. Our journalists reporting news are capable of working with voice-overs, editing and three-dimensional graphics for their news stories from their desktops.

News Gathering and Process flow

The process of reaching news to our viewers can be illustrated as under:



The editorial team develops the news agenda and the assignment desk ensures its execution. The news agenda is accessible to all bureaus and reporters with specific responsibilities identified. The assignment desk gets inputs from our nation-wide bureaus and leads from wire agencies and consequently formulates the day plan which is flexible and dynamic. The stories are then allocated to reporters based on the importance of the time schedules. The stories are slotted using the news room system, *Octopus.* The reporter, through the news room system initiates the story allocated and draws upon the required resources.

The central feed room gets video footage from reporters, freelance journalists, bureaus and international agencies. Our local reporters bring tapes, while news bureaus directly transmit news footage through high bandwidth data lines to the central feed network. News is also received from major international news agencies and outdoor broadcasting vans through the satellite. Once the news is aggregated in the central feed room, it is ingested on the storage area network which stores the raw footage through automation system *Aveco,* for editing and archiving. The story is then edited, checked and approved by the copy editor within the news room system, *Octopus.* Post editing, the story and the respective video clip is available in the news room system. The news story is verified for quality and completeness and is thereafter scheduled for broadcast.

Advertising Sales

We have a strong relationship with more than 600 advertisers, since 2001. Our advertiser base consists of an optimal mix of international, national, and regional advertisers, including some first time advertisers on television, enabling us to diversify our revenue base.

During financial year 2003 and four month ended July 31, 2003, our top 10 customers accounted for approximately 19.3% and 19%, respectively, of our revenues. Also, the top 10 product categories of a total of 47 product categories advertised on our news channels accounted for approximately 61% of our revenues for financial year 2003. For the four months ended July 31, 2003, the top 10 product categories advertised on our news channels accounted for approximately 63% of our revenues. We have a loyal client base, with approximately 70% of our cumulative revenues, from 2001 till July 2003, accruing to advertisers who have been with us for two years or more.

The top 10 advertisers by revenue, who advertised on our news channels during financial year 2003 were Nikhil Footwear, Hyundai Motors, Kunwar Ajay, Biswanath Hosiery Mills, Kothari Products, Asian Paints India, Rupa & Co, Dhariwal Industries, 502 Pataka Group and Videocon International.

We offer an innovative, transparent and incentivized advertising rate card and all transactions are based on the rates mentioned in this card. We offer loyalty, consumption, commercial duration and payment based incentives to our advertisers. We believe that the transparent rate card has significantly contributed in strengthening our relationship with our customers. In the first quarter of financial year 2003, approximately 71% of our revenues were derived through advance deals, which provides stability and visibility of revenues.

We presently offer four main advertising categories of *Solo, Smash, Winner* and *Crown*. These categories are based on pre-specified advertising time with advertising rates varying across these categories. While the *Solo* scheme is for advertisers utilizing 1,500 seconds within four months, *Smash* scheme is for advertisers utilizing between 1,510 to 3,000 seconds within four months, *Winner* scheme is for advertisers to utilize between 3,010 to 6,000 seconds within six months and *Crown* scheme is for advertisers utilizing more than 6,000 seconds within nine months. While advertisement rates are the highest under the *Solo* scheme, they are the minimum under the *Crown* scheme, incentivising advertisers to utilize a higher volume of advertising time. Our rates also depend upon the pre-specified time bands.

We have recently introduced a *Multiplier Offer* which provides incentives to advertisers for advertising on both of our news channels, *Headlines Today* and *Aaj Tak,* and an *Initiation Incentive* for the first 100 advertisers for our English News channel, *Headlines Today*.

This rate card is reviewed every year, based on market feedback. Additionally, the sales team also makes effective utilization of the weekly TAM viewership reports to formulate and fine-tune their marketing strategies.

Our advertising sales team operates through a zonal structure with eight offices and a team of 25 well trained and motivated professionals, across the country. The team has developed long standing relationships with advertisers and offers effective solutions to their advertising requirements.

Network Distribution

Our 12-member distribution team is supported by a network of 34 dealers catering to approximately 200 multi-system operators and approximately 3,000 cable and last mile operators. Our distribution team is evenly spread across the major cities in India and our dealer network is correlated to the density of cable and satellite homes in India.

The network team seeds the pre-tuned digital satellite receivers for reception of our channels and ensures good penetration and placement in their respective allocated territories. The team also address complaints, provide ground support to cable networks under their allocated areas and act as a key source of market information by regularly providing ground-level feedback to the distribution team and also to the management to formulate future strategies. The distribution team has established close relationships with multi-system operators, cable operators and last-mile operators. We also provide constructive and direct feedback regarding the viewers response and preferences to the programming and editorial departments.

We believe that our combined efforts have resulted in a high connectivity for our news channels. As per TAM viewership data for the week ended November 15, 2003, *Aaj Tak* has connectivity to approximately 77% households covered by TAM. Besides the cable and satellite homes, our news channels also reach approximately 40,000 hotel rooms across the country. The distribution team also ensures increased penetration of our channels in the high visibility areas such as airports, railway stations, bus terminals, clubs and other institutions like hospitals and army installations.

Our independent distribution capabilities and long-term relationships with cable distributors have ensured the last-mile link to the viewer. We believe that complete control on our channel distribution, inventory and market rather than being part of a bouquet is critical for our current free-to-air news channels. With the likely entry of multiple delivery systems such as head-end in the sky, direct-to-home and conditional access system, our independent distribution strength will enable a smooth transition.

Technology

To achieve our objective of delivering news as it happens, we identified technology as a key enabler. Across the entire chain of collection, assimilation and presentation of news, we have selected the most suitable technology to ensure efficiency, cost effectiveness and quality. We have deployed several state-of-the-art technology specifically customized to our needs. This approach, we believe, gives us a competitive advantage in terms of superior and speedy delivery of news.

For news gathering, we have 24 bureaus, of which 15 are connected live to the central feed room, and operate five outdoor broadcasting vans and one digital satellite news gathering unit. All the news bureaus including the outdoor broadcasting vans and major international news agencies transmit their signal directly into the central feed room enabling the journalist to edit on their desktops.

We are one of the few news broadcasting companies to provide news based on non-linear editing technology. The advantage of being non-linear is that it facilitates multiple edits in the same audio-video footage, allows graphics to be seamlessly inserted as part of the news and allows easy modifying and updating of stories on desktops. This reduces the turnaround time for a news story. Our high-speed optic fibre network also enables multiple users to access our entire news footage. The news automation system used for the channel has been configured by *Coopernet* of Prague. The system allows the technical operations of the news channel including telecast to be controlled from a laptop computer.

Our technology team constantly endeavours to keep us abreast of the latest development in the field of broadcasting.

- We were first free-to-air Hindi news channel to uplink from India from our own earth station;
- We are the first fully automated news channel in India;
- We introduced small lightweight cameras for covering news, which enables us to optimize the size of news gathering teams and provide easier and quick access to remote locations;
- We use customized Octopus Newsroom System and Aveco Automation systems for our front-end and back-end operations, respectively; and
- We introduced cellphones with MMS in our business, for immediate delivery of still pictures;

We use high speed data lines instead of VSATs for news-gathering from the news bureaus, enabling us to receive many news feeds simultaneously as against one feed at a time from VSATs. The high speed data lines are also simpler to use. We have initiated efforts to, post receipt of Government approval, deploy the KU band dishes for improving the mobility of our outdoor braodcasting vans.

Our *Octopus* and *Aveco* systems have been customized to meet our requirements and increase our flexibility to operate our business. The *Octopus* system provides us a flexible platform for the bureaus, reporters, producers, rundown producers to file stories, copy and conduct last minute editing and manage the news bulletins. It is an intranet based application, which can be accessed through commonly used operating software providing seamless integration of our news bureaus with our news station in Delhi. It also allows integration of various national and international news agencies giving the reporters access to instant information and synchronises the transmission of the footage.

We use graphics quite extensively and believe that graphics not only enhances the look and feel of the news channel but also improves the quality perception. We have a dedicated graphics team of 17, which uses the graphics engine to create three-dimensional animations of important news events. These graphics are aired within a short time of the happening of the news event.

Competition

There is substantial competition in the news broadcasting industry. A number of new entrants have commenced broadcasting news based on the success of *Aaj Tak*. We believe that competition is based principally on the reach and ability to attract loyal viewers. Our ability to compete successfully depends, in part, on our ability to anticipate and respond to competitive factors affecting the Indian news broadcasting industry.

The competitors for *Aaj Tak* are Star News, Zee News, NDTV India and Sahara Samay National, while NDTV 24x7, BBC World, CNN and CNBC TV18 provide competition to *Headlines Today*. The competitive landscape in the news broadcasting industry has recently undergone the following significant changes:

- There have been recent launches of news channels, such as NDTV India, NDTV 24x7 and Sahara Samay National and the re-launch of Star News. Post their launch, these news channels have built market share by both expansion of market and by capturing market from the existing channels, including us. We believe that our loss of market share will be offset by a substantial increase in viewership due to fast growth rate of news broadcasting industry; and
- *Doordarshan*, the Government controlled terrestrial broadcaster, has recently launched its 24 hour news channel. Post its recent launch, DD News has significantly gained market share and had approximately 19.4% of the Hindi news market in terms of number of viewers for the week ending November 15, 2003. As it has a higher availability potential, due to being terrestrial and being mandatorily available on the prime band of all cable operators, advertisers targeting to reach mass audiences, such as fast moving consumer goods companies, may prefer Doordarshan, while advertisers preferring to reach higher levels of socio-economic groups may continue to prefer advertising on cable and satellite channels, including us.

As a result of competition, we may have to:

- review our advertising sales strategy;
- increase our capital expenditures in order to differentiate ourselves from other news broadcasters; and
- increase our advertising and distribution expenditures.

Competing services. The government has recently, liberalised regulations for implementation of conditional access, in a phased manner, and has recently allowed broadcasting through direct to home medium which may bring about changes in the broadcasting industry. A delay in introduction of alternative medium for news broadcasting and any future technological changes, may affect the news broadcasting industry.

Impact of successful CAS implementation on TV Today

We have plans to evaluate the merits and demerits of a pay channel, at an appropriate time to tap the subscription revenue potential. Successful implementation of CAS would be a key input to our decision making process.

We believe that given *Aaj Tak's* market leadership position and its high levels of popularity, at the appropriate time and after successful implementation of CAS, we are likely to be able to transition to a pay channel from the current free-to-air mode relatively easily, which will enable us to add to our revenue stream.

Insurance

We maintain multifarious insurance policies to cover our various assets. We currently do not carry business interruption insurance. The amount of our insurance coverage of approximately Rs.789.8 million exceeded the value of our fixed assets, as of March 31, 2003. We endeavour to renew insurance policies on an annual basis. Most of our insurance policies are valid until end of 2003 and 2004 and we intend to continue to maintain such policies.

Property

The premises on which our main offices and registered office, bureau offices, branches, residential properties are located have been taken on either lease or licence basis. The leases are typically for initial minimum term of five years in case of main offices and registered office, three years in case of news bureau offices, three years in case of branches and residential properties. The lease agreements for the main offices and the registered office are renewable for a term of up to four years. We anticipate that we will need additional offices and studios for our continued expansions.

Intellectual Property

We believe that trade-marks are important assets to our business operations. The trade mark *Aaj Tak* and the other trade-marks being used by our news channel *Aaj Tak,* are owned by our promoter, Living Media. Trade marks such as *Aaj Ke Aaj, Subhah Aaj Tak, Saptahik Aaj Tak* are registered in Living Media's name, and applications have already been made for trade-marks like *Aaj Tak, Television Today, Good Morning India and Delhi Aaj Tak* .

Living Media has licensed *Aaj Tak* and its related brands to us in terms of an license agreement, entitling us to exclusively use these brands perpetually without payment of any royalty. The other key terms of the license agreement are as under:

- The form, size, manner, colour and position is as specified by Living Media and is not substantially altered;
- Trade-marks being licensed and services provided therein obscene in nature or derogatory of any third party and will not expose Living Media to any civil or criminal proceedings;
- We shall use the trade-marks only in relation to our services, according to the specifications specified by Living Media; and
- We will not in any way impair or prejudice the rights of Living Media on these trade-marks and will not represent of owning proprietary interest.

OUR HISTORY

We were incorporated on December 28, 1999 as a company with limited liability under the Companies Act, 1956. We received the certificate for commencement of business on February 7, 2000. Living Media had been conducting news broadcasting business through one of its divisions, the "TV Today division", since 1994, which was subsequently transferred to TV Today through a Business Transfer Agreement executed between Living Media and us on April 20, 2000. For further details, see "Our History - Business Transfer Agreement". Presently, we provide news through our two news channels, *Aaj Tak* and *Headlines Today*.

We shifted our registered office from K-9, Connaught Circus, New Delhi 110 001 to Videocon Tower, E-1, Jhandewalan Extension, New Delhi 110 055 on October 18, 2000 to operate from larger premises.

History and Major Events

The key milestones of our business are as under:

Calendar year	Events
1988	Launched *Newstrack*, a 90 minute monthly video cassette covering the news of India and the Asian sub-continent
1994	Produced *Style Today*, a weekly half-hour fashion magazine
1995	Produced a 20-minute Hindi news bulletin, *Aaj Tak,* aired on the Metro channel of Doordarshan.
1996	Launched *Good Morning Today and Sapthahik Aaj Tak.* Aired special election programs such as *Aap ki Sarkar*
1997	Launched *Business Aaj Tak* and aired the proceedings of the Union Budget 1997 in Parliament and also aired its analysis. *Newstrack* transformed into a weekly television programme aired on the Metro channel of Doordarshan
1998	*Newstrack* was telecast on Star TV for one year. Launched *Subah Aaj Tak, Dilli Aaj Tak, Gaon Aaj Tak, Aaj Ki Naari* and *Aaj Ka Agenda*. Also aired *Election Results 1998, Aap Ka Faisla, Economic Survey, Curtain Raiser to the Budget, and Assembly Elections*.
1999	T.V. Today Network Limited incorporated
2000	Living Media, transferred news broadcasting business to TV Today, in accordance with the terms and conditions of the Business Transfer Agreement
2000	*Aaj Tak* launched as a 24-hour news channel providing Hindi news
2001	*Aaj Tak* declared the Best News Channel by Indian Television Academy Awards in 2001
2002	*Aaj Tak* declared the Best News Channel by Indian Television Academy Awards in 2002
2003	Launched the English news channel, *Headlines Today*
2003	*Aaj Tak* maintained its lead over competitors and reached approximately 22.7 million viewers, as per TAM viewership data for the week ended November 15, 2003
2003	*Aaj Tak* declared the Best News Channel by Indian Television Academy Awards in 2003 and TV News Channel of the Year Award by Indian Telly Awards 2003

Our Main Objects

As set out in our Memorandum of Association, our main objects are as follows:

1) To carry on the business of broadcasting, telecasting, relaying, transmitting or distributing in any manner, any audio, video or other programmes or software for television radio, internet or any other media through, including but not limited to, terrestrial satellite, cable, direct to home, internet or interactive television network.

2) To carry on the business of producing, directing, editing, distributing, purchasing, selling, acquiring or otherwise dealing in any manner, in any audio, video programme or software with respect to news, entertainment, current affairs, information, sports, education, history, cultural, art, science, fiction, games and communication and dubbing, recording, selling the same either in tapes, cassettes, photographs, floppies, compact discs, laser discs, internet or on any other media or software. To acquire rights for broadcasting, transmitting or distributing, in any manner, any live sports and entertainment events, shows, recorded programmes, highlights, films and other programmes.

3) To carry on the business of import, export, purchase, sell, lease, distribute and supply of decoding and receiving equipment, to decode and receive any encrypted and un-encrypted channels, including but not limited to, decoders, receivers, IRDs (integrated decoders-cum-receivers), head ends and any other equipment for receiving, transmitting and distribution of channels, setup converter and the like for the purpose of attainment of above objects.

4) To carry on business as advertising agents, to purchase and sell advertising time or space on any television, radio, internet, satellite in India or abroad or any other kind of media currency in vogue or which may be in vogue at any time and to act as agent or representative for any person(s) or entities for soliciting/booking advertisements and/or any other promotional, commercial and other programmes on any form of media or medium including collection of charges and remittances thereof to principals.

5) To carry on the business of cable operation and for that purpose to enter into any arrangement and, or, agreement for acquiring license or rights to distribute any channel to any person whether residential, commercial or institutional subscribers, viewers and to import, export, purchase, sell any equipment that may be required for reception, transmission and distribution of the Channel including but not limited to dish antenna, Arial, head end, decoder, receiver, cable set up converter and the like. To carry on the business of internet services through cable operation.

6) To deal in computer based multimedia presentations and information technology business regarding all types of audio, video, television, and cinematographic films, serials software and other programmes in India or elsewhere.

7) To telecast, broadcast, relay through any media including satellite, radio, computers, distribute through any cable and satellite channels, on cable networks, Direct to Home, Internet, Interactive Television or transmit the information/advertisement/ products of the company of any other person.

Since incorporation, no changes have been made to our Memorandum of Association except increase in the authorised share capital of the Company from Rs 300 million to Rs 370 million on September 30, 2003.

Agreements related to our Shareholders

ICICI Trusteeship Services had entered into an Investment Agreement ("ICICI Investment Agreement") with our Company dated September 22, 2000. This agreement was executed in order to lay down the terms and conditions on the basis of which ICICI Trusteeship Services Limited agreed to subscribe to 2,400,000 Equity Shares of the Company of Rs. 10 each.

Living Media and Bharti Systel entered into a Subscription Agreement ("Bharti Subscription Agreement") dated July 14, 2001 with our Company. This agreement was executed in order to lay down the terms and conditions on the basis of which Bharti Systel agreed to subscribe to 2,400,000 Equity Shares of the Company of Rs.10 each.

Our shareholders, ICICI Trusteeship Services (A/c ICICI Emerging Sector Fund) and Bharti Systel, have through their letters dated October 14, 2003 and October 15, 2003, respectively, consented to the termination of ICICI Investment Agreement and Bharti Subscription Agreement, respectively, on the listing of our Equity Shares on the stock exchanges. Therefore, these agreements have no force or effect post the completion of the Issue and the listing of our Equity Shares on the stock exchanges.

GE Capital Mauritius Equity Investment and Living Media entered into an Investment Agreement dated December 11, 2002 (the GE Investment Agreement) with our Company. This agreement was entered into for the purposes of setting out the terms and conditions on the basis of which GE agreed to subscribe to 800,000 Equity Shares of the Company of Rs.10 each.

GE Capital Mauritius Equity Investment, through its letter dated October 17, 2003, has consented to termination of the GE Investment Agreement with us, excepting certain clauses which relate to this Issue, such as non-classification of GE Capital Mauritius Equity Investment as the promoter for the purposes of the SEBI Guidelines and Living Media to offer its shares for the purposes of promoter's lock-in under the SEBI Guidelines.

Our Business Transfer Agreement

There is a business transfer agreement between Living Media and TV Today dated April 20, 2000. The principal provisions are as under:

Agreement for the transfer of television related, transmission division of Living Media to us as a going concern along with related plant, machinery and stock with effect from April 1, 2000;

Living Media has transferred title by delivery of possession of all its movable assets to our Company;

Living Media has transferred all its assets used by us as a going concern, including all tangible and intangible assets used in or otherwise related to the business of Living Media;

We had acknowledged that all employees of Living Media willing to accept employment with us would be employed by us on the same terms of service;

Living Media has transferred all plant, machinery, tools, fixed assets, vehicles, fixtures, furniture, equipment, supplies, books, records, agreements, contracts and liabilities related to the transmission business, which was run as a division of Living Media prior to the incorporation of our Company, to us;

Living Media has licensed to us, on a non-exclusive basis, the right to telecast the "library" and has also licensed the non-exclusive use of the content available or acquired by Living Media (excluding internet or online delivery) as a part of its ongoing business of publishing, for the means of distribution through television including without limitation terrestrial cable and satellite television throughout the world;

TV Today has paid as consideration for the said transfer, a consolidated purchase price of Rs.87 million. As part of the consideration paid to Living Media, we have agreed to provide to Living Media, exclusive rights for the content that we produce for deploying in publication, internet or other medium for online delivery, at no consideration. This arrangement requires our consent to be obtained prior to such assignment and / or transfer to competing third parties.

MANAGEMENT

Board of Directors

The following table sets forth details regarding our Board of Directors.

Name, Designation, Father's Name, Address and Occupation and Term	Other Directorships
Aroon Purie Chairman and Managing Director (S/o Mr.V.V. Purie) 6, Palam Marg, Vasant Vihar, New Delhi 110 057 India **Industrialist** **Tenure expires: March 31, 2005**	Thomson Press (India) Limited, Managing Director Harpercollins Publishers India Limited Integrated Databases India Limited Radio Today Broadcasting Limited Radio Today (Delhi) Broadcasting Limited Radio Today (Calcutta) Broadcasting Limited Radio Today (Mumbai) Broadcasting Limited Universal Learn Today Limited India Today Online Limited The All India Film Corporation Private Limited The All India Finance & Commerce Private Limited The All India Investment Corporation Private Limited The All India Hotels Private Limited Active Media Technologies Private Limited
Anil Mehra Director (S/o Late Mr.G.K. Mehra) B 223 B, Greater Kailash – I New Delhi 110 048 India **Professional** **Part Time Retiring : Liable to retire by rotation**	The All India Finance & Commerce Private Limited The All India Investment Corporation Private Limited Living Media India Limited Integrated Databases India Limited Radio Today Broadcasting Limited Radio Today (Delhi) Broadcasting Limited Radio Today (Calcutta) Broadcasting Limited Radio Today (Mumbai) Broadcasting Limited Universal Learn Today Limited India Today Online Limited Active Media Technologies Private Limited
Anil Vig Director (S/o Mr.K.L.Vig) H-186 B, Western Avenue Sainik Farms New Delhi 110 062 India **Business** **Part Time Retiring : Liable to retire by rotation**	Anika International Private Limited, Managing Director Anika Norma Automobiles Private Limited Ebony Fashions Private Limited
Rajan B. Mittal Director (S/o Late Mr.Sat Paul Mittal) E-9/17, Vasant Vihar New Delhi 110 057 India **Industrialist** **Bharti Systel nominee** **Part Time Retiring : Liable to retire by rotation**	Bharti Tele-Ventures Limited, Joint Managing Director Bharti Telecom Limited Bharti Cellular Limited Bharti Infotel Limited, Managing Director Bharti Mobile Limited Bharti Enterprises Private Limited Bharti Teletech Limited Bharti Healthcare Limited Bharti Infotrac Limited Bharti Infranet Private Limited Bharti Telesoft International Private Limited Bharti Global Limited (Foreign Co.) Ambience Realty Private Limited Telecom (Seychelles) Limited (Foreign Co.) Bharti Projects Private Limited Mitbrau Realty Private Limited Bharti Telesoft Plc., UK (Foreign Co.)

Name, Designation, Father's Name, Address and Occupation and Term	Other Directorships
Ms. Bala Deshpande Director (W/o Mr. Chaitanya Deshpande) 202, Cozy Dell, 191, St. Andrew's Road, Bandra (West), Mumbai 400 050 India **Service** **ICICI Trusteeship nominee** **Part Time Retiring : Liable to retire by rotation**	Billjunction Payments Limited Café Network Limited Crossword Book Stores Limited Indus League Clothing Limited Mars Restaurants Private Limited Megavisa Marketing & Solutions Limited Pantaloon Retail (India) Limited Shoppers Stop Limited Subhiksha Trading Services Limited Webquity eMarketing Private Limited Traveljini.com Limited

Aroon Purie, Chairman and Managing Director, age 59 years, is the Founding Editor and Editor-in-Chief of India Today and Chief Executive of the *India Today Group*. He is a graduate from the London School of Economics with a degree in Economics and is a Fellow of the Institute of Chartered Accountants (England & Wales).

Mr. Purie has greatly contributed to journalism in India. He entered the publishing business and founded the *India Today Group*. *India Today* is India's most read news publication with a readership of approximately 14.4 million across all Indian editions according to NRS 2002. The *India Today Group* also publishes several other magazines, some of which have become market leaders in their respective segments. The *India Today Group* has ventured into various businesses and launched magazines and products such as *Business Today* (business magazine), *Education Today* (education), *Music Today* (thematic classical music), *Care Today* (charity), *India Today Plus* (lifestyle) and *Travel Plus* (travel and hospitability). Under Mr.Purie's leadership, India Today entered into a tie-up with AOL TIME Warner Group for exclusive marketing and distribution of *Time* and *Fortune* magazines. He was conferred 'Padma Bhushan', a prestigious civilian award, conferred by the Government of India for his contribution to Indian journalism.

Anil Mehra, Director, age, 59 years, is proprietor of Anil Mehra & Company, Chartered Accountants and is a partner of Mehra, Singh & Vishwanath, Chartered Accountants. He completed his Bachelors in Commerce from the Delhi University and obtained professional accreditation as a Fellow Chartered Accountant from the Institute of Chartered Accountants (England & Wales) and the Institute of Chartered Accountants of India. Mr. Mehra has over 30 years of audit experience in statutory audit, internal audit, management audit, and in special investigative audits of private and public companies. He also has experience in advising companies on financial management. Mr Mehra has also been involved in corporate planning activities.

Anil Vig, Director, age 38 years, is the Managing Director of Anika International Private Limited, a company engaged in imports and exports, and of Ebony Fashions Private Limited, one of the largest textile manufacturers in India. He is also a partner in Aristo Chemical & Analytical Works. He completed his Bachelors of Arts in Commerce from the Delhi University and later studied at the Paper School in Finland.

Rajan Mittal, Director, age 43 years, is the Joint Managing Director of Bharti Enterprises. Mr.Mittal is a graduate of Punjab University and has over 20 years telecommunication industry experience. He is actively involved in overseeing the activities of the Bharti group at the corporate level and has experience in marketing activities. Mr. Rajan Mittal is the Chairman of FICCI's (Federation of Indian Chambers of Commerce and Industry) Telecom Committee. He is also the Chairman of PHDCCI's (PHD Chamber of Commerce and Industry) Telecom Committee and a Member of the Managing Committee of PHDCCI. During the period 1999-2000 he was the President of the Association of Basic Telecom Operators.

Bala Deshpande, Director, age, 37 years, completed her Bachelors of Arts in Economics from St. Xavier's College, Master of Arts in Economics from the Department of Economics, Bombay University and Master of Management Studies in Marketing from Jamnalal Bajaj Institute of Management Studies. She brings more than ten years of multi industry experience to ICICI Venture. She has worked for Cadbury India, ICI India Limited and International Best Foods Limited. She was part of Strategic Planning team for four years in International Best Foods and was also nominated for the Woman Leadership Forum held in Best Foods, New York. At ICICI, she was involved in shaping the e-commerce ventures such as Traveljini and Bill Junction India. At ICICI Venture, Ms Bala Deshpande focuses on investments in the retail, media and brand related sectors.

Compensation of Managing Directors / Wholetime Directors

Our Board of Directors at its meetings held on December 16, 2002, August 1, 2003 and the members of TV Today, at its extra-ordinary general meeting and annual general meeting held on December 16, 2002 and September 30, 2003, respectively, appointed Mr. Aroon Purie as the Managing Director up to March 31, 2005. Mr. Aroon Purie as Chairman and Managing Director of TV Today does not receive any salary but is entitled to a commission equivalent to 1% of the profits of the Company and a chauffeur driven car.

He is also the Managing Director and Company Secretary of Thompson Press (India) Limited, from where he does not receive any compensation. Mr. Purie is also the Editor-in-Chief of Living Media, wherein, apart from the salary, he is entitled for additional benefits, including contributions to provident fund, superannuation fund or annuity fund, gratuity payable as per the rules of Living Media, telephone at residence for official purposes and reimbursement for entertainment and any other expenses incurred in the course of his duties. He received a gross remuneration of Rs.17.47 million for the financial year 2003 from Living Media.

Our other Directors do not receive any remuneration from us. During financial year 2003, none of the directors except Mr. Aroon Purie and Mr. Prabhu Chawla were entitled to any compensation or benefit in kind for their services to the Company.

Corporate Governance

The Guidelines issued by SEBI in respect of Corporate Governance will be applicable to us immediately upon listing of its Equity Shares on the stock exchanges. We undertake that we will take all necessary steps to comply with all the requirements of the Guidelines on corporate governance, as would be applicable to us on listing of our Equity Shares.

We intend to comply with SEBI guidelines in respect to corporate governance, especially with respect to the appointment of independent directors to our board and constituting our board committees: the Shareholding/Investor Grievance Committee; and the Audit Committee; and the Compensation Committee.

We have constituted an Audit Committee of three directors under the Chairmanship of Mr. Anil Mehra. The other members of the audit committee are Mr. Anil Vig and Ms. Bala Deshpande.

Shareholding of Directors

Mr. Aroon Purie holds 20 shares of Rs.5 each of TV Today as a nominee of Living Media.

Interest of the Directors

All Directors of TV Today 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, reimbursement of expenses payable to them under our Articles of Association. The Chairman and Managing Director is interested to the extent of remuneration paid to him for services rendered by him. All our directors may also be deemed to be interested to extent of equity shares held, if any, already held by them or their relatives in TV Today, or that may be subscribed for and allotted to them, out of the present 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 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.

All directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by us with any company in which they hold Directorships or any partnership firm in which they are partners.

We have not entered into any contracts in the last two years from the date of this Prospectus, in which our directors are interested, directly or indirectly, and no payments have been made to them in respect of these contracts, or is proposed to be made to them other than as mentioned in “Financial Statements - Related Party Transactions”.

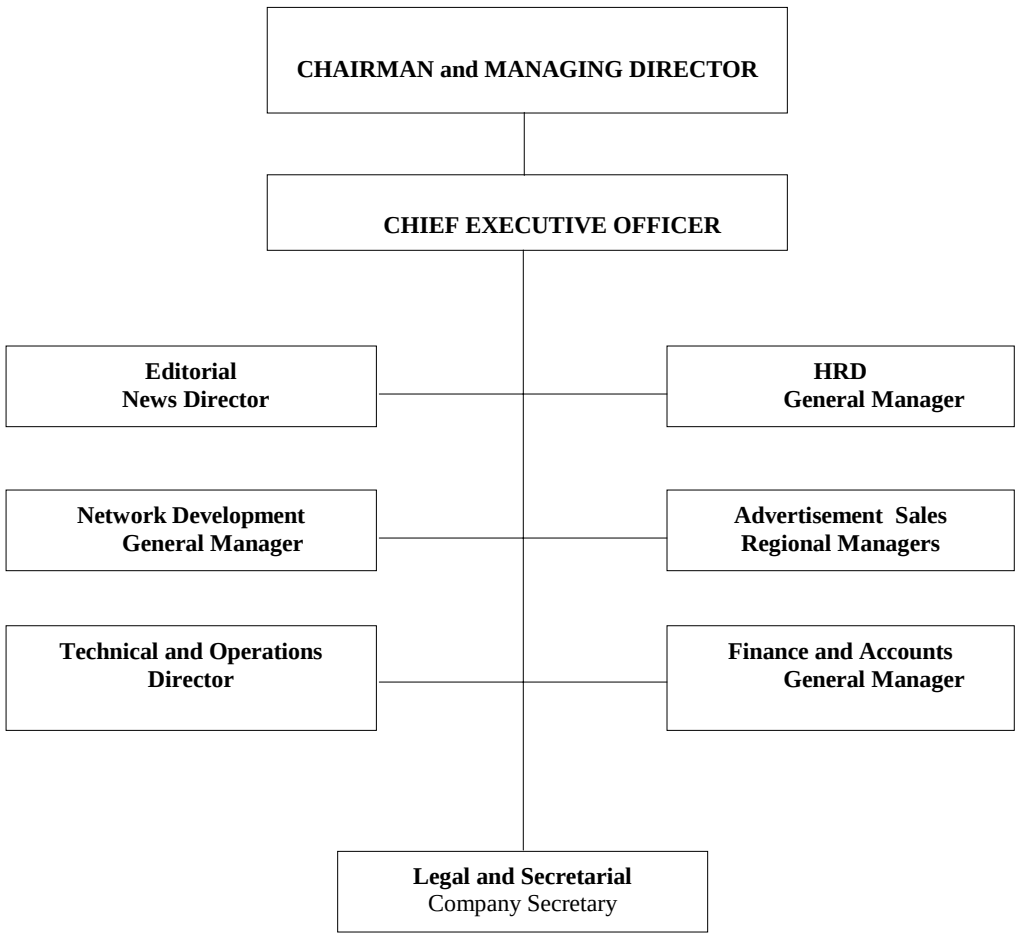
Term of Office

In accordance with the Act, all our Directors except Mr. Aroon Purie are required to retire by rotation.

Change in Board of Directors in Last Three Years

Name	Date of appointment	Date of Cessation	Reason
Financial Year 2001			
Prabhu Chawla	August 16, 2000	—	Appointed
Aroon Purie	August 16, 2000	—	Appointed
Chander P Vohra	December 28, 2000	—	Appointed
Financial Year 2002			
Chander P Vohra	—	September 20, 2001	Resigned
Financial Year 2003			
Anil Vig	August 02, 2002	—	Appointed
Prabhu Chawla	—	September 27, 2002	Resigned
Rajan B Mittal	November 21, 2002	—	Appointed
Bala Deshpande	November 21, 2002	—	Appointed
Pramod Bhasin	February 17, 2003	—	Appointed
Financial Year 2004			
Rekha Purie	—	September 4, 2003	Resigned
Koel Purie	—	September 4, 2003	Resigned
Pramod Bhasin	—	October 8, 2003	Resigned

Our Management Organization Structure



Our Key Managerial Personnel, other than the Chairman and Managing Director, are as follows:

G Krishnan, Chief Executive Officer, age 49 years, has 25 years of work experience. He holds a Bachelor's degree in Commerce and a Master's degree in Business Administration. He joined TV Today in December 1995 and was instrumental in launching *Aaj Tak*. After establishing *Aaj Tak* as the market leader in terms of number of viewers, he conceptualised the need for an English channel for young urban viewers and launched *Headlines Today*. Mr. Krishnan has been awarded the Media Person of the Year 2001 by Dinamalar Media Meet, and the TV CEO of the Year award by Indian Telly Awards 2002. He is also the founder Director of the Indian Broadcasting Foundation and the Director of Advertising Standards Council of India (ASCI). Prior to TV Today, Mr. Krishnan worked with Bennett, Coleman & Company, Limited (The Times of India Group) and headed its marketing and sales departments.

Uday Shankar, News Director, age 41 years, has 15 years of experience. He has held positions in Sahara TV, Sri Adhikari Brothers Television Network, Zee News and Times of India. He holds a Masters degree in Economic History and a Post Graduate Diploma in Journalism.

Rahul Kulshreshtha, Director, Operations and Technical, age 39 years, has 19 years of work experience. He freelanced from 1993 to 2000, and also worked for New Video Limited and Film Addicts during the period. He holds a Bachelor's degree in Commerce and has completed a one year course in systems analysis and design from NIIT.

Amitabh Srivastava, General Manager, Network Development, age 33 years, has 15 years of work experience. He has held positions at BBC World (National Manager of India and South Asia- Network Development,) MTV and Times of India. He has a Bachelor degree in Arts from Delhi University, a Certifiquate De Elementair from Alliance de Francaise and a Post Graduate Diploma in Media and Public Relation. Mr. Srivastava was awarded the TV Distribution Executive of the Year by Indian Telly Awards 2002.

Sanju Saha, General Manager- HR and Administration, age 32 years, has more than 8 years of work experience. Prior to joining TV Today, Mr. Saha has worked with Britannia Industries and American Express Bank. He has done his graduation in Commerce from Christ College, Bangalore and Master of Business Administration from XLRI, Jamshedpur.

Sanjay Jain, General Manager- Finance and Accounts, age 38 years, has 12 years of work experience. Mr. Jain is a graduate in Science from Delhi University and a Chartered Accountant. Prior to joining us, he was General Manager-Finance at Zee Turner Limited. He has worked in number of other organisations such as Panacea Biotec, Mukerian Papers Limited and Oswal Sugar Limited.

Rinku Paul, Regional Manager- Advertising Sales, age 28 years, has seven years of work experience. Prior to joining us, she was with Living Media. She has completed her graduation in English from University of Calcutta and has a masters in business administration.

Manish Nayyar, Company Secretary, age 30 years, has five years of work experience and joined the *India Today Group* in October 2001. Prior to joining us, he worked with the Hero Group and a law firm. He completed his graduation in Commerce and law from Delhi University and is an associate member of the Institute of Company Secretaries of India.

Shareholding of the Key Managerial Personnel

Mr. G. Krishnan holds 20 shares of Rs.5 each as nominee of Living Media.

Bonus or Profit Sharing Plan for Key Managerial Personnel

There is no bonus or profit sharing plan for any Key Managerial Personnel of the Company. Mr.G.Krishnan and several other Key Managerial Personnel are entitled to receive performance linked incentives.

Changes in Key Managerial Personnel in the last three years

Name of the Employee and Current Designation	Date of Joining	Date of Leaving	Reason
Financial Year 2001			
Uday Shankar, News Director	April 1, 2000	—	Transferred from Living Media
Rinku Paul, Regional Manager – Ad-Sales	April 1, 2000	—	Transferred from Living Media
Rahul Kulshreshtha, Director – Technical and Operations	May 1, 2000	—	Joined
Sugata Datta, General Manager – HR	June 29, 2000	—	Joined
Amitabh Srivastava, General Manager – Network Development	July 1, 2000	—	Joined
Neelu Sawhney, Regional Manager, Ad-Sales	September 21, 2000	—	Joined
G. Krishnan, CEO and Executive Director	October 1, 2000	—	Transferred from Living Media
Sanjay Kakra, Senior Manager – Finance and Company Secretary	December 1, 2000	—	Joined
Financial Year 2002			
No changes in the Key Managerial Personnel			
Financial Year ended March 31, 2003			
Arindam Nath, General Manager – HR	June 3, 2002	—	Joined
Sugata Datta, General Manager – HR	—	September 30, 2002	Transferred to Living Media
Sanjay Kakra, Senior Manager – Finance and Company Secretary	—	February 15, 2003	Resigned
Financial Year 2004			
Sanjay Jain, General Manager – Finance	May 1, 2003	—	Joined
Neelu Sawhney, Deputy General Manager, Ad-Sales	—	July 31, 2003	Transferred to Radio Today (Delhi)
Sanju Saha, General Manager – HR	September 17, 2003	—	Joined
Arindam Nath, General Manager – HR	—	September 30, 2003	Resigned
Manish Nayyar, Company Secretary	October 1, 2003	—	Joined

The Key Managerial Personnel are on the rolls of the Company as employees of permanent nature. None of the Directors and Key Managerial Personnel have any family relationship between them. Except to the extent of nomination of Directors by the major shareholders of the Company, there is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any Director or Key Managerial Personnel was selected.

Employees

We provide news through an integrated team of skilled and well qualified professionals, who understand the viewer's needs and work seamlessly to deliver the best content to viewers. We had a staff strength of 616, as on October 31, 2003 which includes 331 Editorial, 27 Advertising Sales and Marketing, 189 Technical, 22 Human Resources and Administration, among others. The average age of our employees is approximately 30 years. Of our editorial team, 63% have post-graduate qualifications in media or other streams.

The employee strength was 283 at the end of financial year 2001 which increased from 317 at the end of financial year 2002 and to 581 at the end of financial year 2003. The attrition rate was approximately 10% for both financial year 2001 and 2002, 20% for financial year 2003 and 9.5% for the four month ended July 31, 2003, computed on the period-end employee strength.

We expect the number of employees to increase as our business expands. The recruitment policy of the Company is targeted towards attracting and retaining well qualified professionals for meeting the Company's evolving needs.

Human Resources Initiatives

We have an online HR manual that is available to all employees and makes certain that they are aware of the Company's HR policies. Our policies are designed to encourage trust, transparency and equity. As a social security measure, we offer healthcare and accident insurance to all employees.

We have initiated a variable compensation plan for our sales team scheduling billing and recovery, editorial and technical staff. Our sales staff receives incentives based on the airtime sold by them. Our reporters' incentive scheme addresses multi-skilling and multi-tasking. Under the scheme, self shot and edited stories are converted to equivalent stories and reporters are paid per story over a threshold of 24 non-equivalent stories. For our editorial and production staff, we offer viewership based incentive schemes and it is a group incentive based scheme.

For all employees we have an annual performance appraisal and these appraisals are based on goals achieved and demonstrated competencies.

OUR PROMOTER

We have been promoted by Living Media and World Media. Living Media was incorporated on May 9, 1962 under the Companies Act, 1956 and is presently engaged in the publishing business. Living Media owns 70.8% of the Equity Share capital of TV Today. For further details, see "Capital Structure".

Living Media is the flagship company of the *India Today Group.* The *India Today Group* has, over last 25 years, developed from a printing house to a multimedia group with interests in printing, publishing, television, music, and internet.

Living Media set-up the initial division of its publishing business in January 1975, with the launch of its first publication, *Journal of Applied Medicine.* This division commenced publishing the fortnightly English news magazine, *India Today*, with a print order of 5,000 copies. The *India Today Group* took over the distribution of its magazine in 1979 and the circulation figures of *India Today* was 963,016 copies according to ABC 2002.

Living Media has licensed its international editions of *India Today* to Living Media International Limited, a wholly owned subsidiary of Living Media. The circulation of the international edition is mainly in the US, UK and the Gulf. Regional language versions of the magazine, as well as an entertainment weekly, *India Today Plus*, were subsequently started.

Magazine	**Launched in**	**Circulation According to ABC**	**Readership According to NRS 2002**
India Today (English)	December 1975	463,638	5,658,000
India Today (Hindi)	November 1986	331,436	5,127,000
India Today (Tamil)	August 1989	66,592	922,000
India Today (Malayalam)	December 1989	41,816	1,211,000
India Today (Telugu)	August 1990	59,534	1,440,000
Business Today	January 1992	124,647	709,000
Cosmopolitan	October 1996	—	179,000
India Today Plus	January 1996	—	582,000
*Smart Inc**	April 2002	—	—
Today (afternoon daily)*	April 2002	—	—
*Golf Digest**	April 2003	—	—

* These publications are neither members of ABC nor these have been covered in the last NRS in 2002.

According to NRS 2002, *India Today* is India's most read news publication with a readership of 14.4 million across all Indian editions. The *India Today Group* also publishes several other magazines that have all become market leaders in each of their segments. The rich product mix includes *India Today Plus* in the lifestyle segment, *Smart Inc.* covering technology, *Travel Plus* looking into travel and hospitality, *Design Plus* mapping trends in interior designing business and specialised sports journal *Golf Digest*.

Besides publishing its own magazines, Living Media has the following publishing and distribution tie-ups:

- Time Warner Group for marketing and distribution, *Time* magazine since 1991.
- Time Warner Group for marketing and distribution, *Fortune* magazine since 2002.
- *Cosmopolitan* has been published in India since October 1996 under license from Hearst Corporation, USA.

In 2003, the Group acquired the licensing rights to publish *Reader's Digest* in India.

Living Media has several divisions Music Today division, Art Today Division, Internet Division, India Today Bookclub and Education Today, all being new initiatives and launched about a decade.

Shareholding Pattern of Living Media as on October 31, 2003 is as under:

Shareholder	Percent of Total Shares Owned
Purie Family	14.45
The All India Investment Corporation Private Limited	13.34
World Media Private Limited	72.21
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Mr. Anil Mehra	Director
Mr. Karan Ahluwalia	Director
Ms. Neera Malhotra	Director

Financial Performance:

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. Millions, except per share data)		
Sales and other income	1,608.15	1,597.06	2,158.33
Profit /(Loss) after tax	29.07	(239.11)	307.12
Equity capital	0.22	0.66	0.66
Reserves and surplus	413.82	175.16	483.81
Earning per share	1,315.00	(4,667.00)	4,663.00
Book value per share of Rs 10 each	1,891.00	803.00	2,212.00

World Media Private Limited

World Media was incorporated on May 19, 1944 under the laws of India and is presently engaged in the distribution of magazines and providing editorial and other services.

Date of Incorporation May 19, 1944

Principal Business Distribution of magazines and providing editorial and other services

Shareholding Pattern as on October 31, 2003 is as under:

Shareholder	Percent of Total Shares Owned
Purie Family	100.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is as under:

Name	Designation
Vinod Kumar	Director
C.P. Vohra	Director
Ajay Bahl	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. Millions, except per share data)		
Sales and other income	90.34	77.07	46.66
Profit /(Loss) after tax	0.59	(3.75)	(0.42)
Equity capital	0.001	0.10	0.10
Reserves and surplus [1]	10.30	6.55	6.12
Earning per share	5,923.00	(2,650.00)	(42.00)
Book value per share	102,984.00	658.00	616.00

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Mr. Aroon Purie is the promoter of both Living Media and World Media.

Aroon Purie, age 59 years, is the Founding Editor and Editor-in-Chief of *India Today* and Chief Executive of the *India Today Group*. He is also the Managing Director of Thompson Press (India) Limited and the Chairman and Managing Director of TV Today. He is a graduate in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accounts (England & Wales).

Mr. Purie has greatly contributed to journalism in India. He entered the publishing business and founded the *India Today Group*. *India Today* is India's most read news publication with a readership of 14.4 million across all Indian editions as per NRS 2002. The *India Today Group* also publishes several other magazines, some of which have become market leaders in their respective segments. The *India Today Group* has ventured into various businesses and launched magazines and products such as *Business Today* (business magazine), *Education Today* (education), *Music Today* (thematic classical music), *Care Today* (charity), *India Today Plus* (lifestyle), *Travel Plus* (travel and hospitability). Mr. Purie has entered into a tie-up with AOL TIME Warner Group for exclusive marketing and distribution of TIME and FORTUNE magazine. Mr. Aroon Purie was conferred 'Padma Bhushan', a prestigious civilian award, conferred by the Government of India for his contribution to Indian journalism.

The chronology of events since 1975 when Mr. Aroon Purie commenced his career is as under:

Calendar Year	Events
1975	Started his career with the family Printing Business
1975	Entered into the Publishing Business, founded the *India Today Group*
1975	Brought in color for the first time in Indian Print media
1975	Started news magazine *India Today*
1988	Launch *Newstrack*, an investigative video news magazine
1988	Awarded the B.D. Goenka Award for Excellence in Journalism
1990	Diversified into music by creating *Music Today*, one of the leading classical music label and introduced thematic classical music
1990	Set up *Education Today*, which runs Vasant Valley School, one of India's leading schools

Calendar Year	Events
1990	Established Care Today, a charitable foundation, which focuses on creating a bridge between the readers and the victims of tragedies by providing them relief and monetary support
1990	Awarded Journalist of the Year by Indian Federation of Small & Medium Newspapers
1991	Tie-up with AOL-TIME Warner Group, for exclusive marketing and distribution of TIME magazine in India
1992	Launched *Business Today*, which now leads the India's business magazine segment (NRS-2002)
1993-94	Awarded the G.K. Reddy Memorial Award for Outstanding contribution to journalism
1995	Launched *Aaj Tak* as a 20-minute daily current affairs program
1996	Awarded the LIMCA People of the Year Award for Outstanding contribution to journalism
1996	Started India Today Plus, a magazine in the lifestyle segment
1999	Launched Cosmopolitan under license from Hearst Corporation, USA
1999	Created India Today Book Club, the first English language book club in India
2000	Member, Advisory Board of Media India 2000
2000	Launched Aaj Tak as a 24-hour Hindi news channel
2000-2001	Chairman, Council of Management, Audit Bureau of Circulation
2001	Aaj Tak won the Indian Television Academy Award as the Best News Channel in 2001
2001	Awarded the Padma Bhushan, a prestigious Civilian Award conferred by the Government of India for his contribution to Indian journalism
2001-2002	Chairman, CII National Committee on Media
2002	Tie-up with AOL-TIME Warner Group, for exclusive marketing and distribution of *Fortune* magazine in India
2002	Joint Venture with internationally renowned book publisher Harpercollins
2002	Launched Today, an afternoon tabloid for the Delhi-urbanite
2002	Aaj Tak won the Indian Telly Award 2002 for the TV News Channel of the Year and the Best News Channel Award by the Indian Television Academy Awards 2002
2002	Hall of Fame Award from Advertising Club of Calcutta
2002	Launched Smart Inc. to cover the technology industry
2003	Specialised sports journal Golf Digest is launched
2003	Member, Executive Committee of the Editor's Guild of India
2003	TV Today launched 24-hour English news channel Headlines Today
2003	Launched Radio Today, the Group's FM radio venture which launched its FM stations under the brand name RED, in Mumbai, Delhi and Kolkata
2003	Acquired the licensing rights to publish *Readers Digest* in India
2003-04	Chairman, CII National Committee on Media and Entertainment
2003	Awarded the Scroll of Honour by Indian Television Academy for contribution to news and current affairs.
2003	Aaj Tak won the India Telly Award 2003 for the TV News Channel of the year and the Best News Channel Award by the India Television Academy Awards 2003

The companies promoted by Living Media, Word Media and Mr. Aroon Purie, directly and indirectly are as under:

Living Media International Limited

Date of Incorporation October 30, 1988

Principal Business Procurement of advertisements and publishing

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Living Media India Limited	100.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Living Media India Limited	Director

Financial Performance:

Particulars	Year ended December 31,		
	2000	2001	2002
	(in Rs. millions, except per share data)		
Sales and other income	18.02	19.26	77.03
Profit /(Loss) after tax	(7.31)	(1.44)	(3.74)
Equity capital	9.40	9.40	9.40
Reserves and surplus	(12.54)	(13.98)	(17.73)
Earning per share	(37.00)	(7.00)	(19.00)
Book value per share	(16.00)	(23.00)	(42.00)

Note: Each share is of face value of USD 1. The rate of exchange used for conversion into Indian Rupees is USD 1 = Rs. 47

Thomson Press (India) Limited

Date of Incorporation July 1, 1962

Principal Business Printing and Photo-Typesetting

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie Family	0.00
The All India Finance & Commerce Private Limited	14.25
The All India Investment Corporation Private Limited	15.52
The All India Film Corporation Private Limited	8.00
Living Media India Limited	47.23
New York Life International India Fund (Mauritius) LLC	15.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
G Krishnan	Director
V V Purie	Director
Ravi Akhoury	Director
D N Puri	Director
Prabhu Chawla	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	1,143.43	1,235.29	1579.73
Profit /(Loss) after tax	151.18	166.56	207.69
Equity capital	3.06	3.06	3.06
Reserves and surplus (1)	680.89	846.83	960.74
Earning per share	493.66	543.86	678.16
Book value per share of Rs. 10 each	2,233.30	2,775.16	3147.10

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

India Today Online Limited

Date of Incorporation	September 14, 2000
Principal Business	Website on news

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Living Media*	0.03
Word Media Private Limited	99.97
Total	**100.00**

* through three nominees holding one shares each

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Rekha Purie	Director
Anil Mehra	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.00	0.00
Profit /(Loss) after tax	(0.13)	(0.13)	(0.13)
Equity capital	30	30	30
Reserves and surplus[1]	(0.13)	(0.25)	(0.38)
Earning per share	(42558)	(42138)	(42209)
Book value per share of Rs. 10 each	(205668)	(207026)	(208455)

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Integrated Databases India Limited

Date of Incorporation November 21, 1961

Principal Business Publishing of print and electronic database and export of software

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned (%)
Purie family	0.59
Thomson Press (India) Limited	24.75
Living Media India Limited	25.25
World Media Private Limited	0.41
Yellow Pages Singapore Pte Limited	49.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Emmanual Jospeh	Director
Anil Mehra	Director
Chang Sau Lin	Director
C P Vohra	Director
Melissa Wan	Director

Financial Performance:

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	132.89	135.58	144.76
Profit /(Loss) after tax	20.45	20.47	22.89
Equity capital	40.00	40.00	40.00
Reserves and surplus	26.85	40.71	56.85
Earning per share	5.11	5.12	5.72
Book value per share of Rs. 10 each	16.71	20.18	24.21

World Media International Limited

Date of Incorporation November 25, 1991

Principal Business No commercial activities at present

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie family	11.40
Integrated Databases India Limited	0.00
Living Media India Limited	2.85
World Media Private Limited	85.74
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
D.N. Puri	Director
Mohini Bhullar	Director
C.P. Vohra	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.34	0.34
Profit /(Loss) after tax	(0.0028)	0.14	0.15
Equity capital	0.09	0.09	0.50
Reserves and surplus [1]	(0.05)	0.10	0.25
Earning per share	(0.33)	16.86	6.88
Book value per share of Rs. 10 each	4.44	21.67	14.99

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Noida Security Printers Private Limited

Date of Incorporation April 20, 1993

Principal Business Security Printing

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie family	100.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
D.N. Puri	Director
Vinod Kumar	Director
S.M. Buckshee	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.15	0.10
Profit /(Loss) after tax	(0.41)	(0.01)	(0.04)
Equity capital	0.10	0.10	0.10
Reserves and surplus[1]	0.10	0.09	0.05
Earning per share	(41.32)	(0.61)	(4.17)
Book value per share of Rs. 10 each	19.83	19.29	15.18

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

The All India Film Corporation Private Limited

Date of Incorporation October 27, 1944

Principal Business Exhibition and distribution of films

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie family	60.68
The All India Finance and Commerce Private Limited	2.91
The All India Investment Corporation Private Limited	1.59
Living Media India Limited	20.49
World Media Private Limited	10.57
Others	3.76
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Madhu Trehan	Director
C.P. Vohra	Director
Ashwani Khanna	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.82	0.89	0.89
Profit /(Loss) after tax	0.23	0.29	0.26
Equity capital	0.10	0.10	0.11
Reserves and surplus	1.30	1.59	1.85
Earning per share	2.21	3.05	2.48
Book value per share of Rs. 10 each	14.68	17.76	18.62

The All India Investment Corporation Private Limited

Date of Incorporation September 29, 1952

Principal Business Investment Company

Shareholding Pattern as on October 31, 2003 is set forth below:

Shareholder	Percent of Total Shares Owned
Purie family	100.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Anil Mehra	Director
R.C. Sharma	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.05	0.17	0.15
Profit /(Loss) after tax	0.02	0.15	0.09
Equity capital	0.32	0.32	0.32
Reserves and surplus	0.76	0.91	1.01
Earning per share	7.78	48.12	29.25
Book value per share of Rs. 100 each	337.00	385.12	414.35

The All India Hotels Private Limited

Date of Incorporation May 26, 1978

Principal Business No activity since incorporation of the company

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie family	100.00
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
V V Purie	Director
Aroon Purie	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.00	0.00
Profit /(Loss) after tax	(0.001150)	(0.001125)	(0.001240)
Equity capital	0.0003	0.0003	0.0003
Reserves and surplus	(0.018868)	(0.019993)	(0.021233)
Earning per share	(38.33)	(37.50)	(41.33)
Book value per share of Rs. 10 each	(618.93)	(656.43)	(697.77)

The All India Finance & Commerce Private Limited

Date of Incorporation January 07, 1937

Principal Business Financing and Investment Business

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie family	53.53
The All India Investment Corporation Private Limited	9.82
The All India Film Corporation Private Limited	17.94
World Media Private Limited	9.91
Living Media India Limited	5.69
Others	3.11
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Anil Mehra	Director
C.P. Vohra	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.17	0.27	0.27
Profit /(Loss) after tax	0.05	0.18	0.13
Equity capital	0.05	0.05	0.10
Reserves and surplus	0.72	0.90	1.03
Earning per share	1.07	3.67	1.85
Book value per share of Re. 1 each	15.31	18.97	11.17

Dimples Private Limited

Date of Incorporation February 08, 1957

Principal Business Trading Activities

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Purie family	0.02
The All India Finance & Commerce Private Limited	33.33
The All India Film Corporation Private Limited	33.32
The All India Investment Corporation Private Limited	33.33
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
C.P. Vohra	Director
R.C. Sharma	Director
Ashwani Khanna	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.22	0.22	0.22
Profit /(Loss) after tax	0.02	0.02	0.02
Equity capital	0.01	0.01	0.11
Reserves and surplus	0.07	0.09	0.10
Earning per share	41.18	40.82	2.63
Book value per share of Rs. 20 each	237.73	276.02	39.30

Radio Today Broadcasting Limited

Date of Incorporation	September 14, 2000
Principal Business	Radio broadcasting

Shareholding Pattern as on October 31, 2003 is set forth below:

Shareholder	Percent of Total Shares Owned
World Media Private Limited	99.97
Living Media India Limited*	0.03
Total	**100.00**

* through three nominees holding one share each

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Rekha Purie	Director
Anil Mehra	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	Nil	Nil	Nil
Profit /(Loss) after tax	(0.00073)	(0.00283)	(0.00474)
Equity capital	0.00003	0.00003	0.00003
Reserves and surplus[1]	(0.61155)	(0.61437)	(0.61911)
Earning per share	(241.67)	(942)	(1,580.00)
Book value per share of Rs. 10 each	(203,838.00)	(204,780.00)	(206,360.00)

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Radio Today (Delhi) Broadcasting Limited

Date of Incorporation September 14, 2000

Principal Business Radio Broadcasting

Shareholding Pattern as on October 31, 2003 is set forth below

Shareholder	Percent of Total Shares Owned
Living Media India Limited*	100.00
Total	**100.00**

* including seven nominees holding one share each

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Rekha Purie	Director
Anil Mehra	Director
R.M. Raheja	Director
Prabhu Chawla	Director

Financial Performance:

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.00	0.00
Profit /(Loss) after tax	(0.09)	(0.01)	(42.70)
Equity capital [1]	0.1	0.1	22.1
Reserves and surplus	(0.075)	(0.076)	(43.46)
Earning per share	(9.29)	(1.14)	(32.10)
Book value per share of Rs. 10 each	(64.58)	(66.17)	(9.67)

(1) For the year 2002 share capital does not include share application money received from Living Media India of Rs.22 million, which was pending allotment.

Radio Today (Calcutta) Broadcasting Limited

Date of Incorporation September 14, 2000

Principal Business Radio Broadcasting

Shareholding Pattern as on October 31, 2003 is set forth below

Shareholder	Percent of Total Shares Owned
Living Media India Limited*	100.00
Total	**100.00**

* including seven nominees holding one share each

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Rekha Purie	Director
Anil Mehra	Director
R.M. Raheja	Director
Prabhu Chawla	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.00	0.00
Profit /(Loss) after tax	(0.001)	(0.004)	(6.317)
Equity capital	0.1	0.1	11.7
Reserves and surplus[1]	(0.613)	(0.618)	(6.935)
Earning per share	(0.08)	(0.45)	(8.95)
Book value per share of Rs. 10 each	(51.36)	(51.80)	(4.07)

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Radio Today (Mumbai) Broadcasting Limited

Date of Incorporation September 14, 2000

Principal Business Radio Broadcasting

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Living Media India Limited*	100.00
Total	**100.00**

* including seven nominees holding one share each

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Rekha Purie	Director
Anil Mehra	Director
R.M. Raheja	Director
Prabhu Chawla	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.00	7.438
Profit /(Loss) after tax	(0.001)	(0.005)	(142.59)
Equity capital	1.00	1.00	16.00
Reserves and surplus[1]	(0.613)	(0.619)	(146.27)
Earning per share	(0.083)	(0.546)	(147.00)
Book value per share of Rs. 10 each	(51.36)	(51.90)	(81.42)

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Universal Learn Today Limited

Date of Incorporation	September 14, 2000
Principal Business	Website on education

Shareholding Pattern as on October 31, 2003 is set forth below :

Shareholder	Percent of Total Shares Owned
Living Media	0.02
Anil Mehra	0.01
World Media Private Limited	99.97
Total	**100.00**

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Rekha Purie	Director
Anil Mehra	Director

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.00	0.00
Profit /(Loss) after tax	(0.13)	(0.13)	(0.13)
Equity capital	30	30	100000
Reserves and surplus[1]	(0.13)	(0.25)	(0.38)
Earning per share	(43430)	(42023)	(42)
Book value per share of Rs. 10 each	(206545)	(207787)	(53)

(1) Net of revaluation reserves and miscellaneous expenditure not written off and excludes export reserves and capital reserves.

Harpercollins Publishers India Limited

Date of Incorporation January 21, 1991

Principal Business Books publisher and seller

Shareholding Pattern as on October 31, 2003 is set forth below:

Shareholder	Percent of Total Shares Owned
Living Media India Limited*	60.0
HarperCollins Publishers (UK)	40.00
Total	**100.00**

* including five nominees holding one share each

Board of Directors

The Board of Directors as on October 31, 2003 is set forth below:

Name	Designation
Aroon Purie	Director
Victoria Barnsley	Director
Ankoor Purie	Director
David Steinberger	Director
Vinod Kumar	Director
John Main Bailley	Director

Financial Performance:

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	53.94	33.93	43.61
Profit /(Loss) after tax	3.10	0.85	(2.96)
Equity capital	2.50	2.50	2.50
Reserves and surplus	14.61	15.45	12.42
Earning per share	124.00	34.00	(121.00)
Book value per share of Rs. 100 each	684.00	718.00	597.00

Kumar Talkies - Bareilly

Date of Formation	November 23, 1950
Principal Business	Exhibition of Films

Partners

The names of Partners is set forth below:

Name	Designation
The All India Film Corporation Private Limited	Partner
Mrs Sumitra Devi Sharma	Partner

Partnership Share as on October 31, 2003 is set forth below :

Partner	Percent of Total Shares Owned
All India Film Corporation Private Limited	88.00
Mrs Sumitra Devi Sharma	12.00
Total	**100.00**

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	2.28	2.30	2.41
Profit /(Loss) after tax	0.06	0.10	0.05
Partners Capital	0.01	0.01	0.01
Partners Current Account	0.45	0.44	0.90
Earning per share	N.A.	N.A.	N.A.
Book value per share	N.A.	N.A.	N.A.

International Audio Visual Company New Delhi

Date of Formation	November 04, 1988
Principal Business	Acquiring rights of Indian movies for exports

Partners

The names of Partners is set forth below:

Name	Designation
V.V. Purie	Partner
Rekha Purie	Partner
Kalli Purie Bhandal	Partner
Koel Purie	Partner
Ankoor Purie	Partner

Partnership Share as on October 31, 2003 is set forth below:

Partner	Percent of Total Shares Owned
Purie family	100.0
Total	**100.00**

Financial Performance

Particulars	Year ended March 31,		
	2001	2002	2003
	(in Rs. millions, except per share data)		
Sales and other income	0.00	0.002	0.002
Profit /(Loss) after tax	-0.001	-0.008	-0.0005
Partners Capital	0.050	0.050	0.050
Partners Current Account	-0.016	-0.006	0.029
Earning per share	N.A.	N.A.	N.A.
Book value per share	N.A.	N.A.	N.A.

Living Media and World Media have not been restrained from accessing the capital markets for any reason by SEBI or any other regulatory authority. Living Media and World Media have not disassociated from any ventures in the last three years.

Common Pursuits

There are no other companies in the *India Today Group*, which are engaged in the business of news broadcasting.

Interest of Promoters in TV Today

Save as stated elsewhere in this Prospectus, the promoters, Living Media and World Media, do not have any interest in the business of TV Today, except to the extent of investments made by it in TV Today and earning returns thereon.

We have entered into various agreements with Living Media and the other companies on an arms length basis. These agreements relate to various fields like administrative services, common corporate services including editorial, license for footage, barter of services entitling Living Media to commercial time on our news channel and in turn entitling us to advertising space in Living Media's publications, providing creative services and providing technology for smart messaging services. For further details, see "Financial Statements – Related Party transactions".

There have been no sales or purchase between companies in the Promoter Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company. For details of significant transactions of sale, purchase, income and expenditure of the Company with Promoter and Promoter Group, please see "Financial Statements – Related Party transactions".

SELECTED HISTORICAL FINANCIAL DATA

You should read the following summary financial data, which have been prepared in accordance with Indian GAAP, in conjunction with our audited financial statements for each of financial years 2001, 2002 and 2003 and four months ended July 31, 2003, including the notes thereto and the reports thereon, which appear elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations". These financial statements are prepared in accordance with Indian GAAP, which differs in certain significant respects from US GAAP. For more information on these differences, see "Summary of Significant Differences Between Indian GAAP, IAS and US GAAP" included elsewhere in this Prospectus.

(in Rs. million)

Particulars	March 31, 2001	March 31, 2002	March 31, 2003	July 31, 2003
INCOME				
Revenue	118.18	516.53	1,084.93	367.85
Other income	0.64	0.39	8.92	3.28
Total Income	**118.82**	**516.92**	**1,093.85**	**371.13**
EXPENDITURE				
Employee Cost	38.90	91.50	144.06	57.16
Production Cost	93.32	80.94	97.39	5.46
Distribution Cost	0.90	1.44	0.30	0.22
Administrative and Other Costs	97.26	192.15	308.53	135.45
Total Expenditure	**230.38**	**366.03**	**550.28**	**198.29**
Profit/(Loss) EBITDA	**(111.56)**	**150.89**	**543.57**	**172.84**
Interest & Financial Charges	15.34	49.77	45.98	11.23
Amortisation:				
Preliminary Expenses written off	0.18	0.18	0.18	0.06
Deferred Revenue Expenditure charged off	1.06	4.24	4.24	2.38
Profit/(Loss) before Depreciation and Tax	**(128.14)**	**96.70**	**493.17**	**159.17**
Depreciation	22.60	68.79	76.85	32.00
Net Profit/(Loss) before Tax	**(150.74)**	**27.91**	**416.32**	**127.17**
Current Tax	—	0.42	44.00	39.26
Deferred Tax	—	—	113.02	5.95
Net Profit/(Loss) as per audited Statement of Account (A)	**(150.74)**	**27.49**	**259.30**	**81.96**
Adjustment on account of changes in accounting policies	55.12	(10.29)	—	—
Impact of prior period items	(0.80)	(3.51)	4.30	—
Total Adjustments	**54.32**	**(13.80)**	**4.30**	**—**
Adjusted Profit/(Loss)	**(96.42)**	**13.69**	**263.60**	**81.96**

(in Rs. million)

Particulars	March 31, 2001	March 31, 2002	March 31, 2003	July 31, 2003
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	591.61	651.94	823.08	878.26
Less: Depreciation	(22.56)	(91.01)	(167.81)	(199.78)
Net Block	569.05	560.93	655.27	678.48
Capital Work In Progress	1.88	0.62	33.36	68.87
Total	**570.93**	**561.55**	**688.63**	**747.35**
Pre-operative expenditure pending allocation	**—**	**—**	**—**	**—**
Current Assets				
Cash and Bank Balances	19.93	26.67	285.54	12.41
Sundry Debtors	26.41	209.46	335.06	301.35
Loans and Advances	49.11	49.52	70.11	83.16
Total (A)	**95.45**	**285.65**	**690.71**	**396.92**
Current Liabilities				
Sundry Creditors	138.41	133.62	193.97	224.90
Provisions	2.80	5.18	7.52	10.07
Total (B)	**141.21**	**138.80**	**201.49**	**234.97**
Net Current Assets (A-B)	**(45.76)**	**146.85**	**489.22**	**161.95**
Miscellaneous Expenditure (to the extent not written off or adjusted)	20.85	16.43	26.51	24.07
TOTAL	**546.02**	**724.83**	**1,204.36**	**933.37**
SOURCES OF FUNDS				
Share Capital and Reserves				
Share Capital	208.00	232.00	240.00	240.00
Securities Premium	122.00	280.40	356.40	356.40
Reserves and Surplus	(96.42)	(82.73)	180.87	262.83
Total	**233.58**	**429.67**	**777.27**	**859.23**
Deferred Tax Liability/(Asset)	**(55.12)**	**(44.83)**	**68.19**	**74.14**
Loan Funds				
Secured Loans	240.00	339.99	358.90	—
Unsecured Loans	127.56	—	—	—
Total	**367.56**	**339.99**	**358.90**	**—**
TOTAL	**546.02**	**724.83**	**1,204.36**	**933.37**
Cash flow data				
Net cash provided / (used) by/ in operating activities	(60.01)	(43.53)	411.55	193.87
Net cash provided / (used) by/ in investing activities	(622.41)	(57.47)	(482.05)	190.89
Net cash provided/ (used) by/ in financing activities	692.22	103.02	65.38	(379.05)
Net increase/ (decrease) in cash and cash equivalents	9.80	2.02	(5.12)	5.71

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements for each of the financial years ended March 31, 2001, 2002 and 2003 and the four months ended July 31, 2003, including the notes thereto and the reports thereon, which appear elsewhere in this Prospectus.

The following discussion is based on our audited financial statements for financial years 2001, 2002 and 2003 and the four months ended July 31, 2003, which have been prepared in accordance with Indian GAAP, and on information available from other sources. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Unless otherwise indicated, all financial and statistical data relating to the media industry in the following discussion are derived from the TAM viewership data. These data have been reclassified in certain respects for purposes of presentation. For more information, see "Forward-Looking Statements" on page A of this Prospectus.

Overview

We are the leading news broadcaster of India, based on number of viewers for the week ended November 15, 2003. We have changed the way news is delivered to Indian audiences and have continuously innovated to retain and increase our viewership. We have effectively created a unique platform for advertisers to reach their target audience comprising approximately 22.7 million viewers, as per TAM viewership data for week ended November 15, 2003.

- *Aaj Tak* delivers news in Hindi, reaching out to the large Hindi user segment constituting approximately 52% of India's urban population according to NRS 2002. The Indian Television Academy awarded *Aaj Tak* the "*Best News Channel"* for three consecutive years 2001, 2002 and 2003. *Aaj Tak* is the market leader in the news broadcasting genre with approximately 29% market share in the Hindi news genre as per TAM viewership data for week ending November 15, 2003, and has been the market leader since May 2001, as per TAM Viewership data.
- Our English news channel, *Headlines Today*, primarily targets young urban viewers, who need sharp and crisp delivery of news. Our market share was approximately 9% amongst English news channels, according to TAM viewership data for the week ending November 15, 2003.

Factors affecting our operations

Our future results of operations could potentially be affected by the following factors:

- Our ability to successfully maintain our leadership position in terms of viewership in the intensely competitive news broadcasting industry;
- Changes in advertiser and viewer preferences;
- Changes in Government regulation governing the news broadcasting industry; and
- Changes in technology and introduction of competing advertising medium.

Income

Our income has two components: revenue and other income. Our revenue primarily comprises advertisement income. It also includes service fee charged by us, revenues from media services and equipment hire charges earned by us. The following table sets forth the contribution of the different components of our revenue and of other income towards total income during each of financial years 2001, 2002 and 2003 and the four months ended July 31, 2003:

(Rs. in millions)

	Financial year ended			Period ended
	2001	**2002**	**2003**	**July 31, 2003**
Revenue				
Advertisement Income	109.21	510.23	1081.83	367.85
Service Fee	0	4.61	1.93	0
Media Services	8.59	1.28	0.93	0
Equipment Hire Charges	0.38	0.41	0.24	0
Total Revenues	**118.18**	**516.53**	**1084.93**	**367.85**
Other Income	**0.64**	**0.39**	**8.92**	**3.28**
Total Income	**118.82**	**516.92**	**1093.85**	**371.13**

Revenue

Advertisement Revenue. We had 355 and 357 advertisers, who advertised on our news channels, during financial years 2002 and 2003, respectively. The top ten advertisers during financial years 2002 and 2003 constituted approximately 16.5% and 19.3% of our advertising revenues, respectively. As per TAM viewership data, our average weekly viewership was approximately 10.3 million, 18.5 million and 24.5 million and 24.5 million, in financial years 2001, 2002 and 2003 and the four months ended July 31, 2003, respectively.

We operate through a comprehensive and transparent advertising rate card, and all our transactions are based on the rate card. We categorise our advertisement rates into the following categories:

- Fixed time rate, or FTR, which allows advertisers to select pre-specified time slots for advertising their products or services;
- Run on day part rate, or RODP, which allows advertisers to advertise during specific time bands that we categorise the day into. We presently divide the commercial time of a day into eight time bands of 5 AM to 7 AM, 7 AM to 10 AM, 10 AM to 1 PM, 1 PM to 3 PM, 3 PM to 6 PM, 6 PM to 9 PM, 9 PM to 11 PM and 11PM to 1 AM; and
- Run on schedule, or ROS, which allows advertisers to advertise during broad time bands during the time bands of 5 AM to 6 PM, 6 PM to 1 AM, 1 AM to 5 AM and 24 hours. The advertisements are telecast any time within the time band, based on availability of inventory.

For *Aaj Tak*, our advertising rates for FTR and RODP differ for weekends and weekdays, with a premium being typically charged for weekend advertising.

We presently offer four main advertising categories of *Solo, Smash, Winner* and *Crown*. These categories are based on pre-specified advertising time with advertising rates varying across these categories. While the *Solo* scheme is for advertisers utilizing 1,500 seconds within four months, *Smash* scheme is for advertisers utilizing between 1,510 to 3,000 seconds within four months, *Winner* scheme is for advertisers to utilize between 3,010 to 6,000 seconds within six months and *Crown* scheme is for advertisers utilizing more than 6,000 seconds within nine months. While advertisement rates are the highest under the *Solo* scheme, they are the minimum under the *Crown* scheme, incentivising advertisers to utilize a higher volume of advertising time. We also reward our FTR and RODP advertisers, who advertise during the time band of 6 PM to 1 AM, with bonus time spots for advertising. These bonus time spots cannot be utilized by these advertisers during our prime time of 6 PM to 12 midnight, and are utilised between 5 AM to 6 PM on ROS basis.

For our Hindi news channel *Aaj Tak*, we offer duration, loyalty and consumption based incentives to our FTR and RODP advertisers. We also offer payment based incentives to all our advertisers. We also offer incentives for early advance bookings. We also seek associate sponsorships for our headlines, business, health, sports, metro, *Vishesh*, weather, sports, and programmes such as *Jurm* and *Duniya Ravivar*.

We have recently introduced an *Initiation Incentive* for the first 100 advertisers for our English News channel, *Headlines Today* with higher incentives for the first 50 advertisers. We have also introduced a *Multiplier Offer* which provides incentives to the advertisers for advertising on both our channels *Headlines Today* and *Aaj Tak*.

We recognise revenue for the period for which services have been provided and for which there is certainty of collection. Sale of advertisement does not include service tax, which is payable after collection.

During the time band of 6 PM to 12 midnight, we sold a total of 7,250 and 15,439 minutes of paid inventory, resulting in a paid advertising time inventory utilisation in prime time of 28% and 58.7% in financial years 2002 and 2003, respectively, based on 12 minutes of advertisement inventory per hour.

Advertisement committed to us in advance provides stability and visibility of revenues. Such commitments of advertising revenue during the first half of financial years 2002, 2003 and 2004, are as under:

Period ending	**Net Advance sales[1] (in Rs millions)**
September 2001	288
September 2002	894
September 2003	1404

(1) excluded agency commissions

Our rate card is generally reviewed and revised annually based on our viewership, market conditions and advertiser preferences.

Service Fee: It represents the user charges that we collect from various cable operators who use our digital satellite receivers, which enable them to receive and decrypt our encrypted signals. It is collected and recognised in the period to which it relates.

Media Services: Primarily relates to revenues that we derive from sale of news footage from our archives and providing production facilities.

Equipment Hire Charges: Revenues from equipment hire charges relate to certain peripheral equipment given on lease to other parties.

Other Income: Other income primarily relates to interest earned on cash deposited with banks. Other income comprised 0.54%, 0.07%, 0.82% and 0.88% of total income for financial years 2001, 2002 and 2003 and the four months ended July 31, 2003, respectively.

We launched our English news channel *Headlines Today* in March 2003 and plan to move to new studios giving new look to the channel by end of calendar year 2003. We believe *Headlines Today* would increasingly contribute to our revenues in the future.

Expenditure

Employee Cost. It includes salary payments, wages, contributions to employee benefit, staff welfare and provident funds, and various allowances. Being in the news broadcasting industry, we substantially depend on our employees to maintain our leadership position in the news broadcasting industry. Employee costs constituted approximately 16.9%, 25.0%, 26.2% and 28.8% of our total expenditure (excluding depreciation, interest and deferred revenue expenditure) for financial years 2001, 2002, 2003 and the four months ended July 31, 2003, respectively.

Production Cost. It includes transponder lease rentals, subscription, production expenses, assignment charges, uplinking charges, reporting expenses and consumables. We hire transponder space from satellite for broadcasting news, the cost of which constituted approximately 2.6%, 6.0%, 4.5% and 7.6% of the total expenditure (excluding depreciation, interest and deferred revenue expenditure) during financial years 2001, 2002 and 2003 and the four months ended July 31, 2003, respectively. Our subscription charges for receiving news from a number of national and international wire agencies, constituted approximately 3.0%, 4.2%, 3.0% and 3.5% of the total expenditure (excluding depreciation, interest and deferred revenue expenditure) during financial years 2001, 2002 and 2003 and the four months ended July 31, 2003, respectively. The production expenses primarily relate to certain equipment hire charges, net provision made on account of any bonus spot that could not be aired and charges for studio and set designing. Production costs constituted approximately 40.5%, 22.1%, 17.7% and 2.7% of total expenditure (excluding depreciation, interest and deferred revenue expenditure) during financial years 2001, 2002, 2003 and the four months ended July 31, 2003, respectively.

Administrative and other costs. Our administrative and other expenses consist primarily of advertising and sales promotion, travelling and conveyance, communication expenses, bad debt provision, rent, utilities, administrative expenses, repairs and maintenance, technical consultancy fees and other miscellaneous expenses. Advertisement and sales promotional expenses include the expenses incurred for brand launches, corporate campaigns and other advertisements; and comprised the largest component of our administrative and other costs during the last three financial years.

We also incur substantial expenditure on travelling, conveyance and communication, which is important for our business. Administrative and other expenses constituted approximately 42.2%, 52.5%, 56.1% and 68.3% of total expenditure (excluding depreciation, interest and deferred revenue expenditure) in financial years 2001, 2002 and 2003 and the four months ended July 31, 2003, respectively.

Adjusted Profit/(Loss) after Tax

The adjusted profit/(loss) after tax consists of the net profit/(loss) after tax as per the audited statement of accounts, adjusted on account of (1) changes in accounting policies and (2) the impact of material adjustments and prior period items. The adjusted net loss was Rs.96.4 million in financial year 2001, adjusted net profit of Rs.13.7 million in financial year 2002 and Rs.263.6 million in financial year 2003 and Rs. 82.0 million during the four months ended July 31, 2003. Our adjusted net profit margins have been negative 81.2% for financial year 2001, and positive adjusted net profit margin of 2.7%, 24.1% and 22.1% for the financial year 2001, 2002 and 2003 and the four months ended July 31, 2003, respectively.

Our critical accounting policies

Our financial statements are prepared in accordance with generally accepted accounting principles, the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. Certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of assumptions and estimates of our management. For further details, see "Financial Statements – Significant Accounting Policies."

Fixed Assets

We carry fixed assets at cost of acquisition or construction or at manufacturing cost (in case of own manufactured assets) in the year of capitalization less accumulated depreciation. The Fixed Assets include all expenses related to acquisition and installation.

Depreciation

We depreciate our fixed assets on a straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956 on triple shift

basis. The leasehold improvements are written off over the period of the lease.

Our plant and machinery are technically evaluated each year for their useful economic life and accelerated depreciation is provided where considered necessary. Estimates of useful life are subject to changes in economic environment and different assumptions and conditions. Factors such as changes in planned uses of machinery or equipment could result in shortened useful lives or impairment.

Retirement Benefits

Liabilities towards employee gratuity and leave encashment have been provided as per actuarial valuation based on Projected Unit Credit Method at the year-end. The actuarial valuation of the liability towards these benefits is made on the basis of certain assumptions with respect to variable elements affecting the computations including estimation of interest rate of earnings on investments. Such variable elements are subject to changes in economic environment and different assumptions and conditions.

Our Results of Operations

The table below sets forth various line items from our restated financial statements for financial year 2001, 2002 and 2003, and the four months ended July 31, 2003, as a percentage of revenue.

COST TO NET SALES RATIO

(Rs. million)

	Financial year 2001	Financial year 2002	Financial year 2003	Period ended July 31, 2003
Operating Revenues	118.18	516.53	1084.93	367.85
Other Income	0.64	0.39	8.92	3.28
Total Revenue	**118.82**	**516.92**	**1093.85**	**371.13**
Production Cost to Total Revenue	**78.5%**	**15.7%**	**8.9%**	**1.5%**
Production Cost	93.32	80.94	97.39	5.46
Employee Remuneration and Benefits to Total Revenue	**32.7%**	**17.7%**	**13.2%**	**15.4%**
Employee Remuneration and benefits	38.90	91.50	144.06	57.16
Administrative and Other Expenses to Total Revenue	**81.9%**	**37.2%**	**28.2%**	**36.5%**
Administrative and other Expenses	97.26	192.15	308.53	135.45
Distribution Expenses to Total Revenue	**0.8%**	**0.3%**	**0.0%**	**0.1%**
Distribution Expenses	0.90	1.44	0.30	0.22
Depreciation and Amortisation to Total Revenue	**20.1%**	**14.2%**	**7.4%**	**9.3%**
Depreciation and Amortisation	23.84	73.21	81.27	34.44
Finance Charges to Total Revenue	**12.9%**	**9.6%**	**4.2%**	**3.0%**
Finance Charges	15.34	49.77	45.98	11.23
Net Profit/(loss) before tax to Total Revenue	**-126.9%**	**5.4%**	**38.1%**	**34.3%**
Net Profit/(loss) before tax	(150.74)	27.91	416.32	127.17
Deferred Tax Liability	—	—	113.02	5.95
Current Tax	—	0.42	44.00	39.26
Net Profit/(loss) after Tax to Total Revenue	**-126.9%**	**5.3%**	**23.7%**	**22.1%**
Net Profit/(loss) after tax	-150.74	27.49	259.30	81.96

As we have significant fixed costs, our contribution to the profitability increases with increasing revenues.

The four months ended July 31, 2003

The revenues and expenditure for the four months period ended July 31, 2003 may not be considered representative of the entire year.

Revenue

Advertisement Revenue

Our advertisement revenue in the four months ended July 31, 2003 was Rs.367.85 million.

Other revenue

Other revenue in the four months ended July 31, 2003 was Rs.3.28 million.

Total Revenue

Our total revenue in the four months ended July 31, 2003 were Rs.371.13 million.

Production Cost

Production Cost in the four months ended July 31, 2003 was Rs.5.46 million. Production Cost as a percentage of total revenue decreased to 1.5% in the four months ended July 31, 2003 from 8.9% in fiscal 2003 primarily due to reversal of provision no longer required of Rs. 27.6 million under this head.

Employees Cost

Employees Cost in the four months ended July 31, 2003 was Rs.57.16 million. Employees Cost as a percentage of total revenue increased to 15.4% in the four months ended July 31, 2003 from 13.2% in fiscal 2003 primarily due to increase in average number of employees during the period.

Administrative and other Expenses

Administrative and other Expenses in the four months ended July 31, 2003 was Rs.135.45 million. Administrative and other Expenses as a percentage of total revenue increased to 36.5% in the four months ended July 31, 2003 from 28.2% in fiscal 2003. This was primarily due to increase in advertisement and sales promotion activity of the Company, rentals and utility expenses.

Financial Expenses

Financial Expenses in the four months ended July 31, 2003 was Rs.11.23 million inclusive of prepayment premium of Rs.3.5 million paid for the prepayment of term loans. Financial Expenses related to lower average indebtedness during the four months ended July 31, 2003 against fiscal 2003.

Depreciation and Amortisation

Depreciation and amortisation in the four months ended July 31, 2003 was Rs.34.44 million. Depreciation and amortisation as a percentage of total revenue was 9.3% in the four months ended July 31, 2003.

Profit/(Loss) Before Tax

Net Profit before tax in the four months ended July 31, 2003 was Rs.127.17 million. Net Profit before tax as a percentage of net revenue decreased to 34.3% in the four months ended July 31, 2003 from 38.1% in fiscal 2003. This decrease was primarily due to increase in our administrative and other expenses including advertisement and sales promotion activity.

Deferred tax

Deferred tax provision of Rs. 5.95 million was made for the four months ended July 31, 2003 based on the application of Accounting Standard 22 on deferred taxes, which became mandatory with effect from April 1, 2002. Such provision of deferred tax is primarily on account of timing differences on account of depreciation of Rs. 6.36 million.

Adjusted Profit/(Loss) after tax

Profit after tax in the four months ended July 31, 2003 was Rs.81.96 million.

Comparison of financial year 2003 with financial year 2002

Some of the key developments during financial year 2003 were:

(a) Launch of our English news channel, *Headlines Today* in March 2003;

(b) Increase in our advertisement rates; and

(c) Increase in our market share and viewership leading to increased viewership and thereby increased inventory utilisation.

Revenue

Advertisement Revenues

The advertisement revenues increased by 112% to Rs.1081.83 million in financial year 2003 from Rs.510.23 million in financial year 2002. This increase in revenue was primarily due to:

(a) Increase in advance orders of Rs. 122.6 million in first quarter of financial year 2002 to Rs 905.1 million in first quarter of financial year 2003.

(b) increase in advertisement rates. Our effective rates of prime time (6 PM to 12 midnight) inventory increased from Rs.976 per 10 seconds to Rs.2475 per 10 seconds registering an increase of 154%.

(c) Inventory utilisation during prime time increased by 113% from 7,250 minutes in financial year 2002 to 15,439 minutes in financial year 2003.

Other Revenue

Other revenue increased significantly to Rs.8.92 million in financial year 2003 from Rs.0.39 million in financial year 2002. This was primarily on account of increase in interest on deposits, due to surplus cash available with us during the financial year 2003 in comparing to financial year 2002.

Production Cost

Production Cost in financial year 2003 increased by approximately 20% to Rs.97.39 million in financial year 2003 from Rs.80.94 million in financial year 2002. Production cost as a percentage of total revenue decreased to approximately 8.9% in financial year 2003 from approximately 15.7% in financial year 2002. The increase in production cost was primarily due to increase in uplinking charges and other production expenses.

Employees Costs

Employee costs increased by approximately 57% to Rs.144.1 million in financial year 2003 from Rs.91.5 million in financial year 2002. Employee costs as a percentage of net sales decreased to approximately 13.2% in financial year 2003 from approximately 17.7% in financial year 2002. The increase in employee costs was primarily due to a lower base in financial year 2002 of an average of 308 employees as against 403 average employees in financial year 2003.

Administrative and other Expenses

Administrative and other expenses increased by approximately 61% to Rs.308.5 million in financial year 2003 from Rs.192.2 million in financial year 2002. Administrative and other expenses as a percentage of total revenue reduced from approximately 37.2% in financial year 2002 to approximately 28.2% in financial year 2003. The factors contributing to increase in administrative and other expenses include approximately 56% increase in travelling and conveyance expenses which increased to Rs.52.8 million in financial year 2003 from Rs.33.7 million in financial year 2002. This increase was primarily due to increase in number of editorial professionals and extraordinary international happenings such as Iraq war, cricket and football world cups. Also, the advertisement and sales promotion expenses increased from Rs. 42.3 million in financial year 2002 to Rs 60.2 million in financial year 2003, registering an increase of approximately 42%. In financial year 2003, a provision of Rs. 27.2 million was created for doubtful debts and advances as against Rs. 2.9 million in financial year 2002. Such increase in the provision was primarily on account of an extraordinary item constituting over Rs.22 million and is not expected to be incurred in the future years.

Financial Expenses

Financial expenses decreased by 8% to Rs.46 million in financial year 2003 from Rs.49.8 million in financial year 2002 primarily on account of lower utilisation of working capital loans during the financial year 2003 as against 2002.

Depreciation and Amortisation

Depreciation increased by 12% to Rs.76.9 million in financial year 2003 from Rs.68.8 million in financial year 2002. Amortisation of

preliminary expenses and deferred revenue expenses was at Rs 4.4 million for both the financial years 2002 and 2003. Depreciation and Amortisation as a percentage of total revenue reduced from 14.2% in financial year 2002 to 7.4% in financial year 2003. The increase in depreciation was primarily due to the additions in fixed assets in financial year 2003 of approximately Rs.171.1 million.

Profit/(Loss) Before Tax

Profit before tax increased to Rs.416.3 million in financial year 2003 from Rs.27.9 million in financial year 2002. Profit before tax as a percentage of total revenue increased to 38.1% in financial year 2003 from 5.4% in financial year 2002, primarily due to a substantial increase in revenues without similar increase in our costs, substantial part of which is fixed. The other factors contributing to increase in revenues also contribute to the increase in Profit before tax.

Deferred TaxExpense

The deferred tax asset/ liability has been computed as per Accounting Standard 22 on "Accounting for taxes on Income" issued by Institute of Chartered Accountants of India. The deferred tax expense during the year is primarily on account of timing differences on account of depreciation of Rs 27.17 million and set off of carry forward losses and unabsorbed depreciation of Rs 94.10 million.

Adjusted Profit/(Loss) After Tax

Adjusted profit after tax was Rs.263.6 million in financial year 2003 as compared to Rs.13.7 million in financial year 2002, as a result of the foregoing factors.

Comparison of financial year 2002 with financial year 2001

Our financial statements are difficult to compare from financial year 2001 to financial year 2002 due to our 24 hour Hindi news channel, *Aaj Tak,* being launched in December 2000 resulting in only approximately three months of its operation in financial year 2001.

Some of the key developments that occurred during financial year 2002 include the following:

(a) *Aaj Tak* was launched as a 24 hour news channel in December 2000

(b) Increase in our advertisement rates

(c) Increase in our market share and viewership leading to increased viewership and thereby increased inventory utilisation

Revenue

Advertisement Revenues

The advertisement revenues increased by 367% to Rs.510.23 million in financial year 2002 from Rs.109.2 million in financial year 2001. This increase in revenues was primarily due to the fact that our 24 hour Hindi news channel *Aaj Tak* was launched in December 2000 only. Our effective rates of prime time (1800 hrs to 2400 hrs) inventory remained constant at Rs.976 per 10 seconds.

Other revenue

Other revenue decreased by approximately 39% to Rs.0.39 million in financial year 2002 from Rs.0.64 million in financial year 2001. This was primarily on account of decrease in interest on Deposits, as the surplus cash was used to pay off the debts during the financial year 2002 as against 2001.

Production Cost

Production Cost in financial year 2002 decreased by approximately 13% to Rs.81 million in financial year 2002 from Rs.93 million in financial year 2001. Production cost as a percentage of total revenue decreased to approximately 15.7% in financial year 2002 from approximately 78.5% in financial year 2001. The decrease in production cost was primarily due to discontinuation of telecasting and broadcasting fees to *Doordarshan,* however transponder cost for the year was for 12 months against three months for financial year 2001.

Employees Costs

Employee costs increased by approximately 135% to Rs.91.5 million in financial year 2002 from Rs.38.9 million in financial year 2001. Employee costs as a percentage of net sales decreased to approximately 17.7% in financial year 2002 from approximately 32.7% in financial year 2001. The increase in employee costs was primarily due to a lower base in financial year 2001 of an average of 213 employees as against 308 average employees in financial year 2002.

Administrative and other Expenses

Administrative and other expenses increased by approximately 98% to Rs. 192.2 million in financial year 2002 from Rs.97.3 million in

financial year 2001. Administrative and other expenses as a percentage of total revenue reduced from approximately 81.9% in financial year 2001 to approximately 37.2% in financial year 2002. The factors contributing to increase in administrative and other expenses include approximately 258% increase in travelling and conveyance expense which increased to Rs 33.7 million in financial year 2002 from Rs.9.4 million in financial year 2001. This increase was primarily due to an increase in editorial professionals and increase in expenses on account of our full year of operation of 24 hour news channel. The advertisement and sales promotion expenses increased from Rs 34.9 million in financial year 2001 to Rs 42.3 million in financial year 2002 registering an increase of approximately 21%. In financial year 2002, lease rental cost increased to Rs.20.65 million from Rs. 5.7 million in financial year 2001. There was also a technical consultancy fees cost of Rs 5.7 million in financial year 2002.

Profit/(Loss) Before Tax

Profit before tax increased to Rs.27.9 million in financial year 2002 from loss before tax of (Rs.150.75) million in financial year 2001. Profit before tax as a percentage of total revenue increased to 5.4% in financial year 2002 from negative 126.9% in financial year 2001, primarily due to a substantial increase in revenues without similar increase in our costs, substantial part of which is fixed. The other factors contributing to increase in revenues also contribute to the increase in Profit before tax.

Depreciation and Amortisation

Depreciation increased by 204% to Rs.68.8 million in financial year 2002 from Rs.22.6 million in financial year 2001. Amortisation of deferred revenue expenses increased to Rs. 4.4 million in financial year 2002 as against Rs. 1.1 million in financial year 2001. Depreciation and Amortisation as a percentage of total revenue reduced from 20.1% in financial year 2001 to 14.2% in financial year 2002. However, in absolute terms, depreciation increased from Rs. 22.6 million in financial year 2001 to Rs. 68.7 million in financial year 2002 due to capitalisation of plant and machinery in financial year 2002.

Financial Expenses

Financial expenses increased by 224% to Rs.49.8 million in financial year 2002 from Rs.15.3 million in financial year 2001. This was primarily due to borrowing and deployment of more funds for the entire financial year 2002 as against part financial year 2001.

Deferred Tax

The relevant accounting standard had not been adopted in financial year 2001 and deferred tax was therefore not included in the financial statements.

Adjusted Profit/(Loss) After Tax

Profit after tax was Rs.13.7 million in financial year 2002 as compared to negative Rs. 96.42 million in financial year 2001, as a result of the foregoing factors.

Quarterly Variations in Our Results of Operations

After the listing of our Equity Shares, we will be required to report our results of operations on a quarterly basis to the Indian stock exchanges. Our results of operations tend to vary from quarter to quarter based on a number of factors including macro-economic factors, market conditions and financial year regulation, and we expect that they will continue to do so. However, we do not believe that this variation is due to seasonal patterns or that our business is seasonal in nature.

Liquidity and Capital Resources

Liquidity

Our primary liquidity needs have been historically to finance our working capital needs and our capital expenditures. To fund these costs, we have relied on cash flows from operations and short-term and long-term borrowings.

Cash Flows

The table below summarizes our cash flows for the financial years 2001, 2002 and 2003 and the four months ended July 31, 2003.

(Rs. in millions)

Cash Flow	Financial Year 2001	Financial Year 2002	Financial Year 2003	Period ended July 31, 2003
Net Cash Flow from (used in) operating activities	(60.01)	(43.53)	411.55	193.87
Net Cash Used in investing activities	(622.41)	(57.47)	(482.05)	190.89
Net Cash flow from (used in) financing activities	692.22	103.02	65.38	(379.05)
Net Increase/(Decrease) in Cash and Cash Equivalents	9.80	2.02	(5.12)	5.71

Figures in brackets represent cash outflow

Our cash flows from operations are influenced primarily by capital expenditure, working capital requirements and cash from operations and incurrence and repayment of debt. Our net cash flow provided by operating activities was a positive Rs.411.55 million in financial year 2003, primarily due to an increase in revenues and profitability. Our net cash flow provided by operating activities was Rs. 193.87 million for the four months ended July 31, 2003. Our cash flow from operating activities before working capital changes in financial year 2003 was Rs. 567.6 million. Our net cash flow from operating activities was a negative Rs. 43.5 million in financial year 2002, primarily due to our increased working capital requirements in financial year 2002.

Net cash used in investing activities was a negative Rs. 57.5 million and a negative Rs. 482.1 million during financial year 2002 and 2003 respectively. Our net cash used in investing activities for financial year 2002 related primarily to purchase of fixed assets, partially offset by proceeds received from the sale of our equipment. Our net cash used in investing activities for financial year 2003 related primarily towards investment in fixed deposits, the purchase of fixed assets for our new channel *Headlines Today* and indirect expenditure incurred on the channel. Net cash generated from investing activities was Rs. 190.89 million and primarily related to maturity of fixed deposit of Rs. 278.83 million.

Our net cash flow from financing activities was Rs. 103.0 million in financial year 2002, primarily due to proceeds from issuance of share capital and long term borrowings from banks and financial institutions to help fund our capital expenditure requirements, and a Rs. 65.4 million in financial year 2003, primarily due to proceeds from issuance of share capital. Our net cash flow from financing activities was Rs. 379.05 million for the four months ended July 31, 2003, primarily due to repayment of long term and working capital borrowings from banks of Rs. 335 million.

Indebtedness

As on July 31, 2003, the Company had negotiated and pre-paid its entire term loan liability by withdrawing surplus cash in fixed deposits. This will effectively reduce the interest costs in years to come.

Off-balance sheet arrangements

ICICI Bank Limited has, on our behalf, issued a financial guarantee in respect of hiring of transponders from Videsh Sanchar Nigam Limited for Rs. 22.5 million for a period commencing September 15, 2003 to September 14, 2004. This bank guarantee is invokable on our default of payment of lease rentals for the transponders.

Further, Canara Bank has, on our behalf, issued a financial guarantee in respect of hiring of transponders from abroad through Intelsat for US$ 76,834 for a period commencing June 27, 2003 to April 29, 2004. This bank guarantee is invokable on our default of payment of lease rentals for the transponders.

Historical and planned capital expenditures

In financial year 2002, additions to fixed assets, other than capital work in progress, amounted to Rs.65 million, primarily for equipments related to our Hindi news channel *Aaj Tak*. Our total borrowings in financial year 2003 decreased by Rs.27 million.

In financial year 2003, additions to fixed assets, other than capital work in progress, amounted to Rs.171.7 million. In relation to our English news channel, *Headlines Today*, we spent Rs. 130 million and spent Rs. 41.6 million with regard to equipment for *Aaj Tak*. Our total borrowings in financial year 2003 increased by Rs.19 million.

During the four months ended July 31, 2003, additions to fixed assets and capital work in progress, amounted to Rs.91.07 million.

We have received the necessary authorizations and expect to spend an aggregate amount of upto Rs. 560 million in financial year 2004 on the following projects:

- Setting up / upgradation of news bureaus
- Upgradation of existing news channels and news gathering infrastructure
- General corporate purposes

We may adjust the amount of our capital expenditure upward or downward based on our cash flow from operations, market conditions and technological developments.

Principal sources of liquidity

As at July 31, 2003, cash and bank balances and current investments amounted to Rs.12.41 million. We believe that our anticipated internal accruals, loans along with the proceeds of this Issue, will be sufficient to meet our working capital and capital expenditure requirements for financial year 2004. Our anticipated cash flows from operations however depend on a number of factors beyond our control, such as prevailing economic conditions in the market, the competition in the news broadcasting genre, preference of advertisers and the cost of our inputs. We may therefore need to incur additional indebtedness.

Transactions with Related Parties

We have entered into several transactions for purchase and sale of advertisement space/ material, management fee, purchase of production or telecast material and unsecured loans with our holding companies and fellow subsidiaries and all such transactions are conducted on an arms length basis. For further details, see "Financial Statements – Related Party Transactions".

Loans outstanding to Directors and Key employees/ ex-employees

As of July 31, 2003, we had no loans outstanding to Directors and an aggregate amount of Rs.0.02 million outstanding in loans to Key employees/ ex-employees. All employees, including Directors and Key employees/ ex-employees, are entitled to various categories of loans in accordance with our policy.

Quantitative and Qualitative Disclosures About Market risk

Our exposure to market risk is a function of our production and selling activities. We are exposed to market risk from changes in both foreign exchange rates and interest rates, though of not a significant nature.

Exchange rate risk

We face exchange rate risk to the extent that some of our payables and receivables are denominated in currencies other than Indian rupees. We import some of our capital equipment and our employees travel overseas for business purposes, costs of which are denominated in foreign currencies.

Further, of the estimated funds requirement of Rs.1,002 million as detailed in the "Objects of the Issue", approximately Rs.370 million is estimated to be paid in foreign currency.

Our aggregate cost of imported equipment was Rs. 15.3 million, Rs. 89.1 million and Rs. 34.9 million in financial years 2002 and 2003 and four months ended July 31, 2003, respectively. Our aggregate revenue expenditure in foreign currency was Rs. 10.7 million, Rs. 35.4 million and Rs. 17.3 million in financial year 2002 and 2003 and four months ended July 31, 2003, respectively. Revenues earned by us in foreign currency in the financial year 2002, 2003 and four months ended July 31, 2003 were Rs. 0.2 million, Rs. 0.3 million and Rs. 0.7 million, respectively.

Appreciation or depreciation of the Indian rupee relative to the currency of our payables can increase or decrease our payment obligations, though insignificant in nature.

Interest rate risk

We have made pre-payment of all our loans as on July 31, 2003. As on date, we have a sanction of a cash credit of Rs.200 million at an interest rate of 7% to 10% per annum compounded quarterly and Rs.70 million at 11% per annum, compounded on a monthly basis.

A rise in interest rates may increase our interest payment obligations on future indebtedness. Currently, we do not bear interest rate risk in relation to our sanction limits, all of which requires interest payments at fixed rates of interest.

Effect of Inflation

Since we set the price for our inventory based on various factors, including inflation, inflation has not had a significant effect on the result of our operations to date. We do not expect that inflation rates in India will have a significant impact on our results of operations for the foreseeable future.

Significant Accounting and Regulatory Changes

Accounting Standard 22 on deferred taxes was adopted with effect from April 1, 2003, resulting in significant increase in amount of income tax provision.

Significant developments after July 31, 2003 that may affect our future results of operations

Save as stated elsewhere in the Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statement until the date of filing of the Prospectus with SEBI, which materially and adversely affect or is likely to affect the trading or profitability of the Company, or value of its assets, or its ability to pay its liability within the next twelve months.

Save as stated elsewhere in the Prospectus, there is no subsequent development after the date of the Auditor's Report, which will have a material impact on reserves, profits, earnings per share and book value of the Company.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Save as stated herein:

- there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (l) of Part 1 of Schedule XIII of the Companies Act) or litigation for tax liabilities against the Company, its Promoters, Directors or Promoter Group companies.
- there are no defaults, non payments or overdues of statutory dues, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares, other than unclaimed liabilities of the Company, its Promoters or Promoter Group companies.
- no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Promoters or Directors.
- there are no outstanding litigations against the directors of TV Today.

Outstanding litigation involving TV Today

A. Criminal Cases

1. In a news article in the '*Outlook*' magazine dated April 1, 2002, wrongful references were made to the officials of TV Today Network Limited and the news article stated that 'Star News' is negotiating for buying a significant stake of 15 to 18% in 'Aaj Tak' and pursuant to which the channel shall be re-christened 'Star-Aaj Tak'.

   We have filed a criminal defamation case (Criminal Complaint no. 636/1/2002) against Hathway Investments Private Limited in the court of Chief Metropolitan Magistrate Delhi u/s. 499, 500, 501 of the Indian Penal Code, 1860 ("the IPC") on July 24th, 2002 and the case is pending hearing and final adjudication. The next date of hearing is January 24th, 2004.

2. We had agreed to telecast various television commercials for Mega Lube India Limited, a customer of Rockman Advertising and Marketing India Limited ("Rockman"). On having telecasted the requested commercials, we raised invoices against Rockman for an amount of Rs. 41,82,435.50. Despite several demands Rockman had failed to remit the sum due to us. On October 19, 2002, Rockman admitted to pay an amount of Rs.44,32,412 and agreed to pay the said sum in instalments.

   Four cheques totalling Rs.518,362 issued by Rockman in our favour for another transaction were dishonoured due to insufficiency of funds. Accordingly, we had filed a criminal complaint against Rockman under Sections 138 and 140 of Negotiable Instruments Act, 1881 and Section 420 of IPC before the Court of Chief Metropolitan Magistrate, Delhi on August 12, 2002. Rockman have now paid us this total amount of Rs. 5,18,362.

   The entire sum of Rs.41,82,435.50 has been recovered from Rockman. Out of the aforesaid sum, Rockman had released Rs. 2 million to us by demand draft and balance amount of Rs. 21,82,435 by cheque no. 487092 dated December 20th, 2003 drawn on Citibank, New Delhi. This amount has been received by us and we propose to withdraw the criminal complaint.

3. On April 14, 2002, '*Jansatta*' published a story in relation to a journalist of 'Aaj Tak' and allegedly attempted to show derogatory linkages between 'Aaj Tak' and Bhartiya Janta Party (BJP).

   We have filed a criminal complaint no. 512 / 1 / 2002 under Sections 499, 500 of the IPC against Indian Express Newspaper (Bombay) Limited in the court of Chief Metropolitan Magistrate, Delhi on May 7th, 2002. It will come up for hearing on March 30th, 2004.

   An amicable settlement has been proposed, whereby the defendant shall publish an apology on the front page of *Jansatta* and reimburse us for costs towards court fees. However, the case is pending hearing and final adjudication. *Jansatta* has not responded in relation to their agreeing/ disagreeing to carry an apology on the front page. Hence, the matter is pending in the court as aforementioned.

4. We had carried out a story on the unauthorized occupants of *jhuggies/jhopries* at A.C.Nagar, NIIT, Faridabad. The story stated that the Division Bench of the Punjab and Haryana High Court has granted stay of the demolition. However, the High Court issued a *suo motu* contempt notice to us on February 18, 2003 on the basis of a writ petition bearing number CWP No 2377/ 2003 (*Mohanchand Pandey v. Union of India and others*) stating that no stay had been granted and our reporting had led to interference with the administration of justice.

   We have filed an apology in the court on September 22, 2003 and the case is pending hearing and final adjudication.

5. On August 6th, 2003, we carried a story on the *Aaj Tak* channel highlighting serious flaws in the security system at Parliament House. Subsequently, Delhi Police filed an FIR against our correspondent, Mr. Rahul Kanwal and the *Aaj Tak* news team under Section 419, 447, 448 and 505 read with Section 120B of IPC and hence our correspondent, Mr. Rahul Kanwal appeared for investigation by Delhi Police.

   Besides Mr. Rahul Kanwal, the cameramen, Mr. Kripal Singh, Mr. Ashwini Helan and Mr. Jagmohan Batola have been granted anticipatory bail by the Additional Session Judge, New Delhi.

A criminal writ petition no. 1318 / 2003 was filed by Mr. Rahul Kanwal and others in the Delhi High Court on November 12, 2003 praying that all proceedings vide the above said FIR against them, by the State, be quashed. The case has been admitted and now listed for hearing on January 22, 2004.

6. On August 11, 2003, *Aaj Tak* channel carried a story pertaining to the plight of riot affected person namely, Javed. The state of Gujarat filed an FIR at Ahmedabad against Shri Prabal Pratap Singh, the anchor of the story, the news editor, the news producer and other members of the news team. A petition no 8811/ 2003 under Section 482 of Code of Criminal Procedure 1973 was filed by Mr. Prabal Pratap Singh, Mr. Dhimant Purohit and others on October 23, 2003 in the High Court of Gujarat praying that the FIR by the State be quashed. It has been admitted and interim stay was granted on November 5, 2003 which continues. The matter is pending hearing and final adjudication. The next date for hearing is January 28,2004.

B. Civil Cases

1. We have filed a civil suit number 1199/ 2003 for injunction and damages before the Delhi High Court on May 8, 2003, pursuant to information received in March 2003 that there is a website called 'www.aajtakgujarat.com'. The case has been filed against the owners of the website, namely, Aaj Tak Gujarat and its editor, Mr. Santosh Mishra.

   We have prayed before the Delhi High Court to pass a decree of permanent injunction restraining the defendants from using the name 'www.aajtakgujarat.com' and to award cost of Rs 505,000 to us. The case is pending hearing and final adjudication.

2. We have filed a case number 838/ 2003 before the Delhi High Court on February 10, 2003 claiming damages of Rs. 505,000, pursuant to information received in December 2002 about the publication of a newspaper in the name of '*Saurashtra Aaj Tak*', against the publisher, M/s Saurasthra Aaj Tak and Mr. Rajubhai Shah of Rajkot.

   We have prayed before the Delhi High Court to pass a decree of permanent injunction restraining the defendants from using the name '*Saurashtra Aaj Tak*'. The case is pending hearing and final adjudication.

3. We filed a suit number 1511 of 2003 against Rashtriya Dhurandhar and Dr.C B Jha in the Delhi High Court on August 4, 2003 for a claim of Rs. 2,000,000, post becoming aware of the launch of a news channel called '*Ab Tak*' with a similar logo as ours.

   On August 5, 2003, the Delhi High Court passed an ex-parte ad-interim injunction restraining the use of '*Ab Tak'*. The defendants have requested an out of court settlement and have agreed to change their channel name to '*Abhi Abhi*' in exchange for us giving up our claims in relation to the damages and costs.

   A settlement deed between the parties to this effect was agreed to be filed before the Delhi High Court. However, this settlement deed has not yet been filed and thus, the case is pending hearing and final adjudication. It has now been fixed for next hearing on February 13, 2004.

4. In a news article in the '*Outlook*' magazine dated April 1, 2002, certain wrongful references were made to the officials of TV Today Network Limited and the news article stated that 'Star News' is negotiating for buying a significant stake of 15 to 18% in 'Aaj Tak' and pursuant to which the channel shall be re-christened 'Star-Aaj Tak'.

   We have filed a suit number 1753/ 2002 for damages against Hathway Investments Private Limited in Delhi High Court for recovery of damages of Rs.2,050,000 for false news causing damage to our reputation and for perpetual injunction against '*Outlook*' magazine. This case filed by us was listed in the court and registered as a suit on November 12, 2002 and is pending hearing and final adjudication. It has now been fixed for January 19, 2004.

5. On April 14, 2002, '*Jansatta*' published a story in relation to a journalist of '*Aaj Tak*' and allegedly attempted to show derogatory linkages between '*Aaj Tak*' and Bhartiya Janta Party (BJP). We filed a suit no. L-923/2002 for damages against Indian Express Newspapers (Bombay) Limited, publisher of 'Jansatta', before the Delhi High Court on April 18, 2002 for loss of reputation of '*Aaj Tak*' and claimed damages amounting to Rs.80,00,000. It will now come up on December 3, 2003 for hearing.

   Besides, another suit for damages number 984/2002 for Rs. 2,000,000 was filed by Mr. Deepak Chaurasia, the person defamed in the story on May 18, 2002 against Indian Express Newspapers (Bombay) Limited in the above said matter. It is now listed for hearing on January 13, 2004.

   An amicable settlement has been proposed, whereby the defendant shall publish an apology on the front page of *Jansatta* and reimburse us for costs towards court fees. However, the case is pending hearing and final adjudication. *Jansatta* has not responded for their consent to carry an apology on the front page. The matter is therefore pending hearing and final adjudication.

6. We have filed a suit (S. No. 442/1998) against Prominent Advertising in the Tis Hazari courts on November 18, 1998. We had filed a suit under Order XXXVII, Code of Civil Procedure, 1908 for recovery of Rs.229,500 due from Prominent Advertising against three invoices for telecasting advertisement in the program. The matter is pending adjudication and final hearing.

7. We have filed a suit (S.No.1494/1998) against Flying Colour Advertising in the Tis Hazari courts on November 5, 1998. The amount due to us is Rs. 8,56,900 along with future interest. The matter is pending hearing and final adjudication.

8. We have filed a suit (S.No.1085/1999) against Shelly Associates Ltd. in the Tis Hazari courts on November 18, 1998. The amount due to us is Rs. 7,59,980 along with future interest. The matter is pending hearing and final adjudication.

9. Madhukar Sonawane filed writ petition number 1001/2002 on February 22, 2002 against Union of India and others before the Aurangabad bench of the Bombay High Court which impleaded our company as a respondent. It is a public interest litigation against some advertisements carried for medicine products. We have filed an affidavit stating that we are not liable for action. The matter is pending hearing and final adjudication.

C. Statutory Cases

1. We had agreed to telecast various television commercials for Mega Lube India Limited, a customer of Rockman. On having telecasted the requested commercials, we raised invoices against Rockman for an amount of Rs. 41,82,435.50. Despite several demands Rockman had failed to remit the sum due to us. On October 19, 2002, Rockman admitted to pay an amount of Rs.44,32,412 and agreed to pay the said sum in instalments.

   Four cheques totalling Rs.5,18,362 issued by Rockman in our favour as part payment of its liabilities were dishonoured due to insufficiency of funds.

   Further, we have a filed a winding up petition no. 92 of 2003 under Section 434 of the Companies Act, 1956 before the Delhi High Court for the recovery of Rs.41,82,435.50 alongwith interest on February 19, 2003. The entire sum of Rs.41,82,435.50 has been recovered from Rockman. Out of the aforesaid sum, Rockman has released Rs. 20 lakhs to us by demand draft and balance amount of Rs. 21,82,435 by cheque no. 487092 dated December 20, 2003 drawn on Citibank, New Delhi. This amount has been received by us and we propose to withdraw the winding up petition.

Outstanding litigations against Living Media

A. Criminal Prosecutions

There are fourteen criminal cases filed against Living Media and/or its employees in various courts in India. These cases pertain to the stories carried by Living Media's group publications on various issues of national and human interests. Most of these cases have been stayed by the upper courts based upon our appeals filed under Section 482 of the Code of Criminal Procedure, 1973.

In one of the abovementioned fourteen cases, non-bailable warrants were issued against Mr.Prabhu Chawla and others for appearance. However, we have filed a criminal revision no. 1842/ 2003 in the High Court of Judicature, Allahabad. The High Court has stayed the proceedings against us and the next hearing for this case has been fixed for January 6, 2004.

In two of the abovementioned fourteen cases, non-bailable warrants were issued and in one of the abovementioned fourteen cases, a bailable warrant has been issued against Mr Aroon Purie and others for appearance. However, these cases have been stayed by the relevant courts. In one of these cases, subsequent to the hearings before the High Court of Judicature, Allahabad, the matter is concluded and written submissions filed. The judgement in this case is reserved.

Further, in one of these cases, Living Media had in *Aaj Tak's* episode of November 19, 1996 covered a story on Mr.Jagdish Pehlwan, who has filed a criminal complaint no. 763/96 under Section 323, 341 and 506 of the IPC against Living Media and others before the Additional Chief Metropolitan Magistrate, Delhi alleging defamation. The case is pending hearing and has now been fixed for hearing on April 7, 2004.

In addition, Suneal Mangal has filed a criminal miscellaneous appeal against Living Media in the High Court in an order passed against him by the Metropolitan Magistrate, Patiala House Court, New Delhi.

B. Civil Suits

There are fifteen suits for damages filed against Living Media in various courts which are under process. The total amount claimed by the plaintiffs is approximately Rs. 931 million.

C. Arbitration - Dispute with Prasar Bharti on Uplinking Charges pertaining to TV Today

Prasar Bharti (Broadcasting Corporation of India) has served two notices upon us in relation to the programmes that we used to broadcast on its channels.

The first notice dated November 20, 2001 relates to outstandings of Rs.15.1 million, with interest at the rate of 18% per annum, in respect of telecast of the programmes '*Aaj Tak*' and '*Subaah Aaj Tak*' on National/Metro network of Doordarshan during the period from September 2000 to December 2000. We have disputed this claim of Prasar Bharti. On April 3, 2003, Prasar Bharti issued a notice for invocation of the arbitration and has claimed Rs.18.5 million, including interest of Rs.5.2 million, as of March 31, 2003. The matter has been referred to arbitration.

'Aaj Tak' was screened on Doordarshan and it had been agreed between Prasar Bharti and World Media that a reasonable fee will be charged for the uplinking / downlinking facilities at its different Kendras (pursuant to an agreement dated February 1, 1997) in respect of the programs "Aaj Tak" and "Saptahik Aaj Tak" on Doordarshan and its metro channel during the period of February 1995 to March 2001. However, there has been a disagreement between Doordarshan and World Media on the amount to be charged for the uplinking / downlinking facilities. Prasar Bharti served a notice dated March 26, 2001 for a claim of Rs.28.6 million. World Media, through its reply has responded to Prasar Bharti's notice and requested for an arbitration. However, Prasar Bharti has served a notice dated August 3, 2002 for Rs.48.2 million, including interest of Rs.18.6 million at the rate of 18% per annum, as of March 1, 2002. The Company shall dispute this claim under the dispute resolution mechanism laid down under applicable laws.

Under the Business Transfer Agreement between Living Media and us, all such claims, as and when they arise, will be our liability.

D. Other Cases

There are 24 employees who have filed cases against Living Media for unfair dismissals, which are pending in various courts in New Delhi. The total amount of such claims aggregate approximately Rs.10 million.

There is a case for eviction that has been filed by Delhi Wakf Board against Delhi Land Finance (DLF) and others. Living Media, occupies a portion of the disputed land for its offices and is thus, a defendant in this case. The case has been notified for next hearing on February 25, 2004.

There is another case for eviction filed by Vivek Gupta and Rahul Gupta v. Living Media which is pending before the District Courts at New Delhi. The case is pending hearing and final adjudication.

A writ petition No. 2000/96 has been filed by Girish Sharma against a number of persons, including Mr. Aroon Purie in the High Court of Judicature at Gwalior. This case is based on the plaintiff's objections to the use of photographs of national flag, national emblem etc. in *India Today* magazine. The case is pending hearing and final adjudication.

A writ petition No. 824/88 has been filed by Gaurav Jain against D.G. Doordarshan, Living Media, etc. involving a Newstrack story pertaining to the plight of sex workers. The case is pending hearing and final adjudication.

Jitendra Jain has filed an appeal No.FAO (OS) No.82/2002 against an order passed in favour of Living Media by the Delhi High Court for the use of the title 'Khabrein Aajtak' by Jitendra Jain. The appeal is fixed for hearing on December 5, 2003.

Contingent liabilities as on March 31, 2003:

Membership of company limited by guarantee	Rs.25
Demand for additional Income tax disputed by Living Media	Rs.665,359
Guarantees given for group companies	Rs.170,783,138

Outstanding litigations against World Media Private Limited

Contingent liabilities as on March 31, 2003:

Uncalled liabilities on shares partly paid	Rs. 1,116,950
Corporate Guarantee	Rs.266,133,953

Outstanding litigations against Thomson Press (India) Limited

Civil Cases

There are 31 cases filed by various employees against removal from service for claims aggregating Rs.6.89 million as of March 31, 2003.

Contingent liabilities as on March 31, 2003:

Foreign Letters of Credit	61,207,968
Labour matters disputed by the Company and pending in Court	6,896,770
Claims against the Company from Electricity department, not acknowledged as debts	7,438,040
Demand for additional Customs Duty on imported materials disputed by the Company and pending in Court	332,310
Amount paid under protest for Sales tax and pending assessment	210,000
Sales Tax demands under dispute	65,825
Demand for additional Income Tax disputed by the Company under appeal	6,982,139

All India Film Corporation Private Limited

Contingent liabilities as on March 31, 2003:

There is a contingent liability on account of difference in rates of tax applicable to closely held company up to the assessment year 1977-78. The exact amount of contingent liability is not ascertainable.

Outstanding litigations against The All India Investment Corporation Private Limited

Contingent liabilities as on March 31, 2003: Rs.2,03,000

Outstanding litigations against The All India Finance & Commerce Private Limited

Contingent liabilities as on March 31, 2003:

Income Tax liability to the extent of Rs.30,000 plus interest, if any being difference in the rates of tax applicable to a private limited and public limited company upto the assessment year 1977-78.

Liability with respect to undertaking by the Company that any liability that may arise on account of income tax of Punjab Electrics Limited, a subsidiary company which has been wound up.

Outstanding litigations against Dimples Private Limited

Civil cases

There is an eviction petition in respect of property in Chandni Chowk is pending in Delhi.

Outstanding litigations against Radio Today (Delhi) Broadcasting Limited, Radio Today (Calcutta) Broadcasting Limited and Radio Today (Mumbai) Broadcasting Limited

Civil cases

Appeal by Phonographic Performance Limited (PPL) against Calcutta High Court order in a writ petition allowing the company to pay copyright charges to PPL at the lower rate of Rs.400 per needle hour against the demand by PPL of copyright charges at the rate of Rs.1,500 per needle hour. The exact amount of the contingent liability is not ascertainable.

Contingent liabilities as on September 30, 2003:

Radio Today (Delhi) Broadcasting Limited

Guarantees furnished to the Ministry to Information & Broadcasting amounting to Rs.7,12,50,000

Radio Today (Calcutta) Broadcasting Limited

Guarantees furnished to the Ministry to Information & Broadcasting amounting to Rs.1,00,00,000

Radio Today (Mumbai) Broadcasting Limited

Guarantees furnished to the Ministry to Information & Broadcasting amounting to Rs.9,75,00,000

International Audio Visual Company

Contingent liabilities as on March 31, 2003:

Income tax dispute pending before the Income Tax Appellate Tribunal for an amount of Rs.13,22,000.

Litigations against directors

Criminal

There are nine criminal cases against Mr.Aroon Purie for defamation and other violations in relation to publications of Living Media.

In January 2003, Telecom Regulatory Authority of India (TRAI) had directed certain cellular operators including Bharti Tele-Ventures, to allow the termination of limited mobility calls on their cellular networks for the circles of Delhi, Chennai, Gujarat, Punjab and Karnataka. Since there was no termination charge being paid by the limited mobility operators to the cellular operators, which was against the principle of level playing field, cellular operators had requested a hearing before the TRAI to explain their issues and thereafter to take a

considered decision. TRAI, however, did not provide any hearing in this regard. Subsequently, agreements between the cellular operators and limited mobility operators were finalized on mutually agreed terms and conditions.

In February 2003, TRAI decided to proceed with the action against such cellular operators and file complaints in the courts of Chief Judicial Magistrates and Chief Metropolitan Magistrates, as applicable, in the states of Delhi, Chennai, Gujarat, Punjab and Karnataka. As Bharti Tele-Ventures Limited operates in these circles, Bharti Tele-Ventures Limited along with Mr.Rajan Bharti Mittal, its Joint Managing Director, and other officers have been impleaded as a party.

These complaints are now pending at various stages with a stay order in the favour of the companies and against the respondent TRAI. The next date for hearing of these cases are as TDSAT (January 7, 2004), Punjab (January 24, 2004), Chennai (December 29, 2003), Gujarat (December 31, 2003), Karnataka (not notified) and Delhi (January 23, 2004).

As partner in Bharti Overseas Trading Company: Complaint filed by the State through Central Bureau of Investigation, against Mr. M Apachi and others in the court of the Additional District Judge, Tis Hazari, Delhi for contravention of terms of import licenses. Mr.Rajan Bharti Mittal as partner of Bharti Overseas Trading Company is accused no.6 in this complaint. The matter is listed for hearing on Janaury 12, 2004 for arguments.

Delhi Development Authority (DDA) had filed two cases against Bharti Infotel Limited (formerly Bharti Telenet Limited) for misuse of land with the allegation it has established RSUs in residential localities, in the Patiala court. Mr.Rajan Bharti Mittal, being its Managing Director, has also been made party in these cases. In both these matters, Bharti Infotel Limited has filed applications for recall of summons under section 245(2) of Code of Criminal Procedure, 1973. Notices have been issued to DDA in this regard. The next date of hearing in both these matters has been fixed for March 8, 2004.

Civil

There are eight suits for damages pending against Mr.Aroon Purie, claims for which aggregate to approximately Rs.923 million.

Material Developments after July 31, 2003

Save as stated elsewhere in the Prospectus, including "Management Discussion and Analysis of Financial Statements", no material developments have taken place after July 31, 2003, the date of the latest available financial statements that would materially adversely affect the performance or prospects of TV Today.

GOVERNMENT APPROVALS

We had made an application to the Ministry of Information & Broadcasting, Government of India (MIB) under the Uplinking Guidelines and the FIPB for allotting shares to foreign investors through the Issue. The MIB in its reply vide its letter dated November 17, 2003, has given permission to change the foreign shareholding pattern through the Issue conditional upon foreign investment being received to the extent of 26% through the FDI route. Other forms of foreign investment have not been allowed and MIB has restated certain conditions of the Uplinking Guidelines being applicable to the Issue. In keeping with the conditions mentioned in the abovementioned approval, we shall not be offering shares in the IPO to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India. For details see "Issue Procedure - Who Can Bid" on page 135 of the Prospectus.

Investment Approvals

Indian laws regulate the foreign ownership of Indian equity shares. For further details, see "Restriction on Foreign Ownership of Indian Securities". In compliance with these regulations, we have in the past obtained, where required, necessary approvals from the FIPB and RBI for foreign investors to make investments in TV Today. Similarly, changes in the equity structure of companies, such as ours, require the approval of the Ministry of Information & Broadcasting and, where required, we have obtained such approvals or made such notifications. TV Today has received the following approvals

Living Media transferred one million equity shares of the face value of Rs.10 each, of the Company to GE Capital Mauritius Equity Investment. The SIA, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, by Letter No. F.C. II: 277 (2002)/266 (2002), dated September 17, 2002 approved the foreign investment. This approval letter was amended by the said Ministry by its letter dated November 1, 2002 and RBI, vide letter dated January 23, 2003, granted a final approval to Living Media in this regard.

Governmental Licenses

In view of the governmental licenses presently obtained by us, we are permitted to undertake activities presently being conducted by us and we will take steps in compliance with applicable laws to obtain any other governmental licenses or permissions required to undertake any of our proposed activities. We have obtained the following approvals for conducting our business:

1. *To set up an Earth station at Jhandewalan extension, New Delhi*

   On June 21, 2000, TV Today submitted application for uplinking from India via an earth station, as per recently revised format of the Ministry.

   Agreement dated October 10, 2000 between the President of India acting through Ministry of Information & Broadcasting, Government of India, and TV Today was executed to establish, maintain and operate uplinking hub (Teleport) at Jhandewalan Extension, New Delhi.

2. *To uplink news channels*

   The Company has obtained a permission from the Ministry of Information & Broadcasting, Government of India to uplink 'India Today Channel' on December 4, 2000, vide their letter dated number 1404/1(ii)/2000-TV (I). This permission expires on December 3, 2010. The permission is subject to the condition that the telecast on the 'India Today Satellite Channel' known as *Aaj Tak*, would be in accordance with the Broadcast Code (Programme Code and Advertisement Code) laid down by the Ministry of Information & Broadcasting.

   Ministry of Information & Broadcasting, vide its letter number number 1404/1(ii)/2000-TV (I) dated March 28, 2003 permitted the uplinking of the English news channel, *India Today English News Channel.* This approval is valid until March 27, 2013.

   The Ministry of Information & Broadcasting has granted a no-objection certificate, vide letter number 1404/1(ii)/2000-TV(I), dated April 22, 03, permitting the change of the news channel from 'India Today English News Channel' to 'Headlines Today'.

   The Company has obtained permission to uplink 'Delhi Aaj Tak' and 'Mumbai Aaj Tak' (Hindi channels in digital mode) taken from the Department of Telecommunications, Ministry of Communications and Information Technology, Government of India, vide letter number 1404/1(ii)/2000-TV (I) on April 22, 2003, which is valid until April 21, 2013.

3. *To operate outdoor broadcasting vans and digital satellite news gathering vans.*

   The Company is required to obtain licence for the flyaway terminals / digital satellite news gathering vans from the Department of Telecommunications, Ministry of Communications and Information Technology, Government of India. The Company is also required to obtain frequency clearance from WPC and Standing Advisory Committee on Frequency Assignment.

   The Company has obtained a no-objection certificate to use 12 flyaway terminals and eight portable digital satellite news gathering vans for getting live feeds from the specified locations, to be downlinked at their licenced uplinking hub (teleport) for their *India Today* channel only, known as *Aaj Tak*, and subsequently obtained a WPC clearance number P-4675/1-3.

4. *To operate INMARSAT satellite phones*

The Company has obtained two no objection certificates from VAS Cell of the Department of Telecommunication, Ministry of Communication and Information Technology, Government of India for use of four INMARSAT M-4 terminals dated February 21, 2002 and April 5, 2002 valid for three years, subsequent to obtaining a WPC clearance for the same (licence number INMARSAT-5/1-3.

5. *Wireless Planning and Co-ordination clearance from Department of Telecommunication*

The Company has obtained a licence (P-4808/1) after getting the approval for frequency and wireless station licence from the Wireless Planning and Coordination Wing of the Department of Telecommunication, Ministry of Communications and Information Technology, Government of India, ("WPC").

6 *Permission under Indian Telegraph Act, 1885*

The Company has obtained a WPC clearance number P-4675/1-2 under the Indian Telegraph Act, 1885, for digital satellite news gathering vans, which are currently located in Mumbai and Delhi. The said licence was granted vide letter no. L-14038/29/2001-U2 dated 06.07.2001, and is valid until December 31, 2003.

The Company renewed WPC licence number P-4675/3 under the Indian Telegraph Act, 1885, from the WPC, for the mobile station (flyaway terminal) located in Delhi. The licence was granted vide letter no. L-14038/31/2002-LR, dated 29.11.2002, which was valid until December 31, 2002 and has been extended until December 31, 2003.

The Company has obtained from WPC, the Wireless Station Licence number P-4808/1, vide letter no. L-14027, 600, 2000 LR, dated October 10, 2001, which was valid until December 31, 2001 and was extended until December 31, 2003.

7. *Import Licences*

The Company has obtained an import licence from the WPC License no. LI/475/2002-DLI, dated October 29, 2002 to import one flyaway terminal trans-receiver for wireless from Advent Communications Limited of U.K.

8. *Agreement for transponders*

The Company has leased 10 MHz capacity on the leased transponder from VSNL, according to an agreement dated June 26, 2000, which is valid until October 14, 2005.

The Company has leased an additional 12MHz capacity on the same transponder from Intelsat, according to an agreement dated December 23, 2002, which is valid until December 22, 2007.

The Company has applied to the Ministry of Information & Broadcasting for a NOC to use KU band digital satellite news gathering vans or Flyaway, as per the revised policy, which allows news channels to use KU band frequency for news gathering.

Other than as stated above, the Company does not require any additional approval from the Government for its existing business activities.

We would require approvals and licenses including frequency assignments, establishment of wireless stations, use of flyaway terminals and use of outdoor broadcasting vans for executing our expansion plans. We have made applications to Ministry of Information & Broadcasting for using the KU band for news gathering purposes.

OTHER REGULATORY DISCLOSURES

Stock Market Data for our Equity Shares

This being the initial public offering of the Company, our Equity Shares are not listed on any stock exchanges.

Particulars Regarding Previous Public Issues During the Last Five Years

We have not made any previous public issue during the last five years.

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370(1B) of the Companies Act, other than the ones disclosed elsewhere in the Prospectus.

Mechanism Evolved for Redressal of Investor Grievances

We will settle the investor grievances expeditiously and satisfactorily. The agreement between us and the Registrar to the Issue will provide for retention of records with the Registrar to the Issue, MCS Limited, for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, we or the Registrars will seek to redress these complaints as expeditiously as possible.

We have appointed Mr.Manish Nayyar as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems. He can be contacted at: TV Today Network Limited, Videocon Tower, E-1, Jhandewalan Extension, New Delhi – 110 055, India, Tel: +91-11-2368 4888, Fax: +91-11-2368 4895, e-mail: investors@aajtak.com.

DIVIDEND POLICY

We have not declared or paid any cash dividends on our equity shares since inception. Dividends will be declared at the Annual General Meeting of the shareholders based on a recommendation by the Board. The Board may recommend dividends, at its discretion, to be paid to our members. Generally, the factors that may be considered by the Board, but not limited to, before making any recommendations for the dividend include future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds from alternate sources, liquidity, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and money market conditions.

AUDITORS REPORT

TV TODAY NETWORK LIMITED

FINANCIAL STATEMENTS FOR PERIOD ENDED JULY 31, 2003 & FOR FOUR YEARS ENDED MARCH 31, 2003

To
The Board of Directors
TV Today Network Limited
Videocon Towers
E-1, Jhandewalan Extension
New Delhi- 110 055

Re : Initial Public Offering of TV Today Network Limited

Dear Sirs,

We have examined the financial information of TV Today Network Limited ("the Company"/ "TVTN"), as attached to this report stamped and initialled by us for identification and *as* approved by the Board of Directors/Members of the Company, which has been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 as amended vide Circular No. 11 on August 14, 2003 ("the Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications, and in accordance with your instructions dated September 15, 2003 received from the Company requesting us to carry out work in connection with the Offer Document being issued by the Company in connection with its Initial Public Offering of Equity Shares (referred to as "the Issue").

A. Financial Information as per the audited financial statements

We have examined the attached restated Balance Sheets of the Company as at July 31, 2003, March 31, 2003, March 31, 2002, March 31, 2001 and March 31, 2000 (Annexure II) and the attached restated statements of Profit and Loss Account for each of these years/ periods ended on those dates (Annexure I), together referred to as 'summary statements'. We have also examined and found correct the accounts of the Company for the period April 1, 2003 to July 31, 2003 prepared and approved by the Board of Directors of the Company. These summary statements have been extracted from the financial statements for these periods/ years audited by us and have been adopted by the Board of Directors/ members for the respective years. Based on our examination of these summary statements we confirm that:

1. The summary statements of the Company have been restated with retrospective effect to reflect the significant accounting policies of the Company (as disclosed in Annexure III to this report) as adopted by the Company as at July 31, 2003.
2. There are no material adjustments relating to previous period which need to be adjusted in summary statement in the period to which they relate.
3. There are no qualifications in the auditors' report which require adjustment to the summary statements.
4. There are no extra-ordinary items which need to be disclosed separately in the summary statements.

Summary of significant transactions of Sale, Purchase, Income and Expenditure of the Company with Promoters and Promoters Group and particulars of loans and advances to Promoters and Promoters Group disclosed in Annexure IV (Note 9) is as certified by the Company.

B. Other financial information

We have examined the following financial information relating to TVTN proposed to be included in the Offer Document, as approved by you and annexed to this report:

i) Summary of accounting ratios based on the adjusted profits relating to earnings per share, net asset value and return on net worth is enclosed as Annexure V.

ii) Capitalisation statement of the Company is enclosed as Annexure VI.

iii) Statement of taxation is enclosed as Annexure VII.

iv) Statement of Cash Flow of TVTN is enclosed as Annexure VIII.

We confirm that the Company has not paid any dividends for any financial year since its inception.

In our opinion, the financial information of the Company, as attached to this report as mentioned in paragraphs (A) and (B) above, read with respective significant accounting policies after making groupings and adjustments, have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for use for your information and for inclusion in the Offer Document in connection with the Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

Sd/-
U. Rajeev
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi

Date : November 13, 2003

Annexure I

SUMMARY OF PROFIT AND LOSS ACCOUNT, AS RESTATED

The profits/(losses) of TVTN for four financial years ended March 31, 2003 and for the period April 1, 2003 to July 31, 2003 read with significant accounting policies (Refer Annexure III) after making groupings and adjustments and are set out below:

(Rs. million)

Particulars	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
INCOME					
Revenue	367.85	1,084.93	516.53	118.18	—
Other income	3.28	8.92	0.39	0.64	—
Total Income	371.13	1,093.85	516.92	118.82	—
EXPENDITURE					
Employee Cost	57.16	144.06	91.50	38.90	—
Production Cost	5.46	97.39	80.94	93.32	—
Distribution Cost	0.22	0.30	1.44	0.90	—
Administrative and Other Costs	135.45	308.53	192.15	97.26	—
Total Expenditure	**198.29**	**550.28**	**366.03**	**230.38**	**—**
Profit/(Loss) EBITDA	**172.84**	**543.57**	**150.89**	**(111.56)**	**—**
Interest & Financial Charges	11.23	45.98	49.77	15.34	—
Amortisation:					
Preliminary Expenses written off	0.06	0.18	0.18	0.18	—
Deferred Revenue Expenditure charged off	2.38	4.24	4.24	1.06	—
Profit/(Loss) before Depreciation and Tax	**159.17**	**493.17**	**96.70**	**(128.14)**	**—**
Depreciation	32.00	76.85	68.79	22.60	—
Net Profit/(Loss) before Tax	**127.17**	**416.32**	**27.91**	**(150.74)**	**—**
Current Tax	39.26	44.00	0.42	—	—
Deferred Tax	5.95	113.02	—	—	—
Net Profit/(Loss) as per audited Statement of Account (A)	**81.96**	**259.30**	**27.49**	**(150.74)**	**—**
Adjustment on account of changes in accounting policies	—	—	(10.29)	55.12	—
Impact of prior period items	—	4.30	(3.51)	(0.80)	—
Total Adjustments	**—**	**4.30**	**(13.80)**	**54.32**	**—**
Adjusted Profit/(Loss)	**81.96**	**263.60**	**13.69**	**(96.42)**	**—**
Carry forward Profit/(Loss) from previous year	180.87	(82.73)	(96.42)	—	—
Profit/(Loss) transferred to Balance Sheet	**262.83**	**180.87**	**(82.73)**	**(96.42)**	**—**

The accompanying significant accounting policies (Annexure III) and Notes to Accounts (Annexure IV) are an integral part of this statement.

Sd/-
Director

Sd/-
Director

Sd/-
Company Secretary

Annexure II

SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

Assets and Liabilities of TVTN at the end of each financial year/period read with significant accounting policies (Refer Annexure III) after making groupings and adjustments are set out below:

(Rs. million)

Particulars	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	878.26	823.08	651.94	591.61	—
Less: Depreciation	(199.78)	(167.81)	(91.01)	(22.56)	—
Net Block	678.48	655.27	560.93	569.05	—
Capital Work In Progress	68.87	33.36	0.62	1.88	0.17
Total	**747.35**	**688.63**	**561.55**	**570.93**	**0.17**
Pre-operative expenditure pending allocation	—	—	—	—	2.24
Current Assets					
Cash and Bank Balances	12.41	285.54	26.67	19.93	0.00
Sundry Debtors	301.35	335.06	209.46	26.41	—
Loans and Advances	83.16	70.11	49.52	49.11	—
Total (A)	**396.92**	**690.71**	**285.65**	**95.45**	**0.00**
Current Liabilites					
Sundry Creditors	224.90	193.97	133.62	138.41	3.32
Provisions	10.07	7.52	5.18	2.80	—
Total (B)	**234.97**	**201.49**	**138.80**	**141.21**	**3.32**
Net Current Assets (A-B)	**161.95**	**489.22**	**146.85**	**(45.76)**	**(3.32)**
Miscellaneous Expenditure (to the extent not written off or adjusted)	24.07	26.51	16.43	20.85	0.91
TOTAL	**933.37**	**1,204.36**	**724.83**	**546.02**	**0.00**
SOURCES OF FUNDS					
Share Capital and Reserves					
Share Capital	240.00	240.00	232.00	208.00	0.00
Securities Premium	356.40	356.40	280.40	122.00	—
Reserves and Surplus	262.83	180.87	(82.73)	(96.42)	—
Total	**859.23**	**777.27**	**429.67**	**233.58**	**0.00**
Deferred Tax Liability/(Asset)	74.14	68.19	(44.83)	(55.12)	—
Loan Funds					
Secured Loans	—	358.90	339.99	240.00	—
Unsecured Loans	—	—	—	127.56	—
Total	**—**	**358.90**	**339.99**	**367.56**	—
TOTAL	**933.37**	**1,204.36**	**724.83**	**546.02**	**0.00**

The accompanying significant accounting policies (Annexure III) and Notes to Accounts (Annexure IV) are an integral part of this statement.

Sd/-
Director

Sd/-
Director

Sd/-
Company Secretary

Annexure III

SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the historical cost convention, on a going concern basis in accordance with the generally accepted accounting principles and the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

The Company follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

b. Fixed Assets

Fixed assets are stated at their original cost and include all expenses relating to acquisition and installation.

The signals of the television channels of the Company are received by the affiliates by use of digital satellite receivers. These assets are generally installed at the affiliates and the user charges recovered are reflected in "Service Fee" in the Profit & Loss Account. The digital satellite receivers are reflected as 'Plant and Machinery' in the Fixed Assets Schedule.

c. Depreciation

- Depreciation on Fixed Assets (other than Leasehold Improvements) is provided on straight-line method at the rates prescribed in Schedule XIV on triple shift basis.
- Leasehold Improvements are written off over the period of the lease.
- Foreign exchange fluctuation on payment /restatement of liabilities related to fixed assets are adjusted against the historical cost of such assets. Depreciation on such adjusted amounts is charged over the residual useful life of the assets.

d. Revenue recognition

- Ad Sale Revenue is recognized for the period for which services have been provided and for which there is certainty of ultimate collection.
- Service Fee Income collected is recognized in the period to which it relates.

e. Retirement benefits

Liabilities towards Employee Gratuity and Leave Encashment have been provided as per actuarial valuation based on Projected Unit Credit Method at the year-end.

The actuarial valuation of the liability towards the Gratuity and Leave Encashment Retirement benefits of the employees is made on the basis of certain assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on investments. During the year, the said estimated rate of return has been realigned with the existing market rate of interest the impact of which on the charge for the year is not readily ascertainable.

f. Foreign currency transaction

- Foreign exchange transactions during the year are recorded at the exchange rates prevailing on the dates of the transactions. Gains or losses out of fluctuations in rate between transaction date and settlement date in respect of revenue and expense items are recognized in the Profit and Loss Account.
- Foreign currency denominated assets and liabilities are translated into rupees at the exchange rates prevailing at year-end rate and overall net gain / loss is adjusted in the Profit and Loss Account.

g. Miscellaneous Expenditure

- Preliminary expenses are amortized over a period of 5 years from the year of incorporation.
- Expenditure incurred in the initial period of operations on market launch, including advertising & brand building has been considered as deferred revenue expenditure and charged off over a period of 5 years from the year in which such expenditure is incurred.
- Expenditure incurred during the current year related to indirect expenditure for expansion for its new television channel titled "Headlines Today" has been considered as deferred revenue expenditure in accordance with the Guidance Note on "Treatment of Expenditure during Construction Period" of the Institute of Chartered Accountants of India to be charged off over a period of 5 years from the year in which such expenditure is incurred.

h. Taxes on Income

Tax expense for the period, comprising current tax and deferred tax is included in determining the net profit for the period.

In the year of transition the accumulated deferred tax asset at the beginning of the period has been recognized with a corresponding credit to the opening reserves in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

Deferred tax assets are recognized for all deductible timing differences and carried forward to the extent there is reasonably certainty that sufficient future taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

i. Leases

Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the profit and loss account, on a straight–line basis over the lease term.

j. Earnings per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and includes the post tax effect of any extra ordinary items. The number of shares used in computed Basic EPS is the weighted average number of shares outstanding during the year.

k. Borrowing Cost

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Annexure IV

NOTES TO ACCOUNTS

1. Adjustments/ Re-groupings

(Rs. million)

Particulars	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
Net Profit/(Loss) as per audited Statement of Account (A)	**81.96**	**259.30**	**27.49**	**(150.74)**	**—**
Adjustment on account of:					
Changes in accounting policies-Deferred Tax Adjustment	—	—	(10.29)	55.12	—
Impact of prior period items	—	4.30	(3.51)	(0.80)	—
Total Adjustments (B)	—	4.30	(13.80)	54.32	—
Adjusted Profit/(Loss) (A+B)	81.96	263.60	13.69	(96.42)	—

Note:

The Company has accounted for deferred tax for earlier years in order to comply with provisions of mandatory Accounting Standard-22 "Taxes on Income" issued by the Institute of Chartered Accountants of India.

2. The Company was incorporated on December 28, 1999 and these accounts are for the period December 28, 1999 to March 31, 2000, and the years ended March 31, 2001, 2002 and 2003. In the accounts for the year ended March 31, 2000, as the Company did not commence operations, no Profit and Loss Account was prepared. All expenses incurred from the date of incorporation upto March 31, 2000 have been carried forward as Pre-operative expenditure which was transferred to Fixed Assets and Deferred Revenue Expenditure in the financial year 2000-2001 when the Company commenced operations.

3. Details of Share Capital

(Rs. million)

Particulars	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
Authorised Capital: Equity Shares	270.00	270.00	270.00	270.00	270.00
				(27,000,000 Equity Shares of Rs. 10/- each)	(2,700,000 Equity Shares of Rs. 100/- each)
Preference Shares	30.00	30.00	30.00	30.00	30.00
	(3,000,000 Redeemable Preference Shares of Rs. 100/- each)	(3,000,000 Redeemable Preference Shares of Rs. 100/- each)	(3,000,000 Redeemable Preference Shares of Rs. 100/- each)	(3,000,000 Redeemable Preference Shares of Rs. 100/- each)	(3,000,000 Redeemable Preference Shares of Rs. 100/- each)
	300.00	**300.00**	**300.00**	**300.00**	**300.00**
Issued, Subscribed and Paid-up Capital:					
Equity Shares	240.00 (24,000,000 Equity Shares of Rs. 10/- each fully paid up)	240.00 (24,000,000 Equity Shares of Rs. 10/- each fully paid up)	232.00 (23,200,000 Equity Shares of Rs. 10/- each fully paid up)	208.00 (20,800,000 Equity Shares of Rs. 10/- each fully paid up)	0.00 (8 Equity Shares of Rs. 100/- each fully paid up)
	240.00	**240.00**	**232.00**	**208.00**	**0.00**
Securities Premium Account	**356.40**	**356.40**	**280.40**	**122.00**	**0.00**

4. Details of Loans

(Rs. million)

Particulars	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
SECURED LOANS					
Term Loan from Financial Institution (Note 1)	—	335.00	335.00	240.00	—
Term Loan from Banks (Note 2)	—	—-	4.92	—	—
Cash Credit (Note 3)	—	23.90	—	—	—
Interest accrued and due	—	—	0.07	—	—
	—	**358.90**	**339.99**	**240.00**	**—**
UNSECURED LOANS					
From Holding Company	—	—	—	124.00	—
Book Overdraft	—	—	—	0.08	—
Interest accrued and due	—	—	—	3.48	—
	—	—	**—**	**127.56**	**—**

Notes:

1. Term Loan and outstanding guarantee assistance of Rs.22.5 million from Financial Institution is secured by hypothecation of all moveable assets of the Company situated at Competent House, Connaught Circus and Videocon Towers, New Delhi
2. Term Loan from Banks is secured by a hypothecation of the vehicles of the Company.
3. Cash Credit facilities have been secured by a floating charge on the present and future book debts, outstanding monies, receivables, claims, bills etc. belonging to the Company.
4. a. Term Loan from Financial Institution (FI) is repayable in 20 equal instalments commencing from the expiry of 3 years from date of disbursement of the loan. This loan has since been repaid.
   b. The Interest rate on Term Loan from FI is subject to a maximum of 1.5% p.a. over the Lending Bank's Medium Term Prime Lending Rate (MTPLR) prevailing on the date of each disbursement out of the Term Loan plus applicable interest tax. Provided however the applicable rate shall not be less than the MTPLR prevailing on the date of each disbursement out of the Term Loan plus applicable interest tax, payable quarterly.
5. The interest rate on Cash Credit facility is Prime Lending Rate of the Lending Bank plus 1.5%, payable quarterly.

5. Details of Loans and Advances as at July 31, 2003

(Rs. million)

A. Advances recoverable in cash or kind or for value to be received:		
Unsecured- Considered Good	74.60	
Considered Doubtful	0.23	
Less: Provision for Doubtful Advances	(0.23)	**74.60**
B. Advance Tax net of Provision for Tax:		
Advance Tax	92.24	
Less: Provision for Tax	(83.68)	**8.56**
Total		**83.16**

6. Sundry Debtors as on July 31, 2003

(Rs. million)

A. Debts outstanding for a period exceeding six months:		
Unsecured- Considered Good	13.91	
Considered Doubtful	28.03	
Less: Provision for Doubtful Debts	(28.03)	**13.91**
B. Other Debts:		
Unsecured- Considered Good	287.44	
Considered Doubtful	1.98	
Less: Provision for Doubtful Debts	(1.98)	**287.44**
Total		**301.35**

7. Contingent Liabilities, Guarantees and Capital Commitments (unadjusted, as per audited accounts)

(Rs. million)

Particulars	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
Estimated amounts of contract remaining to be executed on capital account, net of advances, not provided for	22.84	64.17	6.06	20.95	0.66
Guarantees furnished to Banks and Financial Institutions outstanding at the year-end	26.09	—	22.54	22.54	—

8. The Company has received legal notices of claims/ lawsuits filed against it in respect of programmes aired on the Channels. In the opinion of the management, no liability is likely to arise on account of such claims/ lawsuits.

9. Significant transaction of Sale, Purchase, Income and Expenditure of the Company with Promoter & Promoter Group as certified by the management.

(Based on Related Party Disclosures, as identified and certified by the Company, as per the requirements of Accounting Standard-18 issued by the Institute of Chartered Accountants of India)

(I) Name of the related party and nature of related party relationship where control exists :

(a) Directors:

- Mr. Aroon Purie (Managing Director)
- Mr. Anil Mehra
- Mrs. Rekha Purie **
- Mr. Prabhu Chawla*
- Ms. Koel Purie**
- Mr. Anil Vig
- Mr. Rajan Bharti Mittal
- Mrs. Bala Deshpande
- Mr. Pramod Bhasin ***

* (Retired w.e.f. September 27, 2002)

** (Resigned w.e.f. September 4, 2003)

*** (Resigned w.e.f. October 8, 2003)

(b) Entities Controlling the Company (Holding Companies):

- World Media Limited
- Living Media India Limited

(c) Fellow Subsidiary Companies :

- Radio Today Broadcasting Limited
- Radio Today Broadcasting (Delhi) Limited
- Radio Today Broadcasting (Calcutta) Limited
- Radio Today Broadcasting (Mumbai) Limited
- Living Media International Limited
- Universal Learn Today Limited
- Harpercollins Publishers India Limited

(d) Companies under common control :

- Thomson Press India Ltd. *
- India Today Online Limited**
- Integrated Data Bases India Limited
- World Media International Limited
- Noida Security Printers Private Limited
- All India Film Corporation Private Limited
- All India Investment Private Limited
- All India Hotels Private Limited
- All India Finance & Commerce India Private Limited
- Kumar Talkies- Bareilly
- Dimples Private Limited
- International Audio Visual Company, New Delhi

(** Status changed during the year till last year the Company was classified as fellow subsidiary Company)

(* Status changed during FY 02-03, prior to which the Company was classified as fellow subsidiary Company)

(II) Transactions with related parties during the year in the ordinary course of business:

Nature of Transaction	Financial year	Holding Companies (Rs.million)	Companies under common control (Rs.million)	Fellow – Subsidiaries (Rs.million)	Directors (Rs.million)
Purchases of Ad Space / Material	July 2003	2.50	—	—	—
	2002-03	10.98	—	0.72	—
	2001-02	5.02	—	—	—
	2000-01	11.74	—	—	—
Sale of Ad Space	July 2003	3.64	—	7.20	—
	2002-03	9.19	2.31	0.85	—
	2001-02	9.14	—	—	—
	2000-01	10.93	—	—	—
Management Fee paid	July 2003	0.90	—	—	—
	2002-03	3.60	—	—	—
	2001-02	0.90	—	—	—
	2000-01	—	—	—	—

Purchase of Production / Telecast Material	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	7.63	—	—	—
	2000-01	—	—	—	—
Purchase of Fixed Assets	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	0.57	—	—	—
	2000-01	136.25	—	—	—
Sale of Fixed Assets (at Sale Value)	July 2003	0.04	—	—	—
	2002-03	—	—	—	—
	2001-02	0.91	—	—	—
	2000-01	0.18	—	0.04	—
Unsecured Loans taken	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	17.00	—	—	—
	2000-01	157.50	—	—	—
Interest Paid on Unsecured Loans	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	5.02	—	—	—
	2000-01	—	—	—	—
Advertisement Expenses	July 2003	—	—	—	—
	2002-03	—	0.01	—	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—
Ticker Service Expenses	July 2003	1.05	—	—	—
	2002-03	3.36	—	—	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—
SMS Charges paid	July 2003	—	—	—	—
	2002-03	0.93	—	—	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—
Creative Charges paid	July 2003	2.90	—	—	—
	2002-03	3.29	—	—	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—
Wireless Setup Charges paid	July 2003	—	—	—	—
	2002-03	1.40	—	—	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—

Agency Commission paid	July 2003	0.04	—	—	—
	2002-03	0.05	—	—	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—
Interest Received	July 2003	—	—	—	—
	2002-03	—	—	0.06	—
	2001-02	—	—	—	—
	2000-01	—	—	—	—
Printing Charges paid	July 2003	—	0.18	—	—
	2002-03	—	0.46	—	—
	2001-02	—	—	—	—
	2000-01	—	0.07	—	—
Rent payments made to related parties for use of common facilities / utilities	July 2003	3.21	—	—	—
	2002-03	6.81	0.97	—	—
	2001-02	4.49	—	—	—
	2000-01	5.62	—	—	—
Rent charged to related parties for use of common facilities / utilities	July 2003	0.01	—	0.80	—
	2002-03	0.02	—	2.33	—
	2001-02	0.02	—	1.94	—
	2000-01	—	—	2.33	—
Remuneration / Fee paid	July 2003	—	—	—	1.27
	2002-03	—	—	—	3.54
	2001-02	—	—	—	0.59
	2000-01	—	—	—	—
Other Misc. Inter– Company expenses received from related parties	July 2003	0.62	0.02	—-	—
	2002-03	4.82	0.89	0.27	—
	2001-02	2.10	—	—	—
	2000-01	40.14	—	—	—
Other Misc. Inter– Company expenses charged to related parties	July 2003	0.07	—	0.43	—
	2002-03	0.84	0.00	1.95	—
	2001-02	3.15	0.01	1.64	—
	2000-01	3.54	0.00	0.21	—
Account payable transfer from related parties	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	—	—	—	—
	2000-01	4.61	—	—	—

Accounts receivable transfer from related parties	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	—	—	—	—
	2000-01	33.25	—	—	—
Share application money received	July 2003	—	—	—	—
	2002-03	—	—	—	—
	2001-02	—	—	—	—
	2000-01	180.00	—	—	—

Notes :

1. Other Related Party transactions:
   a. The Cash Credit facilities obtained by the Company from its bankers has been collaterally secured by a corporate guarantee issued by Living Media India Limited.
   b. The Company is using certain 2 MB telephone leased obtained from Mahanagar Telephone Nigam Limited. These facilities were originally obtained in the name of Living Media India Limited and are pending transfer in the name of the Company.

(III) Outstanding Balances pertaining to Related Parties

Name of the Related Party	**Amount outstanding as at July 31, 2003 (Rs.million)**	**Amount outstanding as at March 31, 2003 (Rs.million)**	**Amount outstanding as at March 31, 2002 (Rs.million)**	**Amount outstanding as at March 31, 2001 (Rs.million)**	**Amount outstanding as at March 31, 2000 (Rs.million)**
Living Media India Limited	(6.67)	(4.85)	(1.37)	(18.51)	0.00
World Media Limited	0.00	0.00	(0.20)	(0.65)	0.00
Total Holding Companies	**(6.67)**	**(4.85)**	**(1.57)**	**(19.16)**	**0.00**
India Today Online Limited	0.00	0.00	0.00	0.00	0.00
Thomson Press India Limited	(0.20)	(1.80)	0.01	0.00	0.00
Total Companies under common Control	**(0.20)**	**(1.80)**	**0.01**	**0.00**	**0.00**
Radio Today Broadcasting (Delhi) Limited	0.83	4.68	5.09	2.58	0.00
Radio Today Broadcasting (Mumbai) Limited	7.35	0.16	0.00	0.00	0.00
Radio Today Broadcasting (Calcutta) Limited	0.00	0.00	0.00	0.00	0.00
Universal Learn Today Limited	0.00	0.00	0.00	0.00	0.00
Total Fellow Subsidiary Companies	**8.18**	**4.84**	**5.09**	**2.58**	**0.00**
Aroon Purie	0.00	(1.61)	0.00	0.00	0.00
Total Directors	**0.00**	**(1.61)**	**0.00**	**0.00**	**0.00**

Figures in brackets indicate balances payable.

Notes:

1. Details of entities/ persons covered under Promoter & Promoter Group is as certified by the management
2. The above list does not include expenses incurred by/ on behalf of TVTN on behalf of/ by Promoter & Promoter & Group Companies.

12. Sales for the period ended July 31, 2003 is net of Consumption Incentive of Rs.21.21 Million. Provision for Consumption incentive has been made as per contractual terms for eligible customers estimated on the basis of compliance with terms by such customers upto September 30, 2003 under the assumption that they will continue to comply with the contractual terms till the end of the contract period.

13. Production Expenses for the period ended July 31, 2003 are net of Provisions no longer required written back of Rs.27.58 Million.

Annexure V

STATEMENT OF ACCOUNTING RATIOS

Key Ratios	Year/ Period Ended				
	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
Earnings per Share (Rs.)	3.42	11.29	0.61	(6.83)	—
Net Asset Value per Share (Rs.)	34.80	32.16	18.46	15.07	(12,651.39)
Return on Net Worth (%)	9.82	35.11	3.31	(45.33)	—
Weighted Average Number of Equity Shares during the year (in Nos. Millions)	24.00	23.35	22.39	14.12	0.00

Formula:

1. Earnings Per Share (Rs.) = $\frac{\text{Net Profit after tax and before extraordinary items}}{\text{Weighted Average Number of equity shares outstanding during the year}}$

2. Net Asset Value per Share (Rs.) = $\frac{\text{Net Worth}}{\text{Weighted Average Number of equity shares outstanding during the year}}$

3. Return on Net Worth (%) = $\frac{\text{Net Profit before extraordinary items but after adjusted tax}}{\text{Net Worth}}$

Notes: Earnings per share and Return on Net Worth for the period ended March 31, 2000 are for a period of 3 months and therefore are not comparable with other years.

The shareholders in the Annual General Meeting held on September 30, 2003 have approved the sub-division of equity shares of face value of Rs.10 each into equity shares of face value of Rs.5 each. Subsequent to this sub-division, the issued, subscribed and paid-up equity share capital of Rs.240,000,000 has been divided into 48,000,000 equity shares of Rs.5 each. Accordingly, the per share ratios have been computed on the basis of number of equity shares post-split, had this been in place for the respective years shown above.

Post-Split

Key Ratios	Year/ Period Ended				
	July 31, 2003	March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000
Earnings per Share (Rs.)	1.71	5.65	0.31	(3.41)	—
Net Asset Value per Share (Rs.)	17.40	16.08	9.23	7.53	(6,325.69)

Annexure VI

CAPITALISATION STATEMENT

	Pre Issue As at July 31, 2003 (Rs. million)
Long Term Debt	—
Short Term Debt (Cash Credit)	—
Shareholders Funds	—
Share Capital	240.00
Share Premium	356.40
Reserves after adjustment of Miscellanous Expenses to the extent not written off	238.76
Total Shareholders' Funds	**835.16**
Long Term Debt / Equity	—

Note:

The post issue capitalisation cannot be determined till the completion of the book building process.

Annexure VII

STATEMENT OF TAX SHELTERS

(in Rs. million)

	Year Ended *		
	March 31, 2003	**March 31, 2002**	**March 31, 2001**
Profit/(Loss) before tax but after extraordinary items as per Audited Statement of Accounts (A)	**416.32**	**27.91**	**(150.74)**
Tax on actual rate on Profits	**153.00**	**9.96**	**—**
Adjustments:			
Permanent Differences:			
Disallowance under section 37(1)	2.48	—	—
Disallowance under section 40(a)	0.10	—	0.07
Disallowance under section 2(24)	—	0.00	0.34
Disallowance under section 40 A (3)	0.05	0.08	—
Disallowance under section 43B	0.00	0.01	0.35
Prior Period Expenses	4.30	—	—
Total Permanent Differences: (B)	**6.93**	**0.09**	**0.76**
Timing Differences:			
Difference between Tax Depreciation and Book Depreciation	(73.93)	(73.43)	(68.20)
Deferred Revenue Expenditure	(14.50)	—	—
Provision for Bad Debts	27.20	2.86	0.18
Disallowance under section 40(a)	6.69	—	—
Disallowance under section 43B	1.75	1.34	0.30
Disallowance under section 40 A (7)	1.30	1.42	1.46
Total Timing Differences: (C)	**(51.49)**	**(67.81)**	**(66.26)**
Net Adjustments (B + C)	**(44.56)**	**(67.72)**	**(65.50)**
Tax Saving Thereon	**(16.37)**	**(24.17)**	**(25.91)**
Profit/(Loss) as per Income Tax Return (D = A + B + C)	**371.76**	**(39.81)**	**(216.24)**
Brought Forward Losses Adjusted (E)	**(256.05)**	**(216.24)**	**—**
Taxable Loss / Income (D + E)	**115.71**	**(256.05)**	**(216.24)**
Taxable Income as per MAT	**—**	**5.31**	**—**
Tax as per Income Tax as returned	**42.52**	**0.41**	**—**
Interest u/s 234	1.41	—	—
Brought Forward Tax Adjusted u/s 115 JAA	—	—	—
Total Tax as per Income Tax as returned	**43.93**	**0.41**	**—**
Carried Forward Loss	—	(256.05)	(216.24)
Carried Forward tax u/s 115 JAA as returned	—	—	—

* * The information pertaining to years ended March 31, 2002 and March 31, 2001 are as per Income Tax return filed by the Company. The information pertaining to year ended March 31, 2003 are provisional (as on November 13, 2003) and final amount will be ascertained at the time of filing of return.

Annexure VIII

STATEMENT OF CASH FLOW

	For the year ended July 31, 2003 (restated accounts)		For the year ended March 31, 2003 (restated accounts)		For the year ended March 31, 2002 (restated accounts)		For the year ended March 31, 2001 (restated accounts)		For the year ended March 31, 2000 (restated accounts)	
Cash flows from operating activities										
Net profit before taxation, and extraordinary item	127.17		420.62		24.40		(151.54)		—	
Adjustments for:										
Depreciation	32.00		76.85		68.79		22.60		—	
Preliminary Expenses written off	0.06		0.18		0.18		0.18		—	
Deferred Revenue Expenditure written off	2.38		4.24		4.24		1.06		—	
Provision for Gratuity	1.30		1.30		1.42		—		—	
Provision for Leave Encashment	1.25		1.03		0.95		—		—	
Provision for Doubtful Debts & Advances	—		27.20		2.86		—		—	
Provision for Wealth Tax	0.05		0.06		0.05		—		—	
Loss/(Profit) on sale of Fixed Assets	(0.01)		(0.06)		0.66		0.06		—	
Interest received on deposits	(2.77)		(8.62)		(0.04)		—		—	
Interest Received	—		(0.06)		—		—		—	
Provision no longer required written back	(27.58)		—		—		—		—	
Interest Paid	10.85		44.88		47.42		11.69		—	
Operating profit before working capital changes	144.70		567.62		150.93		(115.95)		—	
Change in Sundry Debtors	33.70		(151.87)		(182.01)		(26.41)		—	
Change in Other Current Assets	(29.87)		1.43		2.86		(47.99)		—	
Change in Current Liabilities	67.69		59.44		(11.61)		131.46		3.32	
Cash generated from operations	216.22		476.62		(39.83)		(58.89)		3.32	
Income taxes paid	(22.35)		(65.07)		(3.70)		(1.12)		—	
Net cash from operating activities	—	193.87		411.55		(43.53)		(60.01)		3.32

Cash flows from investing activities										
Purchase of fixed assets	(55.56)		(171.69)		(63.79)		(591.96)		—	
Deferred Revenue Expenditure incurred	—		(14.51)		—		(21.18)		(0.91)	
Preoperative expenditure pending allocation to fixed assets	—		—		—		—		(2.24)	
Increase/ Decrease in Capital Work in Progress	(35.51)		(32.74)		—		—		(0.17)	
Proceeds from sale of equipment	0.36		0.56		3.72		0.78		—	
Loan made to co-subsidiaries	—		(14.80)		—		—		—	
Proceeds from fixed deposits (Net)	278.83		(271.33)		2.55		(10.05)		—	
Interest received on fixed deposits	2.77		7.66		0.05		—		—	
Loan re-paid back by co-subsidiaries	—		14.80		—		—		—	
Tax deducted on interest	—		—		—		—		—	
Net cash from investing activities		190.89		(482.05)		(57.47)		(622.41)		(3.32)
Cash flows from financing activities										
Proceeds from issuance of share capital	—		84.00		182.40		330.00		0.00	
Proceeds from long-term borrowings from banks & Financial Institutions	—		—		117.31		384.00		—	
Repayment of long-term borrowings from banks	(335.00)		(4.92)		(141.39)		(20.00)		—	
Repayments Proceeds from Cash Credits (Net)	(23.90)		31.25		(7.35)		—		—	
Interest paid	(20.15)		(44.95)		(47.95)		(1.78)		—	
Net cash used in financing activities		(379.05)		65.38		103.02		692.22		0.00
Net increase in cash and cash equivalents		5.71		(5.12)		2.02		9.80		0.00
Cash and cash equivalents at beginning of year		6.70		11.82		9.80		0.00		—
Cash and cash equivalents at end of year		12.41		6.70		11.82		9.80		0.00

This page is not part of the Auditor's Report dated November 13, 2003 and forms part of Chartered Accountant Certificate issued by Price Waterhouse on November 13, 2003.

PARTICULARS OF SUNDRY DEBTORS

The particulars of Sundry Debtors as at July 31, 2003 as extracted from the books of accounts are as below:

Rs Million

Days Outstanding	Amount Outstanding	Amount Due from Related Parties	Directors	Holding Companies	Fellow Subsidiaries	Companies Under Common Control
0-30 days	74.17	0.45	-	-	0.45	-
31-60	83.61	0.38	-	-	0.38	-
61-90	76.39	5.95	-	-	5.95	-
91-180	55.23	1.40	-	-	1.40	-
Over 180	41.95	0.00	-	-	0.00	-
TOTAL	**331.35**	**8.18**	**-**	**-**	**8.18**	**-**

Note: The list of related parties are as reproduced below:

(a) Directors:

- Mr. Aroon Purie (Managing Director)
- Mr. Anil Mehra
- Mrs. Rekha Purie **
- Mr. Prabhu Chawla*
- Ms. Koel Purie**
- Mr. Anil Vig
- Mr. Rajan Bharti Mittal
- Mrs. Bala Deshpande
- Mr. Pramod Bhasin ***

* (Retired w.e.f. September 27, 2002)

** (Resigned w.e.f. September 4, 2003)

*** (Resigned w.e.f. October 8, 2003)

(b) Entities Controlling the Company (Holding Companies):

- World Media Limited
- Living Media India Limited

(c) Fellow Subsidiary Companies :

- Radio Today Broadcasting Limited
- Radio Today Broadcasting (Delhi) Limited
- Radio Today Broadcasting (Calcutta) Limited
- Radio Today Broadcasting (Mumbai) Limited
- Living Media International Limited
- Universal Learn Today Limited
- Harpercollins Publishers India Limited

(d) Companies under common control :

- Thomson Press India Ltd.
- India Today Online Limited
- Integrated Data Bases India Limited

- World Media International Limited
- Noida Security Printers Private Limited
- All India Film Corporation Private Limited
- All India Investment Private Limited
- All India Hotels Private Limited
- All India Finance & Commerce India Private Limited
- Kumar Talkies- Bareilly
- Dimples Private Limited
- International Audio Visual Company, New Delhi

As per the certificate dated November 13, 2003 issued by Price Waterhouse, the list of related parties as reproduced in Note of the above statement is as certified by the Company and is not verified by the Chartered Accountant.

This page is not part of the Auditor's Report dated November 13, 2003 and forms part of Chartered Accountant Certificate issued by Price Waterhouse on November 13, 2003.

PARTICULARS OF LOANS AND ADVANCES

The particulars of Advances recoverable in cash or kind or for value to be received as at July 31, 2003 as extracted from the books of accounts are as below:

Rs Million

Particulars	Amount Outstanding	Amount Due from Related Parties	Directors	Holding Companies	Fellow Subsidiaries	Companies Under Common Control
Advances recoverable in cash or kind or for value to be received	74.83	-	-	-	-	-
TOTAL	**74.83**	**-**	**-**	**-**	**-**	**-**

Note: The list of related parties are as reproduced below:

(As identified and certified by the Company)

(a) Directors:

- Mr. Aroon Purie (Managing Director)
- Mr. Anil Mehra
- Mrs. Rekha Purie **
- Mr. Prabhu Chawla*
- Ms. Koel Purie**
- Mr. Anil Vig
- Mr. Rajan Bharti Mittal
- Mrs. Bala Deshpande
- Mr. Pramod Bhasin ***

* (Retired w.e.f. September 27, 2002)

** (Resigned w.e.f. September 4, 2003)

*** (Resigned w.e.f. October 8, 2003)

(b) Entities Controlling the Company (Holding Companies):

- World Media Limited
- Living Media India Limited

(c) Fellow Subsidiary Companies :

- Radio Today Broadcasting Limited
- Radio Today Broadcasting (Delhi) Limited
- Radio Today Broadcasting (Calcutta) Limited
- Radio Today Broadcasting (Mumbai) Limited
- Living Media International Limited
- Universal Learn Today Limited
- Harpercollins Publishers India Limited

(d) Companies under common control :

- Thomson Press India Ltd.
- India Today Online Limited
- Integrated Data Bases India Limited
- World Media International Limited
- Noida Security Printers Private Limited
- All India Film Corporation Private Limited
- All India Investment Private Limited
- All India Hotels Private Limited
- All India Finance & Commerce India Private Limited
- Kumar Talkies- Bareilly
- Dimples Private Limited
- International Audio Visual Company, New Delhi

As per the certificate dated November 13, 2003 issued by Price Waterhouse, the list of related parties as reproduced in Note of the above statement is as certified by the Company and is not verified by the Chartered Accountant.

LIVING MEDIA INDIA LIMITED

TV TODAY DIVISION

FINANCIAL STATEMENTS

To
The Board of Directors
Living Media India Limited
9K Block, Connaught Circus
New Delhi – 110 001

Dear Sirs,

1. We have reviewed the financial information of TV Today Division ("the Division"), as attached to this report stamped and initialled by us for identification and as approved by the Board of Directors of the Company, and in accordance with your instructions dated September 15, 2003 received from Living Media India Limited ("the Company") requesting us to carry out work in connection with the Offer Document being issued by TV Today Network Limited ("TVTN") in connection with its Initial Public Offering of Equity Shares (referred to as "the Issue").

2. The accounts of the Company for the years ended March 31, 1995, 1996, 1997, 1998 and 1999 which have been approved by the Board of Directors/ members of the Company for the respective years have been audited by M/s Khanna & Khosla, Chartered Accountants who have expressed an unqualified opinion and for the year ended March 31, 2000 have been audited by us and we have issued an unqualified opinion.

3. The accounts of the Division for the years ended March 31, 1995, 1996, 1997, 1998, 1999 and 2000 which have been approved by the Board of Directors/ members of the Company have been audited by M/s V.K. Arora & Associates, Chartered Accountants, who have expressed an unqualified opinion.

4. The Balance Sheet of the Division for the years ended March 31, 1995, 1996, 1997, 1998, 1999 and 2000 and the related Profit & Loss Account for each of the years have been restated with retrospective effect to present to the extent applicable as required by Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 as amended vide Circular No. 11 on August 14, 2003 ("the Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications, in particular to reflect significant accounting policies of TVTN (as adopted by TVTN as at March 31, 2003 and as disclosed in Annexure III A to this report), which are collectively referred to as the restated summary financial statements of the Division. These restated summary financial statements have been adopted by the Board of Directors of the Company and have been audited by M/s V.K. Arora & Associates, Chartered Accountants who have reported that the said financial statements have been prepared in accordance with the Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 as amended vide Circular No. 11 on August 14, 2003 ("the Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 subject to certain non adjustments as stated in Notes to Accounts, and that:

   (i) there are no material adjustments relating to previous periods which need to be adjusted in the restated summary financial statements in the period to which they related, and

   (ii) there are no extraordinary items which need to be disclosed separately in the restated summary financial statements.

5. We have reviewed the attached restated summary financial statements of the Division for the years ended March 31, 1999 and March 31, 2000 which have been prepared by the Company and audited by other firm of Chartered Accountants as explained in para 4 above.

   A review of financial statements consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express an opinion.

6. Based on our review as aforesaid, nothing has come to our attention that causes to believe that,

   (a) there are any material adjustments relating to previous periods which need to be adjusted in the summary financial statements in the period which they relate.

   (b) there are any extraordinary items which need to be disclosed separately in the financial statements.

   (c) subject to non adjustment of certain matters as stated in Notes to Accounts, the financial statements have not been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for use for your information and for inclusion in the Offer Document in connection with the Issue of TVTN and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

Sd/-
U. Rajeev
Partner

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi

Date : November 13, 2003

Annexure I

SUMMARY OF PROFIT AND LOSS ACCOUNT, AS RESTATED

The profits/(losses) of Division for two financial years ended March 31, 2000 read with significant accounting policies (Refer Annexure III) after making groupings and adjustments and **subject to matters stated in Notes to Accounts**, are set out below:

(in Rs. Million)

Particulars	March 31, 2000	March 31, 1999
INCOME		
Revenue	218.72	175.64
Other income	1.21	0.03
Total Income	219.93	175.67
EXPENDITURE		
Employee Cost	29.38	30.08
Production Cost	134.47	65.79
Distribution Cost	0.08	0.01
Administrative and Other Costs	61.32	48.52
Total Expenditure	**225.25**	**144.40**
Profit/(Loss) EBITDA	**(5.32)**	**31.27**
Interest & Financial Charges	2.08	3.54
Profit/(Loss) before Depreciation and Tax	**(7.40)**	**27.73**
Depreciation	13.39	15.81
Net Profit/(Loss) before Tax	**(20.79)**	**11.92**
Current Tax	-	4.50
Deferred Tax	-	-
Net Profit/(Loss) as per audited Statement of Account (A)	**(20.79)**	**7.42**
Adjustment on account of changes in accounting policies	4.65	8.10
Impact of prior period items	-	-
Total Adjustments	**4.65**	**8.10**
Adjusted Profit/(Loss)	**(16.14)**	**15.52**
Carry forward Profit/(Loss) from previous year	82.81	67.29
Profit/(Loss) transferred to Balance Sheet	**66.67**	**82.81**

The accompanying significant accounting policies (Annexure III & III A) and Notes to Accounts (Annexure IV) are an integral part of this statement.

Sd/-
Director

Sd/-
Director

Annexure II

SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

The assets & liabilities of the Division at the end of each financial years ended March 31, 2000 and March 31, 1999 read with significant accounting policies (Refer Annexure III) after making groupings **and adjustments and subject to matters stated in Notes to Accounts,** are set out below:

(in Rs. Million)

Particulars		March 31, 2000	March 31, 1999
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		115.98	104.87
Less: Depreciation		(38.53)	(28.21)
Net Block		77.45	76.66
Capital Work In Progress		-	-
Total		**77.45**	**76.66**
Pre-operative expenditure pending allocation		-	-
Current Assets			
Cash and Bank Balances		0.43	1.66
Sundry Debtors		40.51	51.46
Loans and Advances		4.58	0.15
Inventories		0.11	0.16
Total	**(A)**	**45.63**	53.43
Current Liabilites			
Sundry Creditors		26.80	16.48
Provisions		38.82	37.85
Total	**(B)**	**65.62**	**54.33**
Net Current Assets	**(A-B)**	**(19.99)**	**(0.90)**
TOTAL		**57.46**	**75.76**
SOURCES OF FUNDS			
Head Office		(14.17)	(21.61)
Reserves and Surplus		66.67	82.81
Total		**52.50**	**61.20**
Loan Funds			
Secured Loans		4.96	14.56
Unsecured Loans		-	-
Total		**4.96**	**14.56**
TOTAL		**57.46**	**75.76**

The accompanying significant accounting policies (Annexure III & III A) and Notes to Accounts (Annexure IV) are an integral part of this statement.

Sd/-
Director

Sd/-
Director

Annexure III

SIGNIFICANT ACCOUNTING POLICIES OF THE COMPANY
As Applicable to the Division

a. Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards in India and in accordance with the historical cost convention.

b. Fixed Assets

Fixed Assets are recorded at the cost of acquisition or construction and depreciated at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 by the Company on concern basis as a whole.

The Company is providing depreciation on Written Down Value basis on all its Fixed Assets.

In case of inter-unit transfer of assets, depreciation is provided at the rates applicable to the transferee unit.

c. Inventories

- Raw Materials : At Cost
- Work-in-Progress : Lower of Cost or Net Realizable Value

d. Foreign currency transactions

- Current Assets and Liabilities are translated at the year-end rate and the resultant gain or loss is charged to Profit and Loss Account.
- For the transactions settled during the year, the translation is done at the rate prevailing on the date of transaction.

e. Expense/ Revenue recognition

- Advertisement Sale is recognized as and when the relevant advertisement is telecast and is accounted for net of trade discounts.
- Revenue in respect of insurance is recognized only when it is reasonable certain that the ultimate collection will be made.
- Expenses are booked on accrual basis for every determined liability.

f. Retirement benefits

Liability towards Provident Fund is accounted for on accrual basis and the liability towards Employee Gratuity and Leave Encashment is provided as per actuarial valuation on the Balance Sheet Date.

Annexure III A

SIGNIFICANT ACCOUNTING POLICIES OF TV Today Network Limited
As Applicable to the Division

a. Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards in India and in accordance with the historical cost convention.

b. Fixed Assets

Fixed Assets are recorded at the cost of acquisition or construction and depreciated at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

The Company is providing depreciation on Straight Line Method on all its Fixed Assets.

c. Inventories

- Raw Materials : At Cost
- Work-in-Progress : Lower of Cost or Net Realizable Value

d. Foreign currency transactions

- Current Assets and Liabilities are translated at the year-end rate and the resultant gain or loss is charged to Profit and Loss Account.
- For the transactions settled during the year, the translation is done at the rate prevailing on the date of transaction.

e. Expense/ Revenue recognition

- Advertisement Sale is recognized as and when the relevant advertisement is telecast and is accounted for net of trade discounts.
- Revenue in respect of insurance is recognized only when it is reasonable certain that the ultimate collection will be made.
- Expenses are booked on accrual basis for every determined liability.

f. Retirement benefits

Liability towards Provident Fund is accounted for on accrual basis and the liability towards Employee Gratuity and Leave Encashment is provided as per actuarial valuation on the Balance Sheet Date.

Annexure IV

NOTES TO ACCOUNTS

1. The Company commenced a division called Electronic Media in 1988. The Company commenced Telecast for Doordarshan of Newstrack (English) in February 1994 and Aaj Tak (Hindi) in July 1995. Accordingly, the Electronic Media Division was renamed as TV Today Division from April 1994.

2. The accounts of the Division were commenced from April 1, 1994 and included the following activities:

- Telecast on Doordarshan of Newstrack (English) programme from February 1994.
- Telecast on Doordarshan of Aaj Tak (Hindi) programme from July 1995.
- Telecast on Doordarshan of Heath Today programme from May 1996.
- Telecast on Doordarshan of Good Morning Today programme from November 1996.
- Miscellaneous One Time/ Recurring programmes from March 1997.

Fixed Assets and other assets and liabilities of the Company pertaining to Telecast Business were transferred into the accounts of the Division as at April 1, 1994.

3. The Opening Balances of the Division as at April 1, 1998 represents balances extracted from audited accounts of the Division for the years ended March 31, 1998, March 31, 1997, March 31, 1996 and March 31, 1995. All these years were audited by another firm of Chartered Accountants.

The summary statements of the Division for the years ended March 31, 2000 and March 31, 1999 have been extracted from the financial statements of the Company for these years which have been accepted by the Board of Directors/Members for the respective years. These summary statements have been audited by another firm of Chartered Accountants.

4. Service Charges charged in these accounts are based on a contractual arrangement between the company and TVTN which has been approved by the respective Board of Directors of the Companies.

5. Adjustments/ Re-groupings

Impact of change in Accounting Policy

(Rs. Million)

Particulars	**March 31, 2000**	**March 31, 1999**
Net Profit/(Loss) as per audited Statement of Account (A)	**(20.79)**	**7.42**
Adjustment on account of:		
Changes in accounting policies- Depreciation	4.65	8.10
Total Adjustments (B)	**4.65**	**8.10**
Adjusted Profit/(Loss) (A+B)	**(16.14)**	**15.52**

6. Non-Adjustments/Regroupings

(i) Deferred tax has not been recognised in line with Accounting Standard 22 issued by the Institute of Chartered Accountants of India for the restated summary financial statements of the Division as the Division is not a separate taxable entity.

(ii) Current income tax expenditure for the restated financial statements has been calculated as if the Division is a separate taxable entity even though it was only a division of the Company which was a single taxable entity.

(iii) No separate accounts were maintained for the division for the period February 1994 to March, 1994 as in the opinion of the Company the level and volume of operations of the Division were for that period not significant and consequently did not have a material impact on the summary financial statements of the Division.

(iv) Income tax demands raised against the Company, not accepted by them outstanding as at date have not been allocated to the Division in respect of amounts if any, that may relate to the operations of the Division, which in the opinion of the Company are not expected to be material.

7. Contingent Liability (Unadjusted)

The Company for its Division has received legal notices of claims / lawsuits filed against it in respect of programmes aired on Doordarshan. In the opinion of the management, no liability is likely to arise on account of such claims / lawsuits.

SIGNIFICANT DIFFERENCES BETWEEN IAS, INDIAN ACCOUNTING POLICIES AND US GAAP

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
1.	Contents of Financial Statements	The primary financial statements required under IAS are the balance sheet, the statements of profit and loss, a statement of cash flows and a statement of changes in shareholders' equity. Requires one year of comparatives for all the numerical information in the financial statements, with small exceptions.	Under Indian GAAP – companies are required to present Balance sheets and profit and loss accounts for two years along with the relevant accounting policies and notes. Additionally all listed companies (including companies in the process of getting listed) and companies with turnover exceeding Rs.500 million are required to present cash flow statements. ***(Applicable for financial years beginning on April 1, 2001 for other than listed companies).***	The primary financial statements required under U.S. GAAP comprise not only the balance sheet and the statements of profit and loss, but also a statement of cash flows, a statement of changes in shareholders' equity and a statement of comprehensive income. SEC requirements specify that all registrants must give two years of comparatives (to the current year) for all statements except for the balance sheet, which requires one comparative year. This rule applies whichever accounting framework is used in the primary financial statements. For first time registrants waiver is available for the third year.
2.	**Cash and cash equivalents**	Cash includes overdrafts and cash equivalents with short-term maturities (less than three months).	Similar to **IAS**, but bank borrowings are generally considered to be financing activities unless they are a part of cash management.	Cash excludes overdrafts, but includes cash equivalents with short-term maturities.
3.	**Classification of Assets and Liabilities**	The current / non-current distinction is optional. When an enterprise chooses not to make this classification, the assets and liabilities must be presented in the order of their liquidity. Where the distinction is adopted, the assets must be classified as current assets where they are held for sale or consumption in the normal course of the operating cycle. Both assets and liabilities are classified as current where they are held for trading, or, expected to be realized within twelve months of the balance sheet date. Interest bearing liabilities may be non-current if their original term was for more than twelve months and the documented intention is to refinance, and an agreement to refinance is completed before the financial statements are issued.	Fixed assets and current assets need to be presented separately. Fixed assets are those intended for use on a continuing basis. Secured loans, deferred taxation and loans and advances need not be broken into current /non-current. Similar to **IAS**	Similar to **IAS**. The SEC provides guidelines for the minimum information to be included if a classified balance sheet is presented. Offset is permitted where the parties owe each other determinable amounts, there is intention of offset, and the offset is enforceable at law.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
		Assets and liabilities must not be offset, except where an entity has a legally enforceable right to set off and expects to settle transactions on a net basis.		
4.	**Classification of income and expenses**	**IAS** does not prescribe a standard format for the income statement. The entity must analyze its expenditure by function or type. As a minimum, **IAS** requires the presentation of the following items on the face of the income statement: revenue, results of operating activities, finance costs, share of results of associates and joint ventures accounted for using the equity method, tax expense, profit or loss from ordinary activities, extraordinary items (if any), minority interests and net profit or loss for the period.	The Indian Companies Act does not prescribe a format. The entity must, however, analyze the expenditure by function or type except in the cases of industry-specific formats where the income statement should comply with the relevant format specified. The Companies Act and various accounting standards however prescribe certain minimum items to be disclosed.	Presented in one of the two formats given below. • A single-step format where all expenses are classified by function and are deducted from the total income to give the income before tax; or • In a multiple-step format where the cost of sales is deducted from sales to show gross profit, then other income and expense are presented to give income before tax. SEC regulations specify further line items.
5.	**Preparation of cash flow statements**	**IAS** requires that the cash-flow statement must report inflows and outflows of 'cash and cash equivalents'. The cash-flow statement may be prepared using either the direct method (cash flows derived from aggregating the cash receipts and payments associated with operating activities) or the indirect method (cash flows derived from adjusting the net income for transactions of a non-cash nature, such as depreciation). The latter is more common in practice.	Either the direct or the indirect method may be used except for listed companies where the indirect method is prescribed.	Based on 'cash receipts' and 'cash payments'. The direct method is encouraged, though the indirect method is permitted.
6.	**Spin off / Carve out Accounting**	Provides limited guidance on accounting for a spin off under discontinued operations including the measurement date, basis of measurement for assets, liabilities, income and expenses, measurement of impairment losses and the disclosures required to be made.	Similar to IAS.	Provides detailed guidance on accounting for a spin off / carve out including the basis of valuation of assets and liabilities, the allocation of common expenses, measurement of impairment losses and the periods for which the financial statements must be presented.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
				Accounting for the distribution of non monetary assets to owners of an enterprise in a spin off or other form of reorganization or liquidation or in a plan that is in substance the rescission of a prior business combination should be based on the recorded amount (after reduction, if appropriate, for an indicated impairment of value) of the non monetary assets distributed. A pro rata distribution to owners of an enterprise of shares of a subsidiary or other investee company that has been or is being consolidated or that has been or is being accounted for under the equity method is to be considered to be equivalent to a spin-off. Other nonreciprocal transfers of non monetary assets to owners should be accounted for at fair value if the fair value of the non monetary asset distributed is objectively measurable and would be clearly realizable to the distributing entity in an outright sale at or near the time of the distribution.
7.	**Fixed Assets – Initial recognition**	Comprises costs directly attributable to acquiring the asset and the costs necessary to bring such an asset to working condition for its intended use. Start-up and pre-production costs must not be capitalized unless they are a necessary part of bringing the asset to its working condition. The following costs are also included in the initial measurement of the asset. • The cost of dismantling and removing the asset and restoring the site;	Similar to **IAS**, except that **Indian GAAP** does not address the measurement of gains / losses on qualifying cash-flow hedges. Specific guidance addresses the inclusion of direct and indirect costs relating to construction, erection, and start up and commissioning costs. Although the AS 11 (Revised 2003) requires the expensing of exchange differences on the settlement of monetary items, the Companies Act requires the capitalization of differences relating to the financing of fixed assets.	Similar to **IAS**, except that gains / losses on qualifying cash flow hedges are not included. The fair value of an asset's retirement cost must be capitalized as part of the cost of a long-lived asset, if the cost meets the definition of a liability. The amount of the asset retirement obligation liability is initially measured at fair value.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
		• Government grants received in connection with acquisition of PPE may be set off against the cost; and • Fair value gains/losses on qualifying cash-flow hedges relating to the purchase of PPE in a foreign currency.		
8.	**Fixed Assets – Revaluation**	Fixed assets are carried at historical cost. In addition, the asset may be carried at a revalued amount. Revaluation surpluses should be credited directly to revaluation reserves. However, a revaluation increase should be recognized to income to the extent it reverses a revaluation decrease of the same asset previously recognized as an expense. A revaluation decrease should be expensed unless there is a revaluation surplus on the same asset, in which case the decrease should first be netted off the balance in the revaluation reserves.	An increase in net book value arising on revaluation of fixed assets is normally credited directly to owner's interests under the heading of revaluation reserves and is regarded as not available for distribution. A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss statement except that, to the extent that such a decrease is considered to be related to a previous increase on revaluation that is included in revaluation reserve, it is sometimes charged against that earlier increase. Where the depreciable assets are revalued, the provision for depreciation should be based on the revalued amount and on the estimate of the remaining useful lives of such assets.	No upward revaluation of any class of fixed assets is permitted.
9.	**Depreciation**	The depreciable amount of an item of PPE must be allocated on a systematic basis over its useful life, reflecting the pattern in which the asset's benefits are consumed by the entity. Any changes in the depreciation method used are treated as changes in the accounting estimate reflected in the depreciation charge for the current and prospective periods.	Similar to **IAS**, except that **Indian GAAP** classifies a change in depreciation method as a change in accounting policy. Also, the Companies Act specifies the minimum rates to be charged for depreciation.	Similar to **IAS**, except that **US GAAP** classifies a change in the depreciation method as a change in accounting policy. The cumulative effect of the change is then reflected in the current year's income statement.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
10.	**Capitalization of Borrowing costs**	Under the benchmark treatment, borrowing costs are recognized as an expense in the period in which they are incurred regardless of how the borrowings are applied. However, as an allowed alternative an entity can choose to capitalize borrowing costs where they are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	Always capitalize borrowing costs where they are attributable to the acquisition, construction or production of a qualifying asset.	Requires capitalization of borrowing costs. **US GAAP** defines a qualifying asset in a manner similar to **IAS**, except that investments accounted for using the equity method meet the criteria for a qualifying asset while the investee is actively preparing for its planned principal operations, provided that the investee's activities include the use of funds to acquire qualifying assets for its operations.
11.	**Miscellaneous Expenditure**	Does not allow deferral of expenses.	AS 26 effective from April 1, 2004 disallows deferral of expenses related to product advertising, preliminary expenses.	Similar to IAS except costs of direct response advertising may be deferred over the period expected to be benefited.
12.	**Retirement Benefits – Gratuity**	IAS prescribes the use of the projected unit credit method to determine benefit obligation. Discount rates are based on market yields for high-quality corporate bonds. Plan assets are measured at fair value or using discounted cash flows if market prices are unavailable. The actuarial valuation must be undertaken sufficiently regularly so that financial statement amounts are not materially different from amounts determined at balance sheet date. Actuarial gains / losses must be recognized Immediately or amortized over expected remaining working lives of participating employees. At a minimum, a net gain / loss in excess of 10% of greater of defined benefit obligation or fair value of plan assets at beginning of year must be recognized	Under Indian GAAP - provision in the accounts is normally made on the basis of actuarial valuation – no specific method is prescribed. The financial statements have to disclose the method by which retirement benefit costs for the period have been determined. If the costs are based on actuarial valuation, the financial statements should disclose the date of actuarial valuation (if the actuarial valuation is not carried out at the end of financial year) and the method by which the accrual for the period has been determined. Indian GAAP does not specify the rate determination criterion to be used by the actuary. There is no specific guidance on valuation of plan assets. Generally considered on historical basis.	Similar to **IAS**, except that the actuarial valuation is required annually. US GAAP requires the recognition of the minimum liability which is the amount by which a plan is under funded (ignoring the projected future salary increases). Past service cost for current and former employees is generally recognized over remaining service lives of active employees. Negative plan amendments are deferred and used first to offset previous positive past service costs. Recognize excess as for past service cost

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
		Recognition of minimum pension liability is not required Past service cost is recognized over remaining vesting period. Where benefits have already vested, past service cost must be recognized immediately. Requires extensive disclosures.	The actuarial valuation is required to be done regularly however, does not specify annually or for every accounting period. There is no specific guidance on recognition of actuarial gains / losses. The same must generally be recognized immediately. There is no specific guidance on recognition of minimum pension liability. The same is generally not recognized. Past service cost is recognized immediately. Requires limited disclosures.	
13.	**Revenue Recognition – Industry specific guidance**	No industry specific guidance – principally similar to US GAAP	No industry specific guidance	Provides industry specific guidance for accounting for costs of purchased / produced programs and programs under production, method of amortizing the capitalized costs, revenue recognition, and valuation of inventories.
14.	**Deferred Taxation**	Deferred taxes are measured using the full provision method for all Temporary differences, being the difference between carrying amount and the tax base of assets and liabilities based on Tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date A deferred tax asset must be recognized if it is probable that sufficient taxable profit will be available against which the temporary difference can be utilized.	Deferred tax assets and liabilities should be recognized for all timing differences subject to consideration of prudence in respect of deferred tax assets. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is certain that such previously unrecognized deferred tax assets will be realized.	Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred taxes are measured using the full provision method, driven by balance sheet temporary differences. Deferred tax assets are recognized if recovery is probable. A valuation allowance must be provided for all deferred tax assets if recovery is less than 50% likely. Deferred tax assets and liabilities are measured using enacted tax rates. A number of specific differences in application

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
15.	**Transactions between entities under common control**	Does not specifically address such transactions. In practice, such combinations are generally accounted for at predecessor cost, reflecting the carrying amount of the assets and liabilities transferred including any goodwill relating to the transferred entity previously recognized in the transferor's financial statements.	Does not suggest a separate treatment for common control transactions	US GAAP has specific rules for accounting for the combination of entities under common control. The use of predecessor values or fair values depends on a number of individual criteria.
16.	**Related party transactions - Definition**	Determine by level of direct or indirect control and significant influence of one party over another, or common control of both parties.	Similar to **IAS**	Similar to **IAS**.
17.	**Related party transactions - Disclosures**	Disclose the name of the related party and the nature of relationship and types of transactions. For control relationships, give disclosures regardless of whether the transactions occur.	Some exemptions available for separate financial statements of subsidiaries. Similar to **IAS**. Main disclosures are: ● Volume of transactions. ● Amounts due from/to related parties outstanding at the balance sheet date together with provision for doubtful debts due from related parties. ● The amounts written off or written back during the period in respect of debts due from related parties. ● No disclosure is required in respect of intra-group transactions in case of consolidated financial statements. ● The name of the related party and the nature of the related party relationship where control exists should be disclosed irrespective of whether or not there have been transactions between the related parties. No exemptions are available in respect of separate financial statements of subsidiaries. **See Note.**	Similar to **IAS**. Exemptions are narrower than under **IAS**.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
18.	**Asset Impairment**	If impairment is indicated, write down assets to its recoverable amount which is the higher of net selling price and value in use based on discounted cash flows. If no loss arises, reconsider useful lives of those assets. Reversal of loss permitted in certain cases.	Similar to **IAS** w.e.f. April 1, 2004.	For assets to be held and used, impairment review based on undiscounted cash flows. If less than the carrying amount, measure the impairment loss using market value or discounted cash flows. Reversals of losses prohibited. For assets held for disposal, impairment based on lower of carrying amount and fair value.
19.	**Segment reporting - Scope and basis of formats**	Public entities. Report primary and secondary (business and geographic) segment based on risks and returns and internal reporting structure.	Public entities. Report based on internal operating segments.	Segment disclosures are applicable to Listed entities, non-listed entities are encouraged but not required to comply. Segments are classified - based on the way management organizes and reports the business result internally.
20.	**Segment reporting - Accounting policies**	Use group accounting policies.	Segment information should conform to the accounting policies used for preparing financial statements of the enterprise as a whole. A detailed calculation for applying an enterprise-wide accounting policy may be allocated to segments. The disclosure of additional segment information prepared on a basis other than enterprise-wide accounting policy is permitted.	Use internal financial reporting policies (even if accounting policies may differ from group accounting policy).
21.	**Segment reporting - Disclosures**	Disclosures for primary-segment include revenues, profits, capital expenditure, total assets and liabilities and other items. For secondary-segment, report revenues, total assets and capital expenditure.	For primary segment similar to **IAS**, additional disclosures required with respect to depreciation and other non-cash expenses. For secondary format, sales, assets and capital expenditure to be disclosed. Other required disclosures include the basis of pricing inter-segment transfers, the types of products and services and the composition of each geographical segment.	Similar disclosures to **IAS** (primary segment), except liabilities and geographical capital expenditure not required. Depreciation, amortization, tax, interest and exceptional/extraordinary items disclosed if reported internally.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
22.	**Barter Transactions - Advertising**	An advertising barter arrangement exists when two companies enter into a non-cash transaction to exchange advertising services. Under **IAS**, revenue may generally be recognized on the exchange of dissimilar goods and services if the amount of revenue can be measured reliably. The transaction must be measured at the fair value of goods or services received; however, where the fair value of goods or services received cannot be reliably measured, the fair value of the goods and services given is used. The fair value of advertising received or provided in a barter transaction is generally measured by reference to equivalent non-barter transactions.	No specific guidance	Revenue and expense must be recognized at the fair value of the advertising given. Fair value must be based on the entity's own historical practice of receiving cash for similar advertising from unrelated entities. Similar transactions used as a guide to fair value must not be older than six months prior to the date of the barter transaction. If the fair value of the advertising given cannot be determined within these criteria, then the carrying amount of the advertising surrendered must be used.
23.	**Volume based rebates / Sales incentives**	No specific guidance	No specific guidance	Provides specific guidance on when to recognize the liability for volume based incentives / free services, how to measure the cost and how to classify the same in the financial statements.
24.	**Changes in accounting policies - Accounting treatment**	Either restate the comparatives and adjust prior year opening retained earnings or include effect (net of taxes) in the current year income statement and provide pro forma comparatives in the notes.	Include effect in the income statement of the period in which the change is made except as specified in certain standards where the change resulting from adoption of the standard has to be adjusted against opening retained earnings.	Generally include effect in the current year income statement. Disclose pro forma comparatives. Retrospective adjustments for specific items.
25.	**Correction of fundamental errors**	Either restate the comparatives or include effect in the current year income statement with pro forma comparatives in the notes.	Include effect in the current year income statement with appropriate disclosure.	Restate the comparatives.
26.	**Changes in accounting estimates**	Reported in income statement in the current period.	Similar to **IAS**.	Similar to **IAS**.

S.No.	Subject	IAS	Indian Accounting Policy	US GAAP
27.	**Provisions - General**	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated.	Similar to **IAS** except that discounting is not permitted.	Similar to **IAS**. Rules for specific situations (employee termination costs, environmental liabilities, loss contingencies, etc.)
28.	**Contingencies**	Disclose unrecognized possible losses and probable gains.	Similar to **IAS**, except that contingent gains are neither recognised nor disclosed in financial statements.	Similar to **IAS**.
29.	**Earnings per share - Diluted**	Use weighted average potential dilutive shares as denominator for diluted EPS. Use 'treasury stock' method for share options/ warrants.	Similar to **IAS**.	Similar to **IAS**.
30.	**Post balance sheet events**	Adjust the financial statements for subsequent events providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements. Disclose non-adjusting events.	Similar to **IAS**. Non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.	Similar to **IAS**.
31.	**Interim financial reporting**	Not mandatory to prepare interim statements but must use standard if it is prepared. Basis should be consistent with the full-year statements and include comparatives.	Similar to **IAS**. Quarterly interim financial reporting is mandatory for listed entities. Minimum contents specified by SEBI.	If issued, the contents of interim statements are prescribed and the basis should be consistent with the full-year statements. Quarterly reporting is also necessary for SEC registrants (domestic US enterprises only).

Note: Required for insurance companies, listed enterprises (including those that are in the process of issuing equity or debt securities that will be listed as evidenced by the board of directors' resolution in this regard) and all other commercial, industrial and business reporting enterprises, whose turnover for the accounting period exceeds Rs. 500 million.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, conditions of the Ministry of Information and Broadcasting, the terms of this Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, Uplinking Guidelines, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Ministry of Information & Broadcasting, RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

1. The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the other existing shares of the Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of Allotment. In respect of the Equity Shares sold under Offer for Sale, the dividend, if any, for the entire year shall be payable to the transferees.

Face Value and Issue Price

The Equity Shares with a face value of Rs.5 each are being offered in terms of this Prospectus at a total price of Rs.95 per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws.

Compliance with SEBI Guidelines

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.

For further details on the main provisions of the Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see "Main Provisions of Articles of Association of the Company".

Market Lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one equity share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form. For details of allocation and allotment, see "Statutory and Other Information - Basis of Allotment and Allocation".

Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in New Delhi, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, 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.

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 the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Subscription by non-residents/ NRIs/ FIIs/persons resident outside India

The Company had made application to the Ministry of Information & Broadcasting, Government of India on October 22, 2003, for their approval to (i) change in shareholding of Living Media, our promoter, and foreign shareholders, post this Issue and (ii) induct additional directors on our Board to meet the Corporate Governance requirements of SEBI and to the FIPB for allotting shares to persons resident outside India in the Issue. The MIB in its reply vide its letter dated November 17, 2003, has given permission to change the foreign shareholding pattern through the Issue conditional upon foreign investment being received to the extent of 26% through the FDI route. Other forms of foreign investment have not been allowed in our Company and MIB has restated certain conditions of the Uplinking Guidelines being applicable to the Issue. In keeping with the conditions mentioned in the abovementioned approval, we shall not be offering shares in the IPO to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India.

However, we have made a representation to the MIB for reconsideration of the policy relating to investment by FIIs and NRIs. However, as no formal communication has been received from the MIB in reply to our representation and in keeping with the MIB approval, we are not offering shares to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India under this Issue. For details, see “Issue Procedure - Who Can Bid” on page 135 of the Prospectus.

ISSUE STRUCTURE

The present Issue of 1,450,000 Equity Shares comprising 1,000,000 Equity Shares of Rs.5 each, for cash at a price of Rs.95 per Equity Share and Offer for Sale of 450,000 Equity Shares of Rs.5 each, for cash at a price of Rs.95 per Equity Share aggregating Rs. 1,377.5 million. This Offer is being made through a 100% book building process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of equity shares*	Up to 7,250,000 Equity Shares or Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders	Minimum of 3,625,000 Equity Shares or Issue size less allocation to QIBs and Retail Individual Bidders	Minimum of 3,625,000 Equity Shares or Issue Size less allocation to QIBs and Non-Institutional Bidders
Percentage of Offer Size available for allocation	Up to 50% or Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders	Minimum 25% or Issue size less allocation to QIBs and Retail Individual Bidders	Minimum 25% or Issue Size less allocation to QIBs and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Discretionary	Proportionate – as per formula elaborated on Page 155 of this Prospectus	Proportionate – as per formula elaborated on Page 155 of this Prospectus
Minimum Bid	Minimum Bid Amount of Rs.50,001 and in multiples of 100 Equity Shares	Minimum Bid Amount of Rs.50,001 and in multiples of 100 Equity Shares	100 Equity Shares and thereafter in multiples of 100 Equity Shares
Maximum Bid	Not exceeding the Issue Size	Not exceeding the Issue Size	Not exceeding Rs. 50,000
Mode of Allotment	Compulsory in Dematerialised form	Compulsory in Dematerialised form	Compulsory in Dematerialised form
Trading Lot	One	One	One
Size of allocation	100	100	100
Who can Apply	Public financial institutions, as specified in section 4A of the Companies Act, scheduled commercial banks (excluding foreign banks), mutual funds, venture capital funds registered with SEBI, and State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.	Resident Indian individuals, HUF (in the name of *Karta*), companies not having a majority ownership and control by persons resident outside India, societies and trusts	Individuals (including HUFs) applying for up to an amount not exceeding Rs.50,000
Terms of Payment	Margin Amount applicable to QIB Biddders at the time of submission of Bid-cum-Application Form to the members of the Syndicate	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid-cum-Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application Form to the members of the Syndicate
Margin Money	Full Bid Amount on Bidding, unless waived by the Syndicate	Full Bid Amount on Bidding, unless waived by the Syndicate	Full Bid Amount on Bidding, unless waived by the Syndicate

* Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other categories at the discretion of the Company, BRLM and Co-BRLMs.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be available for allocation on a discretionary basis to QIBs. Further, not less than 25% shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 25% shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. We, in consultation with the Selling Shareholders and the BRLM and Co-BRLMs, reserve the right to reject any Bid procured by any or all members of the Syndicate without assigning any reason thereof from QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be transferred to all successful allottees only in the dematerialised form.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note, ("CAN"), and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in this Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Who can Bid

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Companies and scorporate bodies not having majority ownership and control of persons resident outside India and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. State Industrial Development Corporations;
8. Insurance companies registered with the Insurance Regulatory and Development Authority;
9. Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
10. Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
11. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/ society and who are authorised under their constitution to hold and invest in Equity Shares; and
12. Scientific and/ or Industrial Research Organisations authorised to invest in Equity Shares.

Note: The BRLM, Co-BRLMs, Syndicate Members and any associate of the BRLM, Co-BRLMs and Syndicate Members (except asset management companies on behalf of mutual funds, Indian financial institutions and public sector banks) cannot participate in that portion of the Issue where allocation is discretionary. Further, the BRLM, Co-BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control of persons resident outside India are not eligible to apply in this Issue.

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 the relevant regulations or statutory guidelines.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights.

Further, bidders may bid as per the limits prescribed above.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this 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 100 Equity Shares and in multiples of 100 Equity Shares thereafter, subject to maximum Bid amount of Rs.50,000. In case the maximum Bid amount is more than Rs.50,000, then the same would be considered for allocation under the Non-Institutional Bidders category.

(b) For Other (Non-Institutional Bidders and QIBs) Bidders: The Bid must be for a minimum of Rs.50,001 and in multiples of 100 Equity Shares. All Individual Bidders whose maximum bid amount exceeds Rs.50,000 would be considered under this category. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them.

Bidding Process

(a) Our Company had filed the Red Herring Prospectus with the RoC on December 11, 2003.

(b) The members of the Syndicate circulated copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can obtain the same from our registered office or from any of the BRLM, or Co-BRLMs.

(d) Our Company and the BRLM declared the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement contained the salient features of the Red Herring Prospectus as specified under Form 2A of the Companies Act, the method and process of bidding and the names and addresses of the BRLM, Co-BRLMs and their bidding centres. The BRLM, Co-BRLMs and Syndicate Members accepted Bids from the Bidders during the Issue Period.

(e) Investors who were interested in subscribing for our Company's Equity Shares approached any of the BRLM, Co-BRLMs or Syndicate Members or their authorised agent(s) to register their Bid.

(f) The Bids were to be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms were required to bear the stamp of the members of the Syndicate. Bid-cum-Application Forms which do not bear the stamp of the members of the Syndicate will be rejected.

Bidding

(a) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" on page 137 below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(b) The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic

bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 139.

(c) The BRLM, Co-BRLMs and Syndicate Members will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

(d) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment" on this page.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs.80 to Rs.95 per Equity Share of Rs.5 each, Rs.80 being the Floor Price and Rs.95 being the Cap Price. The Bidders can bid at any price with in the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, the Company in consultation with the BRLM and Co-BRLMs, can revise the Price Band by informing the stock exchanges, releasing a press release, disclosure on the website of the members of Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three days after the revision of the Price Band, subject to the total Bidding Period not exceeding thirteen days. The Company in consultation with the BRLM and Co-BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(b) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(c) Retail Individual Bidders who bid at the Cut-Off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of equity shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Escrow Account.

(d) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.

(e) Any revision in the Price Band shall be widely disseminated including by informing the stock exchanges.

Escrow Mechanism

Escrow Account of the Company

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account of the Company. The Escrow Collection Banks will act in terms of the Prospectus and an Escrow Agreement. The monies in the Escrow Account of the Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with the Company.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, the Selling Shareholders, the Registrar to the Issue and BRLMs, Co-BRLMs and Syndicate Members to facilitate collections from the Bidders.

Payment of refund, if any, to the Bidders shall also be made from the respective Escrow Account by the Escrow Collection Banks, as per the terms of the Escrow Agreement and this Prospectus.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (For further details, see "Issue Procedure - Payment Instructions") and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted. The maximum bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Issue Account shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and no later than 15 days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 134 of this Prospectus and shall be uniform across all the bidders in the same category. 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, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM and Co-BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity to each city where the Bids are accepted.

(b) NSE and 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 Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on an half-hourly basis. On the Bid Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be downloaded on a half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor
- Investor Category such as Individual, Corporate, or Mutual Fund.
- Numbers of Equity Shares bid for
- Bid price
- Bid-cum-Application Form number
- Whether payment is made upon submission of Bid-cum-Application Form
- Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) Consequently, the member of the Syndicate also has the right to accept the Bid or reject it without assigning any reason, in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed elsewhere in the Prospectus.

(h) It is to be distinctly understood that the permission given by NSE and 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, BRLM, Co-BRLMs are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by the NSE and BSE; 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 the equity shares will be listed or will continue to be listed on the NSE and BSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on half-hourly basis

(b) The book gets built up at various price levels. This information will be available with the BRLM and Co-BRLMs on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Prospectus. In case of QIBs, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the BRLM and Co-BRLM's based on the records of NSE or BSE shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLM and Co-BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with us.

(b) The Company, BRLM and Co-BRLMs shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful QIB Bidders. The allocation will be decided based on the quality of the Bidder determined broadly by the size, price and time of the Bid.

(c) The allocation for QIBs for up to 50% of the Issue Size would be discretionary. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 25% and 25% of the Issue Size respectively would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Undersubscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of the Company, BRLM and Co-BRLMs.

(e) The BRLM and Co-BRLMs, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(f) The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allotment.

(g) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) We, the Selling Shareholders, the BRLM, Co-BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Prospectus with RoC, which then would be termed

'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by the 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 Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note

(a) The BRLM, Co-BRLMs or 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.

(b) The BRLM, Co-BRLMs or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch 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 who have not paid into the Escrow Account of the Company at the time of bidding shall pay in full the amount payable into the Escrow Account of the Company by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account of the Company 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 Account of the Company. The despatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be transferred to such Bidder.

Designated Date and Transfer of Equity Shares

(a) After the funds are transferred from the Escrow Account of the Company to the Issue Account on the Designated Date, we and the Selling Shareholders would ensure allotment and transfer the Equity Shares to the allottees within two days of the finalisation of the basis of allotment.

(b) All allottees will receive credit for the Equity Shares directly in their depository account. **Equity Shares will be offered only in the dematerialised form to the allottees**. Allottees will have the option to re-materialise the Equity Shares so transferred, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

We and the Selling Shareholders would ensure the allotment of Equity Shares within 15 days of Bid Closing Date and also ensure that credit is given to the allottees' depository accounts within two working days from the date of allotment.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Read all the instructions carefully and complete the Bid-cum-Application Form;

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Equity Shares will be transferred in the dematerialized form only;

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options; and

f) Submit Revised Bids to the same member of the Syndicate through whom the Original Bid was placed and obtain a revised TRS.

Dont's:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the price band;

(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;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at cut off price (for QIBs and non-institutional bidders);

(g) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

(h) Do not submit Bid accompanied with Stockinvest.

(i) Do not Bid if you are a person resident outside India including FIIs, NRIs and companies in which there is majority ownership and control of persons resident outside India.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM, Co-BRLMs or Syndicate Members.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of 100 Equity Shares and in multiples of 100 thereafter subject to a maximum Bid amount of Rs.50,000.

(d) For Non-institutional and QIB Bidders, Bids must be for a minimum Bid Amount of Rs.50,001 and in multiples of 100 Equity Shares. All Individual Bidders whose maximum bid amount exceeds Rs.50,000 would be considered under this category. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) In single name or in joint names (not more than three).

(f) 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.

Bidder's Bank Details

The name of the sole or first Bidder's bank, branch, type of account and account numbers must be mandatorily completed in the Bid-cum-Application Form. This is required for the Bidder's own safety so that these details can be printed on the refund orders. Bids without these details are liable to be rejected.

Bidder's Depository Account Details

Equity Shares shall be transferred only 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. In case the Bid-cum-Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.

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. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds 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 therefore.

We, in our absolute discretion, reserve 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 that we may deem fit.

Payment Instructions

We, the BRLM and Co-BRLMs and the Syndicate Members shall open an Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amounts 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 Account of the Company:

(i) 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 Account of the Company and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bidders during the Bidding 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 Account of the Company within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM and Co-BRLMs.

(iii) The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of **"Escrow Account – TV Today Public Issue"**

(iv) 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 Escrow Account of the Company.

(v) The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders until Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Issue Account with the Bankers to the Issue.

(vii) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders

Payment by Stockinvest

In terms of Reserve Bank of India 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.

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. Member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder "). All communications will be addressed to the First Bidder and will be despatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme

concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories.

PAN or GIR Number

Where the maximum Bid for Equity Shares by a Bidder is for the total value of Rs.50,000 or more, i.e. the actual numbers of Equity Shares Bid for multiplied by the Bid Amount is Rs. 50,000 or more, the Bidder or, in the case of a Bid in joint names, each of the Bidders should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act or where the same has not been allotted, the General Index Register (GIR) Number and the Income-Tax Circle, Ward or District. In case neither the PAN nor the GIR number has been allotted, the Bidders must mention "Not allotted" in the appropriate place. Bid-cum-Application Forms without this information will be considered incomplete and are liable to be rejected.

Our Right to Reject Bids

We, the BRLM, Co-BRLMs and the members of the Syndicate reserve the right to reject any Bid without assigning any reason therefor in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we, BRLM and Co-BRLMs have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft 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 among others on the following technical grounds:

1. Amount paid doesn't tally with the highest number of Equity Shares bid for;
2. Bank account details (for refund) are not given;
3. Age of First Bidder not given;
4. Bid by minor;
5. PAN or GIR Number not given if Bid is for Rs. 50,000 or more;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at cut-off price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares which are not in multiples of 100;
11. Category not ticked;
12. Multiple bids as defined elsewhere;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stockinvest;
15. Signature of sole and / or joint bidders missing;
16. Bid-cum-Application Form does not have the stamp of the BRLM, Co-BRLMs or Syndicate Members;
17. Bid-cum-Application Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/ Issue Opening Date advertisement and this Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. see the details regarding the same at page 136 of this Prospectus;
20. Bids by OCBs;
21. Bids by persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India.

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 transferred only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed between our Company and the Depositories:

a) an agreement dated December 8, 2003 with NSDL and MCS Limited.

b) an agreement dated November 24, 2003 with CDSL and MCS Limited.

All bidders can seek allotment only in dematerialised mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.

c) Equity shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.

f) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

g) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

i) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors.

j) **As this Issue comprises of Fresh Issue and Offer for Sale by the existing shareholders, investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.**

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, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, draft number and issuing bank thereof.

Despatch of Refund Orders

The Company shall ensure despatch of refund orders of value over Rs.1,500 by registered post or speed post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by us.

Refund orders shall be payable at par at all centres where bidding terminals was set-up to receive bids from bidders.

Undertaking by the Company and the Selling Shareholders

The Company and the Selling Shareholders undertake as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for despatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue;
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or until the bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

The Company certifies that:

(a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(b) details of all monies utilised out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilised monies have been invested; and

(c) details of all unutilised monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders shall not have recourse to the Issue Proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Procedure and Time Schedule for Transfer of Equity Shares

We and the members of the Syndicate reserve the right to reject any Bid without assigning any reason thereof in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we have a right to reject bids based on technical grounds. In case a Bid is rejected in full, the whole of the Bid Amount will be refunded to the Bidder within 15 days of the Bid/Issue Closing Date. In case a Bid is rejected in part, the excess Bid Amount will be refunded to the Bidder within 15 days of the Bid/Issue Closing Date. Our Company will ensure allotment of the Equity Shares within 15 days from the Bid/Issue Closing Date, and we shall pay interest at the rate of 15% per annum (for any delay beyond the periods as mentioned above), if Equity Shares are not allotted, refund orders are not dispatched and/ or demat credits are not made to investors within two working days from the date of allotment.

Disposal of Applications and Applications Money

The Issue 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 two working days of date of finalisation of allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs. 1,500, "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.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for allotment and trading at all the Stock Exchanges where the Equity Shares are proposed to belisted, are taken within seven working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, we further undertake that:

- allot Equity Shares only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- despatch refund orders within 15 days of the Bid/Issue Closing Date would be ensured; and
- **Interest in Case of Delay in Despatch of allotment letters / refund orders**

  shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15-day time prescribed above.

We 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 a bank appointed by the us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center 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.

Interest on Refund of excess Bid Amount

The Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Rectification of Register of Members

The Company, under Section 111A of the Act will have the right to rectify the register of members to comply with the Act and the Uplinking Guidelines.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in shares and convertible debentures of an Indian company is regulated through the foreign direct investment policy of the Government of India ("FDI Policy") and by the Reserve Bank of India ("**RBI**") as per the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and rules, regulations and guidelines thereunder. While the FDI Policy lays down the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA, alongwith rules, regulations and guidelines thereunder, regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign direct investment is freely permitted in all sectors of Indian economy and without any prior approvals, but persons resident outside India is required to follow certain prescribed procedures for making such investment. In the event an approval of the Government of India is required, the same may be obtained through the Foreign Investment Promotion Board ("FIPB"), Ministry of Finance. In addition, persons resident outside India may also require an approval of the RBI.

We had made an application to the Ministry of Information & Broadcasting, Government of India (MIB) under the Uplinking Guidelines and the FIPB for allotting shares to foreign investors through the Issue. The MIB in its reply vide its letter dated November 17, 2003, has given permission to change the foreign shareholding pattern through the Issue conditional upon foreign investment being received to the extent of 26% through the FDI route. Other forms of foreign investment have not been allowed and MIB has restated certain conditions of the Uplinking Guidelines being applicable to the Issue. In keeping with the conditions mentioned in the abovementioned approval, we shall not be offering shares in the IPO to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India.

However, we have made a representation to the MIB for reconsideration of the policy relating to investment by FIIs and NRIs. However, as no formal communication has been received from the MIB in reply to our representation and in keeping with the MIB approval, we are not offering shares under this Issue to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India. For details, see "Issue Procedure - Who Can Bid" on page 135 of the Prospectus.

The above information is given for the benefit of the bidders and neither the Company nor BRLM are liable for any modifications that may happen after the date of this Prospectus.

BASIS OF ISSUE PRICE

The Issue Price has been determined by the Company in consultation with the BRLM and Co-BRLMs, on the basis of an assessment of market demand for the offered equity shares by way of book building process.

You should read the following summary with the Risk Factors included from page number i to x and the more detailed information about us and our financial statements included in this Prospectus. The trading price of our equity shares could decline due to these risks and you may lose all or part of your investment.

Qualitative factors

Factors external to the Company

According to the FICCI KPMG report, the estimated growth of the Indian television broadcasting industry is:

- Cable and satellite households will grow to approximately 64 million by 2007;
- Advertising revenues of the Indian television broadcasting industry to grow to Rs.55,000 million by 2007;
- Subscription revenues of the Indian television broadcasting industry to grow to Rs.72,00 million by 2007; and
- The overall revenue of television broadcasters to register a compuonded annual growth rate of approximately 24% from Rs.48,000 million in 2002 to Rs.139,000 million by the end of 2007.

Factors internal to the Company

- TV Today is the leading news broadcaster in India with approximately 24.9 viewers, according to TAM viewership data for the week ended October 25, 2003.
- TV Today has been consistently leading in terms of market share of the Indian news broadcasting industry from May 2001 until October 25, 2003.
- A quality management team with vision and proven execution skills.
- TV Today is part of the *India Today Group* which is well recognised for its contribution to news and journalism.

Quantitative Factors

1. Earning per equity share (EPS)

Year	**EPS (Rs.) of face value of Rs. 10 each**	**EPS (Rs.) of face value of Rs. 5 each**	**Weight**
FY 2001	(6.83)	(3.41)	1
FY 2002	0.61	0.31	2
FY 2003	11.29	5.65	3
Weighted Average	**4.71**	**2.36**	

Weighted average earning per equity share (EPS) of face value of Rs.5 each is Rs.2.36.

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs.95

   (a) Based on financial year 2003 EPS of Rs. 5.65 on equity share of face value of Rs. 5 each - 16.81

   (b) Industry P/E

      (i) Highest

      (ii) Lowest

      (iii) Average

   As there are no other listed news broadcasting companies, no industry comparison including accounting ratios, can be made.

3. Return on Net Worth (RONW)

Year	RONW (%)	Weight
FY 2001	(45.33)	1
FY 2002	3.31	2
FY 2003	35.11	3
Weighted Average	**11.10**	

4. Minimum Return on Total Net Worth after Issue needed to maintain pre-issue EPS - 16.70%

5. Net Asset Value (NAV)

   As at March 31, 2003 (for face value of Rs. 10 each): Rs.32.16

   As at March 31, 2003 (for face value of Rs. 5 each): Rs.16.08

   (a) After Issue - Rs.38.83

   (b) Issue Price - Rs.95.00

The Issue Price of Rs.95 has been determined on the basis of the demand from investors through the Book-Building Process and is justified based on the above accounting ratios.

TAX BENEFITS

We have been advised by *Price Waterhouse*, Chartered Accountants in their certificate dated November 13, 2003, that under the current tax laws, the following tax benefits *inter-alia*, will be available to us and the members of the Company. A member is advised to consider in his / her / its own case the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

A. To the Company - Under the Income Tax Act, 1961 (the Act)

Under section 80HHF of the Act, an assessee being an Indian company or a person (other than a company) resident in India, engaged in the business of export or transfer by any means out of India, of any film software, television software, music software, television news software, including telecast rights, shall be eligible for prescribed deduction of profits derived from such business subject to the conditions specified therein.

- In accordance with and subject to the conditions specified in section 80HHF of the Act, the Company would be eligible for deduction equivalent to:
- 30% for Financial year 2003-04; and
- Nil for the Financial Year 2004-05 and onwards

  of the profits derived from the export/transfer of television software, television news software, including telecast rights, if any, during the relevant financial year.

B. To the Members of the Company - Under the Act

B.1 Resident Members

- Under section 10(23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax on all their income, including income from investment in the shares of the company.
- Under section 10 (34) of the Act, dividend income referred to in section 115-O of the Act, are exempt from tax in the hands of its Members.
- Under section 10(36) of the Act, any long term capital gains arising to the Shareholders from the transfer of a long term capital asset being an eligible equity share in a company purchased on or after the 1st day of March 2003 and before 1st day of March 2004 and held for a period of 12 months or more would not be liable to tax in the hands of the Shareholders.

  For this purpose "eligible equity share" means-

  - an equity share in a company being a constituent of BSE – 500 Index of the Stock Exchange, Mumbai as on 1st day of March, 2003 and the transaction of purchase and sale of such equity share are entered into on a recognised stock exchange in India; or
  - an equity share in a company allotted through a public issue on or after 1st day of March, 2003 and listed in a recognized stock exchange in India before 1st day of March, 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

  In our opinion, the equity shares under this offer document constitutes eligible shares and benefit, as stated above, would be available provided the above conditions are complied with.
- Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(36) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains amount is invested within a period of 6 months after the date of such transfer for a period of 3 years in bonds issued by
  - National Bank for Agriculture and Rural Development established under section 3 National Bank for Agriculture and Rural Development Act, 1981;
  - National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988;
  - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
  - National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
  - Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989;

- Under section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(36) of the Act) on the transfer of shares of the Company, as and when it is listed, will be exempt from capital gains tax if the capital gains is invested in shares of an Indian Company forming part of a eligible public issue, within a period of 6 months after the date of such transfer.
- Under section 54F of the Act, long term capital gains (in cases not covered under section 10(36) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gains tax subject to other conditions, if the sale proceeds from such shares are 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.
- Under section 112 of the Act and other relevant provisions of the Act, long term capital gains arising (in cases not covered under section 10(36) of the Act), i.e., if shares are held for a period exceeding 12 months, on transfer of shares in the Company, as and when it is listed, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge) without indexation, at the option of the shareholder.

B.2 Non-Resident Indians/ Non-Residents Members [Other than FIIs and Foreign venture capital investors].

- Under section 10 (34) of the Act, dividend income referred to in section 115-O of the Act, are exempt from tax in the hands of the Members.
- Under section 10(36) of the Act, any long term capital gains arising to the Shareholders from the transfer of a long term capital asset being an eligible equity share in a company purchased on or after the 1st day of March 2003 and before 1st day of March 2004 and held for a period of 12 months or more would not be liable to tax in the hands of the Shareholders.

  For this purpose "eligible equity shar"e means-

  - an equity share in a company being a constituent of BSE – 500 Index of the Stock Exchange, Mumbai as on 1st day of March, 2003 and the transaction of purchase and sale of such equity share are entered into on a recognised stock exchange in India; or
  - an equity share in a company allotted through a public issue on or after 1st day March, 2003 and listed in a recognized stock exchange in India before 1st day of March, 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

  In our opinion, the equity shares under this offer document constitutes eligible shares and benefit, as stated above, would be available provided the above conditions are complied with.
- A non-resident Indian (NRI) (i.e. an individual being a citizen of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents".
  - Under section 115E of the Act, where shares in the Company are subscribed for in convertible Foreign Exchange by a NRI, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under section 10(36) of the Act) be concessionally taxed at the flat rate of 10%. (Without indexation benefit and protection against foreign exchange fluctuation Plus applicable Surcharge).
  - Under section 115F of the Act, long term capital gains (not covered under section 10(36) of the Act) arising to a NRI 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 within three years from the date of their acquisition.
  - Under section 115G of the Act, it shall not be necessary for a NRI to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.
  - Under section 115-I of the Act, a NRI may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing his Return of Income under section 139 of the Act declaring therein that the provisions of this chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him instead the other provisions of the Act shall apply.
  - Under the first proviso to section 48 of the Act, in case of a non-resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
  - Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(36) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if

the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in bonds issued by

- National Bank for Agriculture and Rural Development established under section 3 National Bank for Agriculture and Rural Development Act, 1981;
- National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
- National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
- Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989;

- Under section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(36) of the Act) on the transfer of shares of the Company, as and when it is listed, will be exempt from capital gains tax if the capital gains is invested in shares of an Indian Company forming part of a eligible public issue, within a period of 6 months after the date of such transfer.
- Under section 54F of the Act, long term capital gains (not covered under section 10(36) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gains tax subject to other conditions, if the sale proceeds from such shares are 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.
- Under section 112 of the Act and other relevant provisions of the Act, long term capital gains (not covered under section 10(36) of the Act) arising on transfer of shares in the Company, as and when it is listed, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of section 48 stated above] or at 10% (plus applicable surcharge) [without indexation], at the option of the shareholder.

B.3 Foreign Institutional Investors (FIIs)

- Under section 10 (34) of the Act, dividend income referred to in section 115-O of the Act, are exempt from tax in the hands of the Members.
- Under section 10(36) of the Act, any long term capital gains arising to the Shareholders from the transfer of a long term capital asset being an eligible equity share in a company purchased on or after the 1st day of March 2003 and before 1st day of March 2004 and held for a period of 12 months or more would not be liable to tax in the hands of the Shareholders.

  For this purpose "eligible equity share means-

  - an equity share in a company being a constituent of BSE – 500 Index of the Stock Exchange, Mumbai as on 1st day of March, 2003 and the transaction of purchase and sale of such equity share are entered into on a recognised stock exchange in India; or
  - an equity share in a company allotted through a public issue on or after 1st day of March, 2003 and listed in a recognized stock exchange in India before 1st day of March, 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

    In our opinion, the equity shares under this offer document constitutes eligible shares and benefit, as stated above, would be available provided the above conditions are complied with.
- Under section 115AD of the Act, income by way of short term capital gains or long term capital gains (not covered under section 10(36) of the Act) realized by FIIs on sale of shares in the company would be taxed at the following rates:
  - Short term capital gains – 30% (Plus applicable surcharge)
  - Long term capital gains – 10% (without cost indexation Plus applicable surcharge)

  (Shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months.)
- Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(36) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in bonds issued by
  - National Bank for Agriculture and Rural Development established under section 3 National Bank for Agriculture and Rural Development Act, 1981;
  - National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988;
  - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

- National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
- Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989.

- Under section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(36) of the Act) on the transfer of shares of the Company, as and when it is listed, will be exempt from capital gains tax if the capital gains is invested in shares of an Indian Company forming part of a eligible public issue, within a period of 6 months after the date of such transfer.

B.4 Venture Capital Companies/ Funds

- 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 all their income, including income from sale of shares of the Company.

C. Benefits to Members of the Company under the Wealth Tax Act, 1957

- 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 Wealth Tax Act will not be applicable.

D. Benefits to Members of the Company under the Gift Tax Act, 1958

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

Notes

- All the above benefits are as per the current tax law as amended by the Finance Act, 2003 and will be available only to the sole/first named holder in case the shares are held by joint holders. Legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the advice that we have given. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this Note.
- 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.

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 participation in the scheme.

STATUTORY AND OTHER INFORMATION

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Auditors, Legal Advisors to the Issue, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Manager to the Issue, Co-Book Running Lead Managers to the Issue, Escrow Collection Bankers and Registrars to the Issue, to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, National Capital Territory (NCT) of Delhi and Haryana, at New Delhi, as required under Section 60 and Section 60 B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the offer document for registration.

Price Waterhouse, Chartered Accountants and our statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration with the Registrar of Companies, NCT of Delhi and Haryana, at New Delhi.

Price Waterhouse, Chartered Accountants, have given their consent to the tax benefits accruing to us and our members in the form and context in which it appears in the Prospectus and has not withdrawn the same up to the time of delivery of the Prospectus for registration with the Registrar of Companies, NCT of Delhi and Haryana, at New Delhi.

Expert Opinion

Save as stated elsewhere in the Prospectus, we have not obtained any expert opinions.

Changes in Auditors during the last three financial years and reasons thereof

There has been no change in the Auditors of the Company since the last three years.

Procedure and Time Schedule for Allotment and Issue of Share Certificates

We reserve at our sole, absolute and uncontrolled discretion and without assigning any reason thereof, the right to accept or reject any Bid in whole or in part. In case a Bid is rejected in full, the whole of the Bid Amount will be refunded to the Bidder within 15 days of the Bid Closing Date. In case a Bid is rejected in part, the excess Bid Amount will be refunded to the Bidder within 15 days of the Bid Closing Date. We will allot the Equity Shares within 15 days from the Bid Closing Date, and shall pay interest at the rate of 15% per annum (for any delay beyond the periods as mentioned above), if allotment is not made within 15 days of Bid Closing Date, or if refund orders are not dispatched and/ or demat credits are not made to investors within two working days from the date of allotment.

Utilisation of Issue Proceeds

Pending the utilisation of net proceeds of the Issue as specified under the section “Objects of Issue”, the net proceeds will be invested in high quality, interest bearing liquid instruments including deposits with banks for the necessary duration

Disposal of Applications and Applications Money

We shall dispatch allotment advice, refund orders and give benefit to the Beneficiary Account with Depository Participants and submit the allotment and listing documents to the Stock Exchanges within two working days of finalisation of the basis of allotment. We shall dispatch 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.

The BRLM or Co-BRLM shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the Stock Exchange requirements and SEBI Guidelines, we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 days from the Bid Closing Date;
- despatch of refund orders shall be made within 15 days from the Bid Closing Date; and
- interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), shall be paid if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 days time prescribed above.

We 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 a bank appointed by us as a refund banker 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.

No receipt will be issued for the Bid Amount received by us. However, the Bankers to the Issue and Syndicate Members receiving the Bid Forms will acknowledge receipt by stamping and returning the acknowledgement slip at the bottom of each form.

Interest on refund of excess bid amount

We shall pay interest at the rate of 15% per annum on the excess bid amount received by us if refund orders are not dispatched within 15 days from the Bid Closing Date as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter no. F-8/6/SE/79 dated July 21, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Basis of Allotment or Allocation

We had made an application to the Ministry of Information & Broadcasting, Government of India (MIB) under the Uplinking Guidelines and the FIPB for allotting shares to foreign investors through the Issue. The MIB in its reply vide its letter dated November 17, 2003, has given permission to change the foreign shareholding pattern through the Issue conditional upon foreign investment being received to the extent of 26% through the FDI route. Other forms of foreign investment have not been allowed and MIB has restated certain conditions of the Uplinking Guidelines being applicable to the Issue. In keeping with the conditions mentioned in the abovementioned approval, we shall not be offering shares in the IPO to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India. For details, see "Issue Procedure - Who Can Bid" on page 135 of the Prospectus.

(A) For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 3,625,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 3,625,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of 100 Equity Shares. For the method of proportionate basis of allotment, refer below.

(B) For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to Retail Bidders and QIBs shall be available for allocation to Non-institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 3,625,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 3,625,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of 100 Equity Shares. For the method of proportionate basis of allotment refer below.

(C) For QIB Bidders

- Bids received from QIBs at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful QIBs will be made at the Issue Price.
- The Issue size less allocation to Retail Bidders and Non-institutional Bidders shall be available for allocation to QIBs who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- The allocation would be broadly decided based on the quality of the Bidder determined by the size, price and date of the Bid.

The Company, in consultation with the BRLM and Co-BRLMs, would have the discretion for any allocation. Undersubscription, if any, in any of the three categories would be allowed to be met with the spill over from any of the other categories, at our sole discretion and in consultation with the BRLM and Co-BRLMs.

The Designated Stock Exchange shall be The Stock Exchange, Mumbai.

Method of Proportionate Basis of Allocation

In the event the Issue is over-subscribed, the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders shall be finalised by us in consultation with the BRLM, Co-BRLMs and Designated Stock Exchange. The Executive Director of the Designated Stock Exchange along with the BRLM, Co-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.

The allocation/ transfer shall be made on a proportionate basis as explained below:

(a) Bidders will be categorised according to the number of Equity Shares applied for.

(b) The total number of Equity Shares to be allocated/transferred 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 shares applied for) multiplied by the inverse of the over-subscription ratio.

(c) Number of Equity Shares to be allocated/transferred to the successful Bidders will be arrived at on a proportionate basis which is number of shares to be allocated/transferred to each category multiplied by the number of shares applied for by the bidders divided by the number of shares applied for all the successful bidders in that category.

(d) In all Bids where the proportionate allocation is less than 100 Equity Shares per Bidder, the allocation shall be made as follows:

- Each successful Bidder shall be allocated/transferred a minimum of 100 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allocated/ transferred in that category is equal to the number of Equity Shares calculated in accordance with (b) above

(e) If the proportionate allocation to an Bidder works out to a number that is more than 100 but is not a multiple of 100 (which is the allocation lot), the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All Bidders in such categories would be allocated/transferred Equity Shares arrived at after such rounding off.

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allocated/transferred to the Bidders in that category, the remaining Equity Shares available for allocation/transfer shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allocation to the successful bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

The allocation to bidders would be such that the proportion of foreign holding in TV Today will not exceed 26% of the post-Issue capital as per Uplinking Guidelines.

Expenses of the Offer

The expenses of the Issue payable by us inclusive of brokerage, fees payable to the BRLM, Co-BRLMs, Syndicate Members, other advisors to the Issue, fees of Legal Advisors, stamp duty, printing, publication, advertising and distribution expenses, bank charges, fees payable to the Registrars to the Issue, listing fees and other miscellaneous expenses is estimated to be approximately 5% of the Issue size, and will be met out of the proceeds of the Issue. The current estimates of these expenses, based on the Issue Price, are as under:

Expenses	**Amount (in Rs.million)**
Management Fees, Underwriting Commission and Brokerage	41.33
Marketing and Advertising Expenses	5.00
Stationery and Printing	7.20
Registrar Expenses	0.88
Legal fees, listing fees, book building charges, auditors fees	5.10
Miscellaneous expenses	3.00
Total	**62.51**

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Memorandum of Understanding signed amongst us, the Selling Shareholders and the Book Running Lead Manager, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Co-Book Running Lead Managers

The total fees payable to the Co-Book Running Lead Managers will be as per the Memorandum of Understanding signed amongst us, the Selling Shareholders and the Book Running Lead Managers, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at our Registered Office.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allocation advice by registered post/ Speed Post. Refund Orders up to Rs.1,500 would be send under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for the Issue is as set out in the Syndicate Agreement amongst us, the Selling Shareholders, the BRLM, Co-BRLMs and Syndicate Members.

The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue Price and amount underwritten in the manner mentioned elsewhere in the Prospectus.

Commission and Brokerage on Previous Issues

Except as stated elsewhere in the Prospectus, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since its inception.

Previous Rights and Public Issues

We have not made any rights or public issue since our inception.

Outstanding Debenture or Bond Issues

As of date, we do not have any outstanding Debenture or Bond Issue.

Outstanding Preference Shares

As of date, we did not have any outstanding preference shares.

Capitalisation of Reserves or Profits

We have not capitalised its reserves or profits at any time since its inception.

Issues otherwise than for Cash

We have not issued any Equity Shares for a consideration otherwise than for cash.

Option to Subscribe

We have not given any options for any of our Equity Shares in the Issue.

Purchase of Property

Except as stated in "Objects of the Issue" in this Prospectus and save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the Objects of the Issue, there is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus, other than property in respect of which:

- the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of the Issue nor is the Issue contemplated in consequence of the contracts; or
- the amount of the purchase money is not material.

Except as elsewhere stated in this Prospectus, we have not purchased any property in which any of its promoters and/or Directors, have any direct or indirect interest in any payment made thereof.

Revaluation of Assets

We have not revalued any of our assets since our inception.

Classes of Shares

Our authorised capital is Rs.370 million divided into 68,000,000 Equity Shares of Rs.5 each and 300,000 Preference Shares of Rs. 100 each.

Payment or Benefit to Promoters or Officers of the Company

Except as stated otherwise in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our promoters or officers except the normal remuneration for services rendered as directors, officers or employees.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Our shareholders, ICICI Trusteeship Services (A/c ICICI Emerging Sector Funds) and Bharti Systel, have through their letters dated October 14, 2003 and October 15, 2003, respectively, consented to the termination of their respective Investment Agreements with us on listing of our Equity Shares on the stock exchanges. GE Capital Mauritius Equity Investment, through its letter dated October 17, 2003, has consented to termination of the GE Investment Agreement with us, excepting certain clauses relating to this Issue. The various restrictive clauses that presently appear in our Articles to reflect sections of these Investment Agreements will be deleted post listing of our Equity Shares on the stock exchanges, for which the above-mentioned shareholders have already consented. These restrictive clauses are 46A, 80A and B, 117A and 140A.

The main provisions of the Articles of Association of the Company (hereinafter referred to as 'the Articles') post listing of our Equity Shares *inter alia* are as under:

Share Capital

Article 3 provides that the Authorised Share Capital of the Company is INR Rs.370,000,000 (Rupees Three Hundred Seventy Million Only) divided into 68,000,000 (Sixty Eight Million) Equity Shares of Rs.5 (Rupees Five Only) each and 300,000 (Three Hundred Thousand) Redeemable Preference Shares of Rs.100 (Rupees One hundred Only) each with power to subdivide, consolidate and increase or decrease, convert one form to another and with power, from time to time, to issue any shares of the original capital with and subject to any preferential, qualified and special rights, privileges and conditions as may be thought fit, and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

Redeemable Preference Shares

Article 4 provides that the Company shall have power to issue Preference Shares carrying right of redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 80 of the Act exercise such power in such manner as it thinks fit.

Further Issue of Shares

Article 5 provides that subject to the provisions of these articles, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same on such terms and conditions and at such time as the Directors think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company on its formation or to its employees under the Employee Stock Option Scheme under the Law or otherwise, provided that where and if Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 79-A and 81 of the Act will be complied with. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

Power to subdivide and consolidate.

Article 49 provides that the Company may, by ordinary resolution, from time to time, alter the conditions of Memorandum of Association as follows:

(a) Increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution;

(b) Consolidate and divide all or any or its share capital into shares of larger amount than its existing shares;

(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived; and

(d) Cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount

Power to purchase own securities.

Article 50 provides that subject to the provisions of Sections 77A, 77AA and 77B and other provisions of the Companies Act, 1956, the Company may buy back its own shares or other securities on such terms and conditions as may be specified in Special Resolution.

Modifications of Rights

Article 52 provides that if at any time the share capital is divided into different classes of shares the rights attached to any Class (Unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with

consent in writing of the holders of three- fourths of the issued shares of that class , or with the sanction of a special Resolution passed at a Separate Meeting, the Provision of these Articles, relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one tenth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

Certificate of Shares

Article 10 provides that the Certificate to title to shares shall be issued under the seal of the Company under the Companies (Issue of Share Certificate) Rules,1960.

Member's right to Certificate

Article 11 provides that every member shall be entitled free of charge to certificate for all the shares of each class registered in his name, or if any member so wishes, to several certificate each for one or more of such shares. Unless the conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the Company of its letter making the allotment or its fractional coupons of requisite value (save in the case of issue against letter of acceptance or of renunciation or in case of issue of bonus shares) or within one month of receipt of the application of registration of the transfer, sub-division, consolidation renewal or exchange of any of its shares, as the case may be, complete, and have ready for delivery of the certificate of such shares. Every certificate of shares, shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies (Issue of Share Certificate) Rules, 1960.

Issue of New Certificate

Article 12 provides that if any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or whether the cages on the reverse for recording transfer have been duly utilised, then upon surrender thereof to the Company, the Board may order the same to the cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the board thinks fit being given a new certificate in lieu thereof shall be given to party entitled to the shares to which such lost or destroyed certificates relate. Where a new certificate has been issued as aforesaid, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced, and in the case certificate issued in place of one which has been lost or destroyed, the word "duplicate " shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigation evidence as the Board may determine. Fee for sub-division of shares, issue of new certificates etc.

No fee shall be charged for sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations, corresponding to the marketable units of trading, for sub-division of renounce able letters of rights; for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may Charge such fees as may be agreed upon by it with the Stock Exchange and with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of shares and debenture certificates and for sub-division of letter of allotment and split, consolidation ,renewal and puce transfer receipts into denominations other than those fixed for the marketable units of trading.

Calls

Article 14 provides that the Directors may, from time to time, subjects to the terms on which any shares have been issued, make such calls as they think fit upon the members in respect of all money unpaid on the shares held by them respectively, and on the conditions of the allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A Call may be made payable by instalments.

When call deemed to have been made

Article 15 provides that the option or right to make call on shares shall not be given to any person except with the sanction of the Company in Board Meeting.

Notice to call

Article 16 provides that not less then 30 (Thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Amount payable

Article 17 provides that if by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by instalment at fixed times, every such amount of issue price or instalment thereof shall be payable as if it were a call duly made by the Directors and of which due notice had been given and all the provisions therein contained in respect of calls shall apply to such amount or issue price or instalments accordingly.

Interest to be charged

Article 18 provides that if the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call have been made for the instalment shall be due, shall pay the interest for the same at the rate of 12 (Twelve) percent per annum, from the day appointed for the payment thereof to the actual date of payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

Evidence in actions by Company against Shareholders

Article 19 provides that on the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose, on the register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minutes book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance

Article 20 provides that the Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or received in advance, or so much thereof as from time to time exceeds the amount of call then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6 (Six) percent per annum on the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three month's notice in writing.

FORFEITURE AND LIEN

Notice may be given for calls or instalment not paid

Article 21 provides that if any member fails to pay any calls or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or the instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the company by reasons of such non-payment.

Form of notice

Article 22 provides that the notice shall name a day (not being less than 30 (thirty) days from the date of notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. If notice not complied with shares may be forfeited

If the requirement of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of calls or instalment, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the company in respect of the

payment of any such money shall preclude the company from, thereafter, proceeding to enforce a forfeiture of such shares as here in provided.

Notice after forfeiture

Article 24 provides that when any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner will be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid. Forfeited shares to become property of the Company.

Article 25 provides that any share so forfeited shall be deemed to be the property of the company, and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit.

Power to annul forfeiture

Article 26 provides that the Directors may, at any time before any share so forfeited shall be sold, re-allotted or otherwise disposed-off, annul the forfeiture thereof upon such conditions as they think fit.

Arrears to be paid

Article 27 provides that any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the company all calls, instalments, interest and the expenses, owing upon or in respect of such shares, at the time of all instalments interest on the forfeited shares together with the interest thereupon, from the time of the forfeiture until payment at 12 (Twelve) percent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligations to do so.

Article 28 provides that the effect of forfeiture all interest in and also of all claims and demands against the company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved. Evidence of forfeiture.

Article 29 provides that the a duly verified declaration in writing that the declaring is a Director of the company and that certain shares in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a written title to such shares.

Dematerialisation of Securities

Article 13A(2) provides that notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form and further to rematerialize the securities held in depository pursuant to the Depositories Act, 1996.

Options for Investors

Article 13A(3) provides that every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the form of security certificates if permitted by law, or to receive and hold the same in the dematerialized form with a depository.

Beneficial owner may opt out of a depository

Article 13A(4) provides that every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depository Act and the Rules, if any, prescribed by the company from time to time, the company shall issue the relevant security certificate to the beneficial owner thereof.

Securities in depository to be in fungible form

Article 13A(5) provides that all securities held by a depository shall be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depository and beneficial owners

Article 13A(6)(a) provides that a depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

Article 13A(6)(b) provides that every person holding securities of the company and whose name is entered, as the beneficial owner in the records of the depository shall deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his/her securities held by a depository.

Transfer of Securities

Article 13A(7) provides that nothing contained in section 108 of the Companies Act, 1956 or these Articles, shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Register and index of beneficial owners

Article 13A(8) provides that the Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purpose of the Articles.

Other matters

Article 13A(9) provides that notwithstanding anything contained in these Articles the provisions of Depository Act, 1996 relating to dematerializsation of securities, including any modification(s)or re-enactment thereof and Rules/Regulations made thereunder shall prevail and apply accordingly.

TRANSFER AND TRANSMISSION OF SHARES.

Execution of transfer, etc.

Article 34 provides that subject to the provisions of the Act, no transfer of the shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and transferee has been delivered to the company together with the certificate or certificates of the shares, or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of the transferees and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register in respect thereof.

Application for transfer

Article 35 provides that application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee in the manners prescribed by the Act, and, subject to the provisions of Articles of Association hereof, the company shall, unless objection is made by the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

Notice of transfer to registered holder

Article 36 provides that before registering any transfer tendered for registration, the company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the company within two weeks from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer.

Register of transfer

Article 37 provides that the company shall keep a 'Register of Transfers" and therein shall be fairly and distinctly entered particular of every transfer of any shares.

In what case to decline to register transfer of shares.

Article 38 provides that subject to the provisions of Section 111 of the Act, the Board of Directors without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the company, refuse to register any transfer of a share upon which the company has a lien and, in the case of a share not fully paid-up, may refuse to register a transfer to a transferee of whom the Board does not approve. Provided that the registration of a transfer of share 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 of any account.

No transfer to person of unsound mind

Article 39(1) provides that no transfer shall be made to a minor or a person of unsound mind.

No fee for registration for transfer, etc.

Article 39(2) provides that no fee shall be charged for registration of transfer, probate, letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments.

When instrument of transfer to be retained

Article 40 provides that all instruments of transfer duly approved shall be retained by the company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.

Notice of refusal to register transfer

Article 41 provides that if the Directors refuse to register the transfer of any shares, the company shall, within one month from the date on which the instrument of transfer was lodged with the company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer notice of such refusal.

Power to close transfer books and register

Article 42 provides that on giving seven days' notice by advertisement in a newspaper circulating in the District in which the office of the company is situated the Register of Members may be closed during such time as the Directors think fit not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time.

Transmission of registered shares

Article 43 provides that the executors or administrators or the holders of a succession certificate in respect of shares of a deceased member (not being one of several joint-holders) shall be the only person whom the company shall recognize as having any title to the shares registered in the name of such member and, in case of death of any one or more of the joint-holders of any registered shares the survivors shall be only persons recognized by the company as having any title to or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares, the company may require him to obtain the grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent Court, provided nevertheless that any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

As to transfer of shares of deceased or insolvent members

Article 44 provides that any person becoming entitled to shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title as the Directors think sufficient may with the consent of the Directors(which they shall not be under any obligation to give), may, subject to the regulations as to transfer hereinbefore contained transfer of such shares. This Article is herein after referred to as 'The Transmission Article' subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person, he shall execute an instrument of transfer in accordance with the provisions of these articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.

Rights of executors and trustees

Article 45 provides that subject to any other provisions of the Articles, if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequences of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.

Article 46 provides that the instrument of transfer shall be in writing and all the provision of Section 108 of the Companies Act, 1956 and of any statutory modification thereof ,for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

NON DISPOSAL OF SHARES, PRE-EMPTION RIGHTS AND TAG ALONG RIGHTS (Restrictive Clause)

Article 46A provides as under:

46A.1 The Promoters and its Affiliates shall be free to transfer or otherwise dispose of its shares in the Company as long as their collective equity shareholding in the Company is not reduced to less than 70% of the paid up equity share capital of the Company. Similarly, sales within the Promoters themselves or from them to their Affiliates or *inter se* Affiliates of the Promoters or a sale from VC Investors and/or GE and/or Bharti to their Affiliates or inter se Affiliates of the VC Investors and/or Bharti and/or GE respectively shall be freely permitted provided that all such transferees shall agree to be bound by the terms of the Investor Agreement or the Subscription Agreement or the GE Investment Agreement, whichever is applicable. For other transfers Articles 46A.2 to 46A.4 shall apply. For the purpose of this Article 46A, all shareholding percentages of the Promoters and/or its Affiliates, shall be computed assuming that all outstanding options, warrants, and other securities convertible into or exercisable or exchangeable for equity shares of the Company (whether or not by their term then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged.

46A.2 Where the Promoters or its Affiliates propose to transfer any shares of the company which would reduce their collective shareholding in the company below 70%of the paid up share capital, the VC Investors shall have a pre-emptive right to buy these shares from the Promoters and the provisions of Article 46A.2.1 shall apply:

46A.2A1 Bharti shall have a preemption right to purchase all, and not less than all of the shares offered by the Promoters in the Promoters' Sale Notice, subject to the preemption right of VC Investors under Article 46A.2. Specifically, the preemption right of Bharti shall commence following :

(i) the failure of VC Investors to exercise the option in terms of Article 46A.2.2; or

(ii) having accepted such option, the failure of VC Investors to pay for the shares in the 30 day's period referred to in Article 46A.2.3.

For this purpose, the Promoters shall issue the Promoters' Sale Notice to Bharti within seven days of expiry of the events referred to under Articles 46A.2A1(i) or (ii) period, whichever may be applicable.

46A.2A2 On commencement of its preemption right, Bharti shall have the option to purchase all (but not part) of the shares offered upon the terms specified in the Promoters' Sale Notice and the time periods stipulated in 46A.2.2 and 46A.2.3 shall apply to Bharti in this regard.

46A.2A2.1 Where the Promoters or its Affiliates propose to transfer any shares of the Company which would reduce their collective share holding in the Company below 70% of the paid up share capital of the Company, GE shall have a pre-emptive right to buy these shares from the Promoters, subject however to such rights not being exercised by the VC Investors and Bharti in terms of the Investment Agreement and the Subscription Agreement as amended by the Supplemental Agreement and the provisions of this Article 46A.2.A2.1 shall apply: -

(i) The Promoters and or its Affiliates as the case may be shall send to GE a written notice (hereinafter referred to as the "Promoter's Sale Notice") setting forth as to such person to whom the sale is proposed to be made:

(a) the name and address of that person and, if that person is a corporation or other entity, the principal owners thereof:

(b) the number of shares offered to that person;

(c) the manner in which the sale is proposed to be made; and

(d) the price at which and the material terms upon which the sale or disposal is proposed to be made.

(ii) Upon receipt of the Promoter's Sale Notice, GE shall have the option to purchase all (but not part) of the shares offered upon the terms specified in the Promoter's Sale Notice. GE shall exercise such option by serving a notice on the Promoters within 7 days of receipt of the Promoter's Sale Notice.

(iii) Payment for the shares shall be made by GE within 30 days of the receipt by GE of the Promoter's Sale Notice.

46A.2.A3 If VC Investor or Bharti or GE do not either exercise their respective pre-emptive options in terms of Articles 46A.2, 46A.2A1, 46A.2A2, and 46A.2A2.1, or, having exercised such option, do not pay for the shares within the time period stipulated, then the Promoters or the concerned Affiliate shall be free to transfer their shares to the Third Party described in Article 46A.2.1.1.

46A.2.1 The Promoters and or its Affiliates as the case may be shall send to the VC Investors a written notice (hereinafter referred to as the "Promoters" Sale Notice") setting forth as to such person to whom the sale is proposed to be made:

46A.2.1.1 The name and address of that person and, if that person is a corporation or other entity, the principal owners thereof;

46A.2.1.2 the number of shares offered to that person;

46A.2.1.3 the manner in which the sale is proposed to be made; and

46A.2.1.4 the price at which and the material terms upon which the sale or disposal is proposed to be made.

46A.2.2 Upon receipt of the Promoters' Sale Notice, the VC Investors shall have the option to purchase all (but not part) of the shares offered upon the terms specified in the Promoters' Sale Notice. VC Investors shall exercise such option by servicing a notice on the Promoters within 7 days of receipt of the Promoters' Sale Notice.

46A.2.3 Payment for the shares shall be made by the VC Investors within 30 days of the receipt by the VC Investors of the Promoters' Sale Notice.

46A.2.4 Omitted*

46A.3A In the event the Promoters and or its Affiliates propose to transfer any Ordinary Shares of the Company ("Tag – Along Shares") which would reduce their collective shareholding in the Company to less than 63% of the paid-up equity share capital of the Company and VC Investor or Bharti or GE do not exercise their respective pre-emption right in terms of Articles 46A.2, 46A.2A1, 46A.2A2 and 46A.2A2.1, then VC Investor and/or Bharti and/or GE shall have a right (the "Tag-Along Right") to transfer their respective shareholdings in the Company in accordance with the procedure set forth below:

46A.3A1 Tag-Along Rights**:**

(i) VC Investor

(a) The VC Investors shall have the right (the "Tag-Along Right") but not the obligation to require the Promoters to cause the purchaser to purchase upto 50% of the Tag-Along Shares from VC Investor on the same terms and conditions that the Promoters are proposing to transfer the Tag-Along Shares.

(ii) GE and Bharti

GE and Bharti respectively shall each have the Tag-Along Right but not the obligation to require the Promoters to cause the purchaser to purchase shares of GE and Bharti equal to 50% of the Tag - Along Shares from GE and Bharti in the proportion of GE's and Bharti's shareholding in the Company, as if the shareholding of GE and Bharti constitutes the entire shareholding of the Company, on the same terms and conditions that the Promoters are proposing to sell the Tag-Along Shares. For example: If the Promoter's are desirous of selling Ordinary Shares of the Company that would result in the reduction of its total shareholding in the Company from 70% to 51%, the total tag – along right exercisable by VC Investor, Bharti and GE collectively shall be 12% (63% - 51%). VC Investor shall be entitled to offer 6% of their shareholding in the Company for sale to the proposed purchaser and the balance 6% shall be shared between Bharti and GE in the proportion of their respective shareholdings in the Company, as if that shareholding constituted the entire shareholding of the Company. GE's Tag – Along Right contained in this Section shall be available to it whether or not Bharti exercises its tag-along rights in terms of the Subscription Agreement as amended by the Supplemental Agreement.

Illustration

Bharti's shareholding	-	10% of the shares of the Company
GE Investor's shareholding	-	7.5% of the shares of the Company
Tag – Along Right exercisable by Bharti:		
10/17.5 x 100	=	57.2%
6 x 57.2%	=	3.4% out of 12%
Tag – Along Right	-	exercisable by GE Investor:
7.5 / 17.5 x 100	=	42.8%
6 x 42.8%	=	2.6% out of 12%

46A.3A2 Tag-Along Notice: The Promoter will issue a notice to VC Investor and Bharti and GE expressing its intention to transfer the Tag Along Shares. ("Tag-Along Notice"). Within 15 days of the receipt of the Tag-Along Notice, if VC Investor and/or Bharti and/or GE elects to exercise its respective Tag-Along Right, it shall deliver a written notice of such election to exercise its Tag-Along Right to the Promoters, specifying the number of shares with respect to which it has elected to exercise its Tag-Along Right. Such notice shall be irrevocable and shall constitute a binding agreement by VC Investor and/or Bharti and/or GE to transfer such number of shares held by them in the Company on the terms and conditions set forth in the Tag-Along Notice or such other terms and conditions as may be agreed to by and among the Promoter and VC Investor and/or Bharti and/or GE.

46A.3A3 In the event, (i) the total number of Tag-Along Shares exceed the total number of shares held by the Non-Promoter Shareholders, Promoter shall be free to transfer to the purchaser the number of shares in excess of the total shareholding of the Non-Promoter

Shareholders (ii) VC Investors and/or Non Promoter Shareholders is unwilling to sell or in case of a partial sale by them, in accordance with the terms of this Clause 46A.3A3, Promoter and/or its Affiliates shall be free to transfer that same number of shares to the purchaser as Non - Promoter Shareholders was entitled to sell provided that the sale price and the terms and conditions of such sale, are similar to the terms and conditions offered to Non-Promoter Shareholders in the Tag-Along Notice.

46A.4.1 In the event that VC Investor and/or Bharti and/or GE decide to sell or otherwise dispose of all or any part of their shares or any interest therein, the following provisions shall apply:

46A.4.1.1 The VC Investor and /or Bharti and/or GE shall give to the Promoters a written notice (hereinafter referred to as the "VC Investors Sale Notice" and /or "Bharti Sale Notice" and/or "GE Sale Notice" as the case may be) setting forth as to each person to whom the sale is proposed to be made:

(a) the name and address of that person and, if that person is a corporation or other entity, the principal owners thereof:

(b) the number of shares offered to that person:

(c) the manner in which the sale is proposed to be made; and

(d) the price at which and the material terms upon which the sale or disposal is proposed to be made.

46A.4.1.2 Upon receipt of the VC Investor Sale Notice and/or the Bharti Sale Notice and/or the GE Sale Notice, as the case may be, the Promoters shall have the option to purchase all (but not part) of the shares offered upon the terms specified in the VC Investor Sale Notice and/or Bharti Sale Notice and/or GE Sale Notice, as the case may be, Promoters shall exercise such option by serving a notice on the VC Investor and/or Bharti and/or GE within7 days of receipt of the VC Investor Sale Notice and/or Bharti Sale Notice and/or GE Sale Notice, as the case may be.

46A.4.1.3 Payment for the purchase shall be made by the Promoters within 30 days of the receipt by the Promoters of the VC Investor and/or Bharti Sale Notice and/or GE Sale Notice.

46A.4.1.4 If the Promoters do not either exercise the option in terms of Article 46A.4.1.3 or, having accepted such option, does not pay for the shares in the 30 days period referred to above purchase the shares pursuant to Article 46A.4.4, then the VC Investor and/ or Bharti and/or GE or their concerned Affiliate shall be free to transfer its shares to the Third Party described in Article 46A.2.1. As long as

(a) the VC Investors hold atleast 5% of the paid up equity share capital of the Company and have agreed to transfer their entire holding in the Company to the Third Party, such Third Party shall have the same rights and obligations as the VC Investors under the Investment Agreement; and / or

(b) Bharti holds atleast 5% of the paid up equity share capital of the Company and have agreed to transfer their entire holding in the Company to the Third Party, such Third Party shall have the same rights and obligations as the Bharti under the Subscription Agreement.

(c) GE holds atleast 5% of the paid up equity share capital of the Company and has agreed to transfer its entire shareholding in the Company to a third party, such third party shall have the same rights and obligations as GE Investor under the Investment Agreement.

46A.4.1.5 Notwithstanding the above, the VC Investors and /or Bharti shall not be entitled to sell its shares to major media entities which are involved in the area of news, current affairs and/or information programming such as Star, Zee, *Times of India* and *Hindustan Times.*

46A.4.1.6 Notwithstanding anything contained in these Articles, neither GE nor its Affiliate shall be entitled to sell their shares to (i) any entity which is (A) directly involved in or (B) Controls any entity which is directly involved in or (C) is Controlled by any entity which is directly involved in, the business of operating satellite television channels for the purposes of dissemination of news and/or current affairs programming, capable of being received by television, or by any means whatsoever, in India; and/or (ii) any entity involved in the production of programming for entities referred to in (i) above; and/or (iii) the publishers of the *Times of India* and/or Outlook and/or the *Hindustan Times* and/or any entity controlled by the publishers of the *Times of India* and/ or Outlook and/or the *Hindustan Times*.

46A.4.2 Where the VC Investors hold at least 5% of the paid up equity share capital of the company and intend to transfer their entire shareholding to a Third Party, the VC Investors shall, instead of transferring their entire shareholding in terms of Article 46A..4.1, have the right to call upon the Promoters to offer for sale such part of its shareholding in the Company which is equivalent to the total shares held by the VC Investors in the Company, subject to a maximum of 10% (hereinafter referred to as" Add-on shares"). Upon being so called upon, the Promoters shall sell the Add-on shares along with the VC Investors shareholding to such Third Party at such price and on such terms as applicable to the VC Investors shareholding. Upon transfer of shares to the Third Party pursuant to this sub-Article 46A.4.2, the Investment Agreement shall stand terminated and none of the rights granted to the VC Investors under the Investment Agreement shall be available to such Third Party except to the extent

provided by the applicable law.

46A.4.2A Where Bharti holds atleast 5% of the paid up equity share capital of the Company and intends to transfer its entire shareholding to a Third Party, Bharti shall, instead of transferring their entire shareholding in terms of Article 46A.4.1, have the right to call upon the Promoters to offer for sale such part of its shareholding in the Company which is equivalent to the total shares held by Bharti in the Company, subject to a maximum of 10% ("**Bharti's Add-on shares**") subject however that in the event Bharti calls upon the Promoters to transfer the Bharti Add-on Shares to a Third Person the Promoters shall make reasonable endeavours to procure the VC Investors to transfer to such Third Person, such number of the shares as are the lower of the number of shares held by the VC Investors or the shares proposed to be transferred by Bharti, in terms of this Article 46A.4.2A. If the VC Investors consent to transfer its shares, in part or in whole, the Bharti Add-on Shares referred to in this Article 46A.4.2.A shall be reduced by shares that VC Investors has agreed to transfer to such Third Person. Upon transfer of shares to the Third Party pursuant to this sub-Article 46A.4.2A, the Subscription Agreement shall stand terminated and none of the rights granted to Bharti under the Subscription Agreement shall be available to such Third Party except to the extent provided by the applicable law.

46A.4.2B Subject to Article 46A.4.1.4(c) above, where the GE Investor holds at least 5% of the paid up equity share capital of the Company and intends to transfer its entire shareholding to a third party, the GE Investor shall, instead of transferring of its entire shareholding in terms of Article 46A.4.1.4(c) above, have the right to call upon the Promoter to offer for sale such part of its shareholding in the Company which is equivalent to the total shares held by GE Investor in the Company, subject to a maximum of 7.5% (' GE Add-on Shares'), subject however that in the event GE Investor calls upon the Promoters to transfer the GE Add-on Shares to a Third Person:

(i) The Promoters shall make reasonable endeavours to cause VC Investors and Bharti to transfer to such Third Person, such number of the shares as are the lower of the number of shares held by VC Investor and Bharti in the Company or the number of shares proposed to be transferred by GE under this Article 46A.4.2B.

(ii) In the event VC Investor and Bharti consents to transfer its shares in whole or in part to such Third Person in accordance with Article 46A.4.2B (i), the GE Add-on Shares referred to in Article 46A.4.2B shall be reduced by such number of shares that VC Investor and Bharti have agreed to transfer to such Third Person.

Upon the transfer of the Shares to the third party pursuant to this Article 46A.4.2B, such third party shall sign a Deed of Adherence in the form and manner specified in Schedule 6 of the GE Investment Agreement.

46A.5 GOVERNMENT APPROVALS: If any approval for the closing of the purchase contract is not received from the RBI or the FIPB or any other authority (including, the SEBI), the Parties shall endeavor and commit to find an alternative solution to the satisfaction of the VC Investors and /or Bharti as the case may be, to give full effect to the intent of this Article 46A.

MINORITY PROTECTIONS (Restrictive clause)

Article 80A provides that

80A.1 CONSENT OF THE VC INVESTORS AND BHARTI**:**

The company shall not act upon any resolution of its Board or its shareholders in relation to or affecting any of the following matters unless at least one VC Director and Bharti Director nominated by VC Investors and Bharti respectively or the VC Investors and Bharti itself consents or votes in favour of such a resolution or matters:

80A1.1 any changes to the New Memorandum and Articles;

80A.1.2 any change in the registered office address to outside the existing state;

80A.1.3 the pricing and timing and all other terms and conditions of an IPO or an offer for sale of shares;

80A.1.4 any alteration to the rights of any class of shares;

80A.1.5 any increase reduction or variation in issued share capital of the Company to its then existing shareholders beyond a par value of Rs. 40 crores including the issuance of any financial instrument convertible into equity share capital which, when converted, would increase the issued share capital of the Company beyond a par value of Rs. 40 crores provided further the additional shares shall be offered on the same terms to all the then existing shareholders;

80A.1.6 the disposal, transfer, merger or acquisition of any part of the business into their a separate company, a subsidiary or to any other person,

80A.1.7 any amalgamation/ merger or any of its subsidiaries with any other entity and the spinning off of any division;

80A.1.8 the sale, transfer, lease, license in respect of property or assets owned or leased or taking or omitting to take any action which could prejudice the continuation of any lease or license to which it is entitled except in the usual course of business;

80A.1.9 the acquisition of any other business, diversification or expansion either directly or indirectly through any other firm or company whether carried on individually or through partnership or otherwise;

80A.1.10 any capital expenditure in a single transaction exceeding a sum of Rs. 20 million (Rupees Twenty Million only) and any capital expenditure greater than Rs.40 million (Rupees Forty Million only) planned in any one quarter other than capital expenditure upto 110% of the amount included in the project cost disclosed to the VC investors;

80A.1.11 any single borrowing which raises the debt equity ratio beyong 1.1, exceeding a sum of Rs. 20 million (Rupees Twenty Million only) excluding borrowings on account of working capital requirement and borrowings that are a part of the Financial Plan referred to in Schedule 2 of the Investment Agreement;

80A.1.12 any guarantee of comfort letter issued and provided for the Promoters own account or any guarantee or comfort letter issued and provided in favour of any other person other than in the usual course of business;

80A.1.13 any mortgages or other charges over the property of the company other than in the usual course of business;

80A.1.14 investment, financially or otherwise, in any other business, partnership, company or any other entity whether incorporated or otherwise other than in connection with the business of the Company which shall not exceed an amount of Rs. 2.5 million per transaction;

80A.1.15 any sale or disposal of any intellectual property;

80A.1.16 any scheme of profit sharing for the benefit of employees and Directors of the company in excess of 11% of the profits of the company as determined by the audited accounts of the relevant period;

80A.1.17 any loans to Directors except the whole time Director in connection with employment with the Company and Chief Executive Officer;

80A.1.18 the commencement or discontinuance of any litigation or arbitration which is material in the context of the company's business;

80A.1.19 any material change in the nature of the company's business;

80A.1.20 ceasing or proposing to cease to carry on the business of the company or taking any steps to wind up the company;

80A.1.21 appointment of any sole selling agent;

80A.1.22 any liquidation or dissolution of the company;

80A.1.23 any transaction between the company and any other entity in which the Promoters hold at least 50% ownership, provided however that nothing in this sub-clause shall apply to any transaction, agreement or contract between the company and any other person, including the Promoters or entities referred to in this sub- clause which relate to internet or online delivery rights to the information, content and the like included by the company in the channels owned or operated by it

80A.1.24 declaration of bonus;

80A.1.25 any declaration of dividends beyond 25% of the then paid up equity shares capital of the company;

80A.1.26 creation of any reserve except as required by law or/ and distribution of any amount standing to the credit of any reserve;

80A.1.27 the buy-back of shares by the company;

80A.1.28 any change of statutory auditor or change in company's accounting year;

80A.1.29 the entering into contracts not in the ordinary course of business;

80A.2.1 In the event the Company at any time takes any steps towards increasing its capital, issuing new capital, or reorganisation, restructuring, or rearranging its existing capital, or takes any steps for the issuance of instruments with underlying rights for conversion into shares or options, or take any other action pursuant to which the percentage of shareholding of the Non-Promoter Shareholders in the Company shall be reduced the Company shall:

a. issue notice to the Non-Promoter Shareholders of its intention to take such action; and

b. shall make a written offer to the Non Promoter Shareholders to subscribe to such new capital or instruments, or participate in such restructuring or re-organisation, so as to enable the Non-Promoter Shareholders to maintain their percentage interest in the Company ("Offer"), but not, under any circumstances, exceed their respective percentage interest in the Company, unless otherwise agreed to between the Parties.

80.A.2. 2 The Offer shall be made to Non-Promoter Shareholders to subscribe to the new capital or instruments, or participate in the restructuring or re-organisation, as referred to in Clause 80.A.2.1 above, and shall be on terms, including pricing and timings, which are not less favourable, in any manner whatsoever, than those which are offered to any other Person. The Offer shall clearly set out the proposal and the terms thereof.

80.A.2.3 Each of the Non-Promoter Shareholders may, in its sole discretion, elect to accept or reject the Offer so received partially or fully. In the event any Non Promoter Shareholder elects to accept the Offer, the Company shall take the requisite steps required in respect of the issue of new capital or instruments, or restructuring or re-organisation, including issue of fresh securities to the Non Promoter Shareholders, so as to enable the respective Non Promoter Shareholder to maintain its percentage interest in the Company to the extent it has accepted the Offer, as of the date of the Offer.

80.A.2.4 In the event of the Offer is not accepted by any Non Promoter Shareholder within 30 days of the receipt of the Offer by such Non Promoter Shareholder, such Investor Shareholder's percentage interest in the Company shall stand diluted to the extent contemplated by the Offer.

80.A.2.5 The rights of the Non Promoter as set out in the any Non Promoter Shareholder shall not in any manner affect the rights of the to maintain its shareholding, as diluted pursuant to the rejected Offer, in respect of any subsequent Offer, including but not limited to any new or modified Offer made by the Company subsequent to such rejected Offer

80.A.2.6 Nothing contained in this Section shall apply in case of an IPO or Employee Stock Option Plan ("ESOP") approved by the Board provided in case of any ESOP such ESOP issue should not exceed 5% of the equity share capital of the Company.

80B CONSENT OF G E

The company shall not act upon any resolution of its Board or its shareholders in relation to or afecting any of the following matters unless at least one GE Director nominated by GE or GE itself consents or votes in favour of such a resolution or matters as specified in the Articles 80A1.1, 80A.1.2, 80A.1.4, 80A.1.6, 80A.1.7, 80A.1.8, 80A.1.9, 80A.1.10, 80A.1.11, 80A.1.12, 80A.1.13, 80A.1.14, 80A.1.15, 80A.1.16, 80A.1.17, 80A.1.19, 80A.1.20, 80A.1.21, 80A.1.22, 80A.1.24, 80A.1.25, 80A.1.26, 80A.1.27, 80A.1.28 and 80A.1.29. Instead of Articles 80A.1.3, 80A.1.5, 80A.1.18 and 80A.1.23 above, Articles 80B.1, 80B.2, 80B.3, and 80B.4 shall apply instead in respect of GE and the company shall not act upon any resolution of its Board or its shareholders in relation to or afecting any of the following matters unless at least one GE Director nominated by GE or GE itself consents or votes in favour of such a resolution or matters :-

80B.1 The pricing and timing and all other Terms & Conditions of an IPO or offer for sale of shares, provided however, the GE approval referred to above will not be required in the event the IPO price of the ordinary share is fixed for an amount less than Rs.105/- per ordinary share on the basis of the recommendations of the Investment Bank appointed by the Board and such IPO price has been approved by the affirmative vote of each of the Promoters, ICICI VCF and Bharti.

80B.2 any increase, reduction or variation in issued share capital of the Company beyond a par value of Rs.24 crores including the issuance of any financial instrument convertible into equity share capital which, when converted, would increase the issued share capital of the Company beyond a par value of Rs.24 crores; in case GE refuses, than, GE consent will not apply, provided however, that ICICI, Bharti and the Promoter are unanimously agreeing to the increase, reduction or variation in issued share capital of the Company beyond a par value of Rs. 24 crores but upto Rs. 40 crores including the issuance of any financial instrument convertible into equity share capital.

80B.3 the commencement or discontinuance of any (i) criminal proceedings including the filing of an FIR by the Company and/or any of its Directors and (ii) litigation or arbitration which has a financial implication of more than Rs. 10 million (Rupees ten million only).

80B.4 any transaction exceeding Rs. 5 million (Rupees five million only) between the Company and any other entity in which the Promoters hold at least 50% ownership, provided however that nothing in this sub-section shall apply to any transaction, agreement or contract between the Company and any other person, including the Promoters or entities referred to in this sub-section, which relate to internet or online delivery rights to the information, content and the like included by the Company in the Channels owned or operated by it

Article 117A Listing (Restrictive clause)

The Promoters and the Company undertake to obtain Listing of the Company's shares through an IPO whether by an offer for sale of shares or a fresh issue of share capital by March 31, 2005. The price and timing shall be determined by mutual consent of the Parties. In the event of failure by the Company and the Promoters to obtain the Listing of the Company's shares whether as a result of failure of agreement of prices in terms of Article 117A.1 above or otherwise, the VC Investor and /or Bharti and/ or GE shall, subject to their shareholding being at least 5%, individually, of the equity share capital of the Company, have the right to obtain a listing of the Company's shares by making an offer for sale of their shares in the Company to the public in the manner set forth below:

In the event that VC Investor or Bharti are desirous of causing the listing of the shares of the Company under the terms of the Investment Agreement or the Subscription Agreement as amended by the Supplemental Agreement, by making an offer for sale of their shares in the Company to the public and the shares owned in the Company by VC Investor or Bharti, as the case may be, are less than the minimum

amount required by applicable Indian laws and regulations for obtaining a listing through an offer for sale, the following procedure shall apply:

(a) Listing by VC Investor

In the event that VC Investor is desirous of causing the listing of the shares of the Company as per the terms of the Investment Agreement and the Promoters fail to cause Bharti to offer its shareholding in the Company to the public to make good the shortfall, the Promoters shall offer for sale such part of its shareholding in the Company which is equivalent to the total Ordinary Shares held by VC Investor in the Company, subject to a maximum of 10% and endeavour to cause GE and Bharti to make good the shortfall for listing of the shares of the Company by offering their shares for sale to the public in proportion to their respective shareholdings in the Company.

(b) Listing by Bharti

In the event that Bharti is desirous of causing the listing of the shares of the Company as per the terms of the Subscription Agreement, as amended by the Supplemental Agreement and the Promoters fail to cause VC Investor to offer its shareholding in the Company to the public to make good the shortfall, the Promoters shall offer for sale such part of its shareholding in the Company which is equivalent to the total Ordinary Shares held by Bharti in the Company, subject to a maximum of 10% and endeavour to cause GE and VC Investor to make good the shortfall for listing of the shares of the Company by offering their shares for sale to the public in proportion to their respective shareholdings in the Company.

(c) Listing by GE

GE shall, subject to GE holding a minimum of 5% of the paid up capital of the Company, cause the Promoter and the Company to provide an exit to GE by causing the listing of the Company's shares by making an offer for sale of GE Shares in the Company to the public. If the shares owned in the Company by GE are less than the minimum amount required by applicable Indian laws and regulations for obtaining a listing through an offer for sale, GE shall inform the Promoters of the same in writing. Within fifteen days of such written intimation from GE, the Promoters shall send a written request to VC Investor and Bharti to make good the shortfall by offering such percentage of their respective shareholdings in the Company as may be necessary to make good the shortfall in order to cause the listing of the Company's shares to take place.

In the event that VC Investor and/or Bharti refuse or fail to give their consent to offer their shares for sale to the public within a period of fifteen days from the date of the Promoter's written request referred to above, or offer a lesser number of shares for sale to the public than is necessary to make good the shortfall, the Promoters undertake to offer a maximum of fifteen percent (15%) of the shares held by them in the Company along with GE and to endeavour to cause Bharti and VC Investor to each offer a maximum of two and a half percent (2.5%) of their respective shareholdings in the Company at the price at which GE is offering its shares in the Company to the public to make good the shortfall.

Underwriting Agreements

The Company shall make its best efforts to enter into underwriting agreements at the time of the IPO to the satisfaction of the VC Investors and /or Bharti and/or GE.

GENERAL MEETINGS

Extra Ordinary General Meeting

Article 61 provides that the Directors may, whenever they think fit, call an Extra Ordinary General Meeting provided, however, if at any time there are not in India Directors capable of acting who are sufficient in number to form a quorum, any two Director present in India may call an Extra Ordinary-General Meeting in the same manner as nearly as possible as that in which such meeting may be called by the Board.

Calling of Extra Ordinary General Meeting on requisition

Article 62 provides that the Board of Directors of the company shall on the requisition of a member or members of the company as is specified in sub-section (4) of section 169 of the Act, forthwith proceed to call an Extra Ordinary General Meeting of the company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of section 169 of the Act and or any statutory modification thereof, for the time being shall apply.

Quorum

Article 63 provides that the quorum for the General Meeting shall be five members present in person.

Chairman

Article 64 provides that at every General Meeting, the Chair shall be taken by the Chairman of the Board of Directors. If at any meeting, the Chairman of the Board of Directors is not present within fifteen minutes after the time appointed for holding the Meeting or, though present be unwilling to act as Chairman,the members will choose one of the Directors present, being a member entitled to vote, be the Chairman.

Sufficiency of ordinary resolutions

Article 65 provides that any act or resolution which, under the provisions of this Article or of the Act, is permitted shall be sufficiently so done passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a special resolution.

When if quorum be not present, meeting to be dissolved and when adjourned.

Article 66 provides that if within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon a requisition of shareholders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place, unless the same shall be a public holiday when the Meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the Meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.

How question of resolution to be decided at meetings

Article 67 provides that in the case of an equality of votes, the Chairman shall both on a show of hands and a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Power to adjourn Meeting

Article 68 provides that the Chairman of a General Meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place, it shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned Meeting.

Business may proceed notwithstanding demand of poll

Article 69 provides that if a poll be demanded, the demand of a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which a poll has been demanded.

Vote of Members

Article 70 provides that on a show of hands every member present by person and being a holder of equity shares shall have one vote and every person present as a proxy on behalf of a holder of equity shares or as a duly authorised representative of a body co-operate being a holder of equity shares, if he is not entitled to votes in his rights, shall have one vote.

On a poll the voting rights of a holder of equity shares shall be as specified in specified in section 87 of the Act.

The voting right of the holders of the preference shares including the Redeemable Cumulative Preference Shares shall be in accordance with the provisions of section 87 of the Act.

No company or body corporate shall vote by proxy so long as a resolution by its Board of Directors under section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

Article 71 provides that a person becoming entitled to a share shall not, before being registered as a member in respect of the share, entitled to exercise in respect thereof any right conferred by membership in relation to meeting of the company. Votes in respect of deceased, insolvent and insane members

Article 72 provides that if any member be a lunatic or idiot , he may vote either on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided at least twenty four hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which any such persons proposes to vote he shall satisfy the Board of his rights under this article unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.

CONSTITUTION OF BOARD

Number of Directors

Article 81 provides that the number of Directors shall not be less than three and not more than twelve.

Power of Directors to add its number

Article 83 provides that the Directors shall have powers, at any time and from time to time to appoint any person as an additional Director as on addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the company and shall be eligible for re-election.

Continuing Directors may act

Article 86 provides that the continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number above fixed, the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.

APPOINTMENT OF DIRECTORS

Article 88 provides that the company in General Meeting may, subject to the provisions of these Articles and Act, at any time elect any person to be a Director and may, from time to time increase or reduce the number of Directors.

Article 89 provides that any member of company shall be competent to propose the name of any person who is otherwise not disqualified as being a Director of a company for the office of Director in the company and shall accordingly give a deposit of Rs. 500 (Rupees five hundred) or such sum as may for the time being be prescribed by the Act, and rules made thereunder, which shall be refunded only after the person proposed to be appointed as Director is elected.

Board may fill up casual vacancies

Article 90 provides that if any Director appointed by the company in General Meeting vacates office as a Director before his terms of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that,the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under section 284 of the Act.

Nominee Directors

Article 91 provides that the company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the company upon such terms and conditions as the company may deem fit. The corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the company.

Nomination of Director by financial and other institution

Article 92 provides that:

The Company shall pursuant only to a specific agreement and not otherwise, have a right to appoint from time to time any person or persons as Director/(s) (which Director or Directors is/are hereinafter referred to as nominees Director/s) on the Board of the company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the company shall have no power to remove from office the nominee Director/s. At the option of the corporation, such Nominee Director/ shall not be liable to retirement by rotation of Directors. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the company to the corporation or as a result of underwriting or direct subscription and the Nominee Director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately after the moneys owing to by the company to the corporation is paid off or the corporation ceasing to hold shares in the company over 5% of the paid up equity share capital of company

The Nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all general meetings, Board Meeting and of the meetings of the committee of which the Nominee/s is/are member/s and also minute of such meeting. The Corporation shall also be entitled to receive all such notices and meetings. The Nominee Director shall be appointed as Member of the Management Committee of the Board, if so desired by the VC Investors.

The Company shall pay to the Nominee Director/s sitting fee and expenses which the other Directors of the company are entitled to, but if any other fees, commission, money or Remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the corporation and the same shall accordingly be paid by the company directly to the corporation . Any expenses that may be incurred by the corporation or any such Nominee Director/s in connection with their appointment of directorship shall also be paid or reimbursed by the company to the Corporation or as the case may be to such Nominee Director/s. Provided that if any such Nominee Director/s is/are an officer of the corporation, the sitting fees, in relation to such nominee director/s shall be paid by the Company directly to the corporation. Provided also that in the event of the nominee Director/s being appointed as a whole time Director/s such nominee directors shall exercise powers and duties as may be approved by the corporation and have such rights as are usually exercised or available to a whole time Director, in the management of the affairs of the company. Such nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the corporation.

Alternate Directors

Article 93 provides that subject to the provisions of Section 313 of the Act, the Board may appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily 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 Board and to attend and vote thereat accordingly, but he shall *ipso-facto* vacate office if and when the absent director returns to state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

Rotation of Directors

Article 94 provides that:

Not less than two-third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Director by rotation.

At each Annual General Meeting of the company one-third of or such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

If at any Annual General Meeting all the Directors appointed under Article 92 and 113 hereby are exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said Section, the exemption shall extend to the Directors or Director appointed under Article 109. Subject to the foregoing provisions as between Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as determined by the Board.

Retiring Directors eligible for re-election

Article 95 provides that a retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring Directors are not to filled up, the retiring Directors or such of them as have not have their places filled up shall (it will to continue in office) be deemed to have been re-elected at the adjourned meeting unless:-

a) at the meeting or at the previous meeting a resolution for the appointment of such Director has been put to vote and has been lost or

b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be re-appointed or

c) he is not qualified or disqualified for appointment or

d) a resolution, whether special or ordinary is requested for his appointment or re-appointment by virtue of any provisions of the Act; or

e) the provisions of sub-section 2 of Section 263 or sub-section 3 of Section 280 of the Act is applicable to the case.

PROCEEDINGS OF BOARD MEETINGS

Meetings of Directors

Article 97 provides that the Director may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think it. Notice in writing of every meeting of the Directors shall ordinarily be given by a Director or such other officer of the Company duly authorised in this behalf to every Director for the time being in India and at his usual address in India.

Quorum

Article 98 provides that the quorum for a meeting of the Directors shall be determined, form time to time, in accordance with the provisions of Section 287 of the Act. if a quorum shall not be present within fifteen minutes from the time appointed for holding the meeting of the Directors, it shall be adjourned until such date and time as the Directors present shall fix.

Summoning a meeting of Directors

Article 99 provides that the Secretary may at any time and upon request of any two Director shall summon a meeting of the Directors.

Voting of meeting.

Article 100 provides thatsubject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, each Director having one vote and in case of any equality of votes, the Chairman shall have a second or casting vote.

Chairman of meeting

Article 101 provides that the Chairman of the Board of Directors shall be the Chairman of the meeting of Directors. Provided that if, the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, the Directors present shall choose one of their members to be Chairman of such meeting.

Act of meeting

Article 102 provides that a meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles of the Company and the Act for the time being vested in or exercisable by the Directors generally.

To appoint committee and to delegate power and revoke it

Article 103 provides that the Directors may, subject to compliance of the provisions of the Act, from time to time, delegate any of their powers to Committees consisting of such member or members of their body as they think fit and may, from time to time, revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated confirm to any regulations that may, from time to time, be imposed on it by the Directors. The meeting and proceedings of any such Committee, if consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the Article.

Validity of acts

Article 104 provides that all acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or person acting as aforesaid or that they or any of them were disqualified.

Resolution by Circulation

Article 105 provides that except resolution which the Companies Act, 1956 requires it specifically to be passed in a Board Meeting a resolution may be passed by the Director or Committee thereof by circulation in accordance with the provision of Section 289 of the Act. And any such minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of the such meeting or by the Chairman of next succeeding meeting shall be receivable as *prima facie* evidence of the matters in such minutes.

POWERS OF BOARD OF DIRECTOR

General power of the Company vested in the Directors

Article 106 provides that subject to the provisions of the Act, the Control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents, form time to time, made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Power to delegate

Article 107 provides that without prejudice to the general powers conferred by the preceding article, the Director may, form time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons(including any firm or body corporate) any of the powers authorised and discretions for the time being vested in the Directors.

Power to authorize sub-delegation

Article 108 provides that the Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

Signing of Documents

Article 109 provides that all deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall, form time to time, by resolution determine.

Management abroad

Article 110 provides that the Directors may make such arrangement as may be thought fit for the management of the Company's affairs abroad, and may for this purpose(without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by such persons as the Directors shall, from time to time, by writing under the Common Seal appoint. The Company may also exercise the powers of keeping Foreign Registers. Such regulation not being inconsistent with the provisions of Section 157 and 158 of the Act, the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR

Power to appoint Managing Director

Article 113 provides that subject to the provisions of Sections 197A, 269, 316 and 317 and Schedule XIII of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of Company and may, form time to time,(subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.

To what provisions be shall he subjected

Article 114 provides that subject to the provisions of Section 255 of the Act and a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but be shall be counted for ascertaining the numbers of Director to retire (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, if so fact and immediately, cease to be a Managing Director if he ceases to hold the office of Director or for any cause.

Remuneration of Managing Director

Article 115 provides that subject to the provisions of Section 198, 309, 310, 311 and Schedule XIII of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, form time to time, be sanctioned by the Company.

Power of Managing Director

Article 116 provides that subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 and 293 thereof, the Board may, from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit and the Board may confer such powers either collaterally with, or to exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

Article 117 provides that the Company shall not at any time commence any business out of other objects of its Memorandum of Association unless the provisions of sub-section 2(B) of Section 149 of the Act have been duly complied with by it.

SECRETARY

Article 111 provides that subject to Sections 197A, 314, 383A and 388 of the Act, a Manager or Secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit and any Manager or Secretary appointed may be removed by the Directors. A Director may be appointed a Manager or Secretary, subject to Section 197A, 314, 383A, 387 and 388 of the Act.

Act of Director, Manager or Secretary

Article 112 provides that a provision of the Act or these regulations requiring or authorising a thing to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or in place of the manager or Secretary.

THE SEAL

Custody of Seal

Article 118 provides that the Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the seal is affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Director to issue the same.

DIVIDENDS AND RESERVES

How profits shall be divisible

Article 119 provides that subject to rights of members entitled to shares (if any) with preferential or special rights attached to them, the Profits of the Company, from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the shares provided that unless the Board otherwise determines all dividends shall be apportioned any property acquired by the Board apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid. Provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a Dividend is declared shall (Unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right or participate in profits.

Declaration of Dividends

Article 120 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 profit and may, subject to the provisions of Section 205 of the Act, fix the time for payment.

Restrictions of amount of dividends

Article 121 provides that no larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

Dividend out of profit only

Article 122 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.

What to be deemed net profits

Article 123 provides that the declaration of the Directors as to the amount of the net profit in the audited annual accounts of the Company for any year shall be conclusive.

Interim Dividends

Article 124 provides that the Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

Article 125 provides that the Directors may retain any dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exist, subject to Section 205A of the Act.

Article 126 provides that a transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Retention in certain cases

Article 127 provides that subject to Section 205A of the Act, the Directors may retain the Dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

Dividend to Joint-holders

Article 128 provides that any one of the several persons who are registered as a joint-holders of any share may give effectual receipts of all dividends payments on account of dividends in respect of such shares.

Payment by post

Article 129 provides that unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post at the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint holders as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the other of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holder as the case may be direct.

When payments good discharge

Article 130 provides thatthe payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the company in respect thereof, provided nevertheless that the company shall not be responsible for the loss of any cheque, dividend, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.

Article 131 provides that any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with Section 205 A and 205 B of the Companies Act, 1956 and rules made thereunder.

Article 132 provides that no unclaimed or unpaid dividend shall be forfeited by the Board and the company shall comply with the provisions of Section 205A of the Companies Act, 1956 and rules made thereunder in respect of such dividend.

CAPITALISATION

Article 59 provides that any General Meeting may resolve that the whole or any part of the undivided profits of the company (which expression shall include any premium received on the issue of shares and any profit or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalized and distributed amongst such of the members as would be entitled to receive the same, if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized amount be applied on behalf of such members in paying up in full any un-issued shares of the company which shall be distributed accordingly in or towards payment of the un-called liability on any issued shares and that such distribution or payment shall be accepted by such member in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve account may, for the purpose of this Article only be applied in the paying up of un-issued shares to be issued to members of the company as fully paid-up bonus shares.

INSPECTION OF REGISTERS

Article 134 provides that the Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books or documents of the company or any of them shall be open for inspection to members not being Directors and no member (not being a Director) shall have any right of inspection to any books of account or documents of the company except as conferred by law or authorised by the Board of Directors or by the company in General Meeting. Balance Sheet and Profit & Loss Account.

Article 135 provides that the Balance Sheet and Profit & Loss Account will be audited once in a year by a qualified auditor for correctness as per provisions of the Act.

NOTICE AND DOCUMENT

Article 139 provides that the company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices

Transferee etc. bound by prior notice (Restrictive clause)

Article 140 provides that

140 Every person who, by operation of law, or by transfer or by other means whatsoever, shall become entitled to any shares shall be bound by every notice in respect of such shares which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such shares.

140A Notwithstanding anything contained herein each of the Non Promoter Shareholder(s) shall have the right to assign their rights under these Articles to any of their respective Affiliate(s), as per terms of their respective written Agreements only, provided such Affiliate shall sign a Deed of Adherence confirming that it shall comply with the terms of these Articles.

140B On happening of an IPO, Articles 46, 80, 117 and 140A, pursuant to the respective written agreements with the shareholders shall stand deleted.

WINDING UP

Distribution of Assets

Article 145 provides that if the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively. And if in winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the paid up capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions. Distribution of Assets in specie.

Article 146 provides that in the event of company being wound up, whether voluntarily or otherwise, the liquidators, may with the sanction of Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the company and may with the like sanction, vest any part of the assets of the company in Trustees upon such trusts for the benefit of the contributories of any or them as the Liquidators, with like sanction shall think fit.

SECRECY CLAUSE

Article 144 provides that no shareholder to enter the premises of the company without permission.

Subject to the provisions of law of the land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the company's premises or properties of the company without the permission of the Directors, or subjected to Article 133 to require discovery or any information in respect of any detail of the company's tradition or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which, in the opinion of the Directors, will be inexpedient in the interest of the members of the company to communicate.

INDEMNITY

Article 147 provides that subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer of employee of the company shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the company all

bona fide costs, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to as limit the generality of the foregoing provisions, against all *bona fide* liabilities incurred by him or by them as such Director, Manager , Secretary, Officer or Employee in defending any proceeding whether civil or criminal in which judgment is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the members over all other claims.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS

The following contracts (not being contracts entered into in the ordinary course of business carried on by us 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 us. These contracts, copies of which have been attached to the copy of this Prospectus have been delivered to the Registrar of Companies, NCT of Delhi and Haryana for registration and also the documents for inspection referred to hereunder, may be inspected at our registered office located at TV Today Network Limited, Videocon Tower, E-1, Jhandewalan Extension, New Delhi - 110 055, India, from 10.00 a.m. to 4.00 p.m. on working days from the date of this Prospectus until the date of closure of the Issue.

Material Contracts

1. Memorandum of Understanding between TV Today, Selling Shareholders, JM Morgan Stanley Private Limited, Kotak Mahindra Capital Company Limited and ICICI Securities Limited dated October 13, 2003.
2. Letter dated August 1, 2003 from us appointing JM Morgan Stanley Private Limited, Kotak Mahindra Capital Company Limited and ICICI Securities Limited and their acceptance thereto.
3. Inter-se allocation of responsibilities between the BRLM and Co-BRLMs.
4. Letter from TV Today dated October 18, 2003 appointing MCS Limited as Registrar to the Issue.
5. Memorandum of Understanding between TV Today Network Limited and MCS Limited dated October 18, 2003.
6. Escrow Agreement dated December 15, 2003.
7. Syndicate Agreement dated December 15, 2003.
8. Underwriting Agreement dated December 30, 2003.

Material Documents

1. The Memorandum and Articles of Association of the Company, as amended from time to time.
2. Certificate of Incorporation of the Company dated December 28, 1999.
3. Certificate of Commencement of Business dated February 7, 2000.
4. Certified true copy of the consent of ICICI Trusteeship Services Limited dated October 14, 2003, giving its consent for the Issue and its consent for termination of the ICICI Investment Agreement post listing of the shares of TV Today.
5. Certified true copy of the consent of Bharti Systel Limited dated October 15, 2003, giving its consent for the Issue and its consent for termination of the Bharti Share Subscription Agreement post listing of the shares of TV Today.
6. Certified true copy of the consent of GE Capital Mauritius Equity Investment dated October 17, 2003 giving its consent for the IPO and its consent for modification of the GE Investment Agreement post listing of the shares of TV Today Network Limited.
7. Certified true copy of the Special Resolution of the shareholders of the Company, passed at its annual general meeting held on September 30, 2003, approving this Issue and authorising the Board of Directors to decide the terms and conditions for this Issue.
8. Certified true copy of the resolution of the Directors of Living Media India Limited passed on October 6, 2003 for sale shares held in TV Today Network Limited.
9. Certified true copy of Bharti Systel Limited's Board authorisation dated October 14, 2003 approving the sale of 2,400,000 Equity Shares of TV Today
10. Certified true copy of Anika International Private Limited's Board authorisation dated October 14, 2003 approving the sale of 400,000 Equity Shares of TV Today.
11. Resolution of the Board of Directors of the Company, passed at its Meeting held on October 18, 2003 approving the Fresh Issue and Offer for Sale.
12. The report of the statutory auditors, Price Waterhouse dated November 13, 2003 prepared as per Indian GAAP and mentioned in the Prospectus and copies of balance sheet and profit and loss account.
13. Consent dated December 4, 2003 from Price Waterhouse for inclusion of their reports on accounts in the form and context in which they appear in the Prospectus.
14. A copy of the tax benefit report dated November 13, 2003 from our statutory auditors Price Waterhouse.
15. Copies of the General Uplinking Guidelines, 2000 issued by the Ministry of Information & Broadcasting, amended on March 2003 and August 2003.
16. Consents of Directors, Auditors, Legal Advisors to the Issue, BRLM, Co-BRLMs, Registrar to the Issue, Escrow Collection Bankers, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their respective capacities.

17. General Power of Attorney executed by Directors of the Company and Selling Shareholders in favour of person(s) for signing and making necessary changes to the Prospectus.
18. Resolution of the shareholders of TV Today passed at the Annual General Meeting held on September 30, 2003 appointing Price Waterhouse as statutory auditors for the financial year 2004.
19. True copy of the Resolution of the members of the Company passed at their Annual General Meeting held on December 16, 2002 and September 30, 2003 appointing Mr. Aroon Purie as Managing Director of the Company and approving the remuneration payable to him.
20. Copy of the Due Diligence Certificate dated October 28, 2003 to SEBI from JM Morgan Stanley Private Limited.
21. Copy of SEBI observation Letters No. CFD/DIL/SNB/21463/2003 dated November 13, 2003, in-seriatim reply dated December 5, 2003 and fresh due-diligence certificate dated December 5, 2003.
22. Applications for listing dated December 10, 2003 and December 10, 2003 to The Stock Exchange, Mumbai and The National Stock Exchange of India Limited, respectively
23. In-principle listing approval dated November 18, 2003 and November 21, 2003 from The Stock Exchange, Mumbai and The National Stock Exchange of India Limited, respectively.
24. True copy of the approval of the Ministry of Information & Broadcasting, Government of India for change in the shareholding pattern and Board of Directors of the Company.
25. Escrow Demat Agreement dated December 8, 2000 between Selling Shareholders, Company and Registrar to hold the Selling Shareholder's Shares in an Escrow Agreement for transferring to allottees in this Issue.
26. Tripartite Agreement between the Company, NSDL and MCS dated December 8, 2003.
27. Tripartite Agreement between the Company, CDSL and MCS dated November 24, 2003.
28. Business Transfer Agreement dated April 20, 2000 between Living Media and TV Today, as amended
29. Agreement dated October 10, 2000 between the President of India acting through Ministry of Information & Broadcasting, Government of India, and TV Today to establish, maintain and operate uplinking hub (Teleport) at Jhandewalan Extension, New Delhi.
30. Trademark License Agreement entered into between Living Media and TV Today for license of trademarks owned by Living Media dated October 1, 2003.
31. In-principle letter for extending loans to TV Today by certain lenders.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in our interest or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be.

SIGNED BY THE DIRECTORS

Mr. Aroon Purie*

Mr. Anil Mehra*

Mr. Anil Vig*

Mr. Rajan Bharti Mittal*

Ms. Bala Deshpande*

SIGNED BY THE CHIEF EXECUTIVE OFFICER

Mr. Gopalan Krishnan*

SIGNED BY THE SELLING SHAREHOLDERS

Mr.Anil Mehra* on behalf of Living Media

Mr.Rajan Bharti Mittal* on behalf of Bharti Systel

Mr.Anil Vig* on behalf of Anika International

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr.Sanjay Jain* (General Manager, Finance)

* (Through their Constituted atthorney Mr. Manish Nayyar)

Date: December 31, 2003

Place: New Delhi

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

Term	Description
"TV Today" or "the Company" or "our Company" or "T.V. Today Network Limited"	T.V. Today Network Limited, a public limited company incorporated under the Companies Act, 1956
"we" or "us" and "our"	Unless the context otherwise requires, refers to T.V. Today Network Limited
"NCT of Delhi" or "Delhi"	National Capital Territory of Delhi

Offer Related Terms

Term	Description
Allotment	Unless the context otherwise require, transfer of Equity Shares from the Selling Shareholders to the successful bidders
Anika International	Anika International Private Limited
Articles/Articles of Association	Articles of Association of T.V. Today Network Limited
Auditors	The statutory auditors of the Company: Price Waterhouse, Chartered Accountants
Bharti Systel	Bharti Systel Limited
Bid	An offer made during the Bidding Period by a prospective investor to subscribe to Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto
Bid Price/ Bid Amount	The amount equal to highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid Closing Date /Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper and Hindi national newspaper
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to purchase the Equity Shares of the Company and which will be considered as the application for transfer of the Equity Shares in terms of this Prospectus
Bid Opening Date / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Prospectus
Bidding Period / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Board / Board of Directors	The Board of Directors of T.V. Today Network Limited or a committee thereof
Book Building Process	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is made
Business Transfer Agreement	Business Transfer Agreement between Living Media and TV Today dated April 20, 2000
BRLM	Book Running Lead Manager to the Issue, in this case being JM Morgan Stanley Private Limited

Term	Description
BSE	The Stock Exchange, Mumbai
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process
Co-BRLMs	Kotak Mahindra Capital Company Limited and ICICI Securities Limited
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
Chairman	Person who has been nominated by the Board of Directors as the Chairman of the Board (currently Mr.Aroon Purie)
Chief Executive Officer	Person who is primarily responsible for the business operations of the Company (currently Mr. Gopalan Krishnan)
Companies Act/ the Act	The Companies Act, 1956 as amended from time to time
Cut-off	Cut-off refers to any price within the Price Band. A Bid submitted at Cut-off is a valid Bid at all price levels within the Price Band
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) 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 Date	The date on which funds are transferred from the Escrow Account of the Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall transfer Equity Shares to successful bidders
Designated Stock Exchange	The Stock Exchange, Mumbai
Director(s)	Director(s) of T.V. Today Network Limited unless otherwise specified
Red Herring Prospectus	Means the Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue. It carries the same obligations as are applicable in case of a Prospectus was filed with RoC on December 11, 2003. It will become a Prospectus after filing with Registrar of Companies after the pricing and allocation
EPS	Earnings per Equity Share
Equity Shares	Equity shares of the Company of Rs.5 each unless otherwise specified in the context thereof
Equity Shareholders	Persons holding equity shares of the Company unless otherwise specified in the context thereof
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst the, the Company, the Selling Shareholders, the Registrar, the Escrow Collection Bank(s) and the BRLM and Co-BRLM for collection of the Bid Amounts and refunds (if any) of the amounts collected to the Bidders
Escrow Collection Bank(s)	The banks at which the Escrow Account of the Company for the Issue will be opened
Existing Shareholders	Living Media (including its nominees), Bharti Systel, Anika International and GE Capital Mauritius
Face Value	Value of paid up equity capital per Equity Share

Term	Description
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
Fresh Issue	The issue of 10,000,000 new Equity Shares of Rs.5 each at the Issue Price by the Company in terms of this Prospectus
FIPB	Foreign Investment Promotion Board
G.E. Capital Mauritius	G.E. Capital Mauritius Equity Investment
GoI / Government	The Government of India
HUF	Hindu Undivided Family
ICICI Trusteeship	ICICI Trusteeship Services Limited
Indian GAAP	Generally accepted accounting principles in India
Issue	Collectively, the Fresh Issue and the Offer for Sale
Investment and Subscription Agreements	These agreements include the following: ICICI Trusteeship Services Limited Investment Agreement ("ICICI Investment Agreement") with TV Today dated September 22, 2000. This agreement was executed in order to lay down the terms and conditions on the basis of which ICICI Trusteeship Services Limited agreed to subscribe to 2,400,000 Equity Shares of the Company of Rs.10 each. Living Media and Bharti Systel Limited entered into a Subscription Agreement ("Bharti Subscription Agreement") dated July 14, 2001 with our Company. This agreement was executed in order to lay down the terms and conditions on the basis of which Bharti Systel Limited agreed to subscribe to 2,400,000 equity shares of the Company of Rs.10 each. GE Capital Mauritius Equity Investment entered into a Share Purchase Agreement and an Investment Agreement ("GE Capital Mauritius Share Purchase Agreement and Investment Agreement"), both dated December 11, 2002 with our Company. This agreement was executed in order to lay down the terms and conditions on the basis which GE Capital Mauritius Equity Investment agreed to subscribe 800,000 equity shares and purchase of 1,000,000 equity shares of the Company of Rs.10 each
Issue Size	14,500,000 Equity Shares of the Company.
Issuer	T.V. Today Network Limited and/ or Selling Shareholders as the case may be
I.T. Act	The Income-Tax Act, 1961, as amended from time to time
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 0% to 100% of the Bid Amount
Memorandum / Memorandum of Association	The Memorandum of Association of T.V. Today Network Limited

Term	Description
Media Reach	"Media Reach" is defined by NRS as under: • *Press*: Readers of an average issue of a publication, i.e., the estimated number of those who have read any issue of the publication within a specified time interval, which is equal to the periodicity of the publication. • *TV*: Have watched TV once in a week. • *Radio*: Have heard Radio once in a week • *Cinema*: Have watched Cinema once in a month • *Internet*: Have surfed internet for once in a week
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders
Non-Institutional Portion	The portion of the Issue being a minimum of 3,625,000 Equity Shares of Rs.5 each available for allocation to Non-Institutional Bidders
Non-Residents	Non-Resident is a person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000
NRI / Non-Resident Indian	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 under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000
Offer for Sale	The offer for sale by the Selling Shareholders of 4,500,000 Equity Shares of Rs.5 each of the Company at the Issue Price in terms of this Prospectus
Issue Price	The final price at which Equity Shares will be transferred in terms of this Prospectus, as determined by the Company in consultation with the Selling Shareholders, the BRLM and Co-BRLMs, on the Pricing Date
Pay-in Date	The last date specified in the CAN sent to Bidders.
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the closure of the Pay-in Date
Price Band	Being the price band of a minimum price (Floor Price) of Rs.80 and the maximum price (Cap Price) of Rs.95 and includes revisions thereof.
Pricing Date	The date on which the Company in consultation with the Selling Shareholders and the BRLMs finalise the Issue Price
Prospectus	The Prospectus, filed with the RoC containing, *inter alia,* the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI and state industrial development corporations
RBI	The Reserve Bank of India

Term	Description
Registered Office of the Company	Videocon Tower, E-1, Jhandenwalan Extension, New Delhi - 110 055
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being MCS Limited having its registered office as indicated on the cover page of this Prospectus
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for more than 1,000 Equity Shares in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being a minimum of 3,625,000 Equity Shares of Rs.5 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Guidelines for Disclosure and Investor Protection) 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
Selling Shareholders	Living Media, Bharti Systel and Anika International
Stock Exchanges	BSE and NSE
Syndicate	The BRLM, Co-BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the Selling Shareholders, the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLM. In this case, Kotak Securities Limited and ICICI Brokerage Services Limited
TAM viewership data	Please see “Forward Looking Statements; Market Data”
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLM, Co-BRLM and Syndicate Members
Underwriting Agreement	The Agreement among the Syndicate, the Company and Selling Shareholder to be entered into on or after the Pricing Date
US GAAP	Generally accepted accounting principles in the United States
Uplinking Guidelines	Guidelines for Uplinking of News and Current Affairs Television channels from India issued by the Government of India, as amended from time to time

ABBREVIATIONS

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
	ABC Audit Bureau of Circulation
BSE	The Stock Exchange, Mumbai
BRLM	Book Running Lead Manager
CEO	Chief Executive Officer
Co-BRLM	Co- Book Running Lead Manager
CAGR	Compounded Annual Growth Rate
CAS	Conditional Access System
CDSL	Central Depository Services (India) Ltd.
CPRP	Cost Per Rating Point
C&S	Cable and Satellite
CSO	Central Statistical Organisation
CSO	Cable and Satellite Operators
DD	Doordarshan
DSNG	Digital Satellite News Gathering
EGM	Extraordinary General Meeting
EBITDA	Earning Before Interest Tax Depreciation and Amortisation
EPS	Earnings Per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1973
FTR	Fixed Time Rate
FIPB	Foreign Investment Promotion Board
FY / Fiscal	Financial year ending March 31
FICCI KPMG Report	FICCI KPMG The Indian Entertainment Sector Report of 2003
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GNCTD	Government of National Capital Territory of Delhi
GoI	Government of India
HUF	Hindu Undivided Family
IPO	Initial Public Offering
JMMS	JM Morgan Stanley Private Limited
Kotak/ KMCC	Kotak Mahindra Capital Company Ltd.
I-Sec	ICICI Securities Limited
MCD	Municipal Corporation of Delhi
MSO	Multi-satellite operators
NRS	National Readership Survey
NAV	Net Asset Value

Abbreviation	Full Form
NCT of Delhi	National Capital Territory of Delhi
NDMC	New Delhi Municipal Corporation
NRI	Non-Resident Indian
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Ltd.
NSE	National Stock Exchange of India Ltd.
NOC	No Objection Certificate
OB	Outdoor Broadcasting
PIB	Press Information Bureau
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RODP	Run On Day Part Rate
ROS	Run On Schedule
Rs	Indian Rupees
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana located at New Delhi
RONW	Return on Net Worth
SIA	Secretariat for Industrial Affairs
SEC	Socio Economic Classification
Supreme Court	Hon'ble Supreme Court of India
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
TV	Television
TRP	Total Rating Point
TRS	Transaction Registration Slip
TAM	TAM Media Research
UTI	Unit Trust of India
US	United States
UK	United Kingdom
USD	United States Dollar
VSAT	Very Small Apperture Terminal. A satellite communications technology that employs frequencies in the Ku band or C band and very small receiving dishes. VSAT systems employ satellite transponders; the receiving dishes may be leased or owned by the VSAT user.
WPC	Wireless and Planning Commission Wing of the Department of Telecommunication

In this Prospectus, any discrepancies in any table between the totals listed in the table and the sum of individual amounts listed in that table are due to rounding off.

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