DRAFT RED HERRING PROSPECTUS
Dated March 16, 2011
Please read Section 60B of the Companies Act, 1956
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Building Offer

ORTEL COMMUNICATIONS LIMITED

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

Registered Office: B-7/122A, Safdarjang Enclave, New Delhi – 110 029, India; **Telephone:** +91 11 4686 8800; **Facsimile:** +91 11 4686 8801
For further details in relation to change in our Registered Office, see section titled "History and Corporate Structure" on page 104.
Corporate Office: C-1, Chandrasekharpur, Near BDA Colony, Behind RMRC, Bhubaneswar 751 016, Orissa, India
Telephone: +91 674 3983 200/2303 464/3911 200; **Facsimile:** +91 674 2303 448
Contact Person and Compliance Officer: Mr. Lalit Kumar Mohanty; **Telephone**: +91 674 3911 358; **Facsimile**: +91 674 2303 448;
Email: ipo@ortelgroup.com; **Website**: www.ortelcom.com

PROMOTERS OF OUR COMPANY: MR. BAIJAYANT PANDA, MS. JAGI MANGAT PANDA, PANDA INVESTMENTS PRIVATE LIMITED AND UTKAL MANUFACTURING & SERVICES LIMITED

PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ORTEL COMMUNICATIONS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE TO THE PUBLIC OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,000 MILLION ("THE FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 8,182,598 EQUITY SHARES ("OFFER FOR SALE") BY NSR – PE MAURITIUS LLC (THE "SELLING SHAREHOLDER") AGGREGATING UP TO ₹ [●] MILLION. THE ISSUE INCLUDES A RESERVATION OF UPTO [●]% OF THE ISSUE SIZE CONSTITUTING 100,000 EQUITY SHARES FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●] % AND [●] % OF THE FULLY DILUTED POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

*Our Company and the Selling Shareholder are considering a private placement of up to 2,700,000 Equity Shares for cash consideration aggregating up to ₹750 million, at their discretion prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.*

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

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

The Issue is being made through the Book Building Process in compliance with the provisions of Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, (the **"SEBI Regulations**"), wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, that is 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. If at least 50 % of the Net Issue cannot be Allotted to QIBs, all the application monies will be refunded forthwith. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.
Further, up to [●] % of the Issue size, constituting 100,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. All Investors may participate in this Issue through the Application Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention is invited to section titled "*Issue Procedure*" on page 220.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, as stated in section titled "*Basis for the Issue Price*" on page 58) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]/5" indicating [●] in its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5/5" indicating strong fundamentals and "IPO Grade 1/5" indicating poor fundamentals. For more information on IPO grading, see sections titled "*General Information*", "*Other Regulatory and Statutory Disclosures*" and "*Material Contracts and Documents for Inspection*" on pages 11, 200 and 297 respectively.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
IDFC CAPITAL LIMITED Naman Chambers C – 32, G Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051, India Telephone: +91 22 6622 2600 Facsimile: +91 22 6622 2501 Email: ortel.ipo@idfc.com Investor Grievance ID: complaints@idfc.com Website: www.idfccapital.com Contact Person: Mr. Cyril Paul SEBI Registration No.: INM000011336	**CENTRUM CAPITAL LIMITED** Centrum House, Vidya Nagari Marg, CST Road Kalina, Santacruz (East) Mumbai 400 098, India Telephone: +91 22 4215 9000 Facsimile: +91 22 4215 9707 Email: ortel.ipo@centrum.co.in Investor Grievance ID: igmbd@centrum.co.in Website: www.centrum.co.in Contact Person: Ms. Hema Lalwani Wagle/ Mr. N. Saravanan SEBI Registration No.: INM000010445	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot no. 17 – 24, Vittalrao Nagar Madhapur Hyderabad – 500 081, India Telephone : +91 40 2342 0815 Facsimile : +91 40 2343 1551 Email: eiwward.ris@karvy.com Investor Grievance ID : ortel.ipo@karvy.com Website : www.karvy.com Contact Person : Mr. Murli Krishna SEBI Registration No. : INR000000221

BID/ISSUE PROGRAMME*

FOR ALL BIDDERS	**ISSUE OPENS ON [●]**
FOR QIBs	**ISSUE CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**ISSUE CLOSES ON [●]**

* *Our Company and the Selling Shareholder may consider participation by Anchor Investors. Anchor Investor shall Bid on Anchor Investor Bidding Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
Our Company/ the Company/ the Issuer/ Ortel/ we/ us/ our	Ortel Communications Limited, a public limited company incorporated under the Companies Act.
Articles/ Articles of Association	The articles of association of our Company, as amended.
Auditors	The statutory auditors of our Company, being Price Waterhouse, Chartered Accountants.
Board/ Board of Directors/ our Board	The board of directors of our Company, or a duly constituted committee thereof.
Corporate Office	The corporate office of our Company, presently located at C-1, Chandrasekharpur, Near BDA Colony, Behind RMRC, Bhubaneswar 751 016, Orissa, India.
Director(s)	The director(s) of the Company, unless otherwise specified.
OSOP 2000	The Ortel Stock Option Plan, 2000 approved by our Board vide its resolution dated September 25, 2000 for grant of stock options for 1,000,000 Equity Shares to the employees and associates of our Company.
OSSOP 2006	The Ortel Special Stock Option Plan, 2006 approved by our Board vide its resolution dated May 13, 2006 for grant of stock options for 200,000 Equity Shares to the employees and associates of our Company.
Group Companies	The companies, firms, ventures, etc. promoted by our Promoters, irrespective of whether such entities are covered under section 370(1) (B) of the Companies Act and as described in section titled "*Our Group Companies*" on page 131.
Key Management Personnel	The Key Management Personnel as listed in the section titled "*Our Management*" on page 109.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
Promoters	The promoters of our Company, being Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and Utkal Manufacturing & Services Limited.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations, as enlisted in the section titled "*Our Promoters and Promoter Group*" on page 125.
Registered Office	The registered office of our Company, presently located at B-7/122A, Safdarjang Enclave, New Delhi 110 029, India.
RoC	The Registrar of Companies, NCT Delhi & Haryana.

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	The allotment of Equity Shares pursuant to the Fresh Issue and the transfer of Equity Shares pursuant to the Offer for Sale.
Allottee	A successful Bidder to whom Allotment is made.
Allotment Advice	In relation to Bidders other than Anchor Investors, the note or advice or intimation of Allotment of the Equity Shares, sent to each successful Bidder who have been or are to be Allotted Equity Shares after discovery of the Issue Price, including any revision thereof.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our

Term	Description
	Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager prior to the Bid Opening Date.
Anchor Investor Bidding Date	The date one Working Day prior to the Bid Opening Date prior to or after which the Syndicate will not accept any Bids from Anchor Investors.
Anchor Investor Issue Price	The price at which Allotment is made to Anchor Investors in terms of the Red Herring Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
Anchor Investor Pay-in Date	In case of Anchor Investor Issue Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid Closing Date.
Anchor Investor Portion	Up to 30% of the QIB Portion or up to [●] Equity Shares available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Issue Price, in accordance with the SEBI Regulations.
ASBA or Application Supported by Blocked Amount	The application (whether physical or electronic) used to make a Bid authorizing the SCSB to block the Bid Amount in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by such ASBA Bidder.
ASBA Bidder(s)	Any Bidder other than an Anchor Investor who applies through ASBA in accordance with the terms of the Red Herring Prospectus.
ASBA Form	The form, whether physical or electronic, by which an ASBA Bidder can make a Bid pursuant to the terms of the Red Herring Prospectus and which contains an authorisation to block the Bid Amount in an ASBA Account.
ASBA Revision Form	The form, whether physical or electronic, used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms (if submitted in physical form).
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders as described in "*Issue Procedure – Basis of Allotment*" on page 250.
Bid	An indication by a Bidder to make an offer to subscribe for or purchase Equity Shares in terms of the Red Herring Prospectus.
Bidder	A prospective investor in this Issue who makes a Bid, and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding	The process of making a Bid.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form and in case of ASBA Bidders, the amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which a Bidder (other than an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus and which will be considered as an application for Allotment.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, the Bidding by QIBs shall close one Working Day prior to the Bid Closing Date.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and in case of any revision, the extended Bid Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date or the QIB Bid Closing Date, as the case may be (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids, inclusive of any revision thereof.

Term	Description
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
Book Running Lead Managers or BRLMs	Book running lead managers to this Issue, being IDFC Capital Limited and Centrum Capital Limited.
CAN or Confirmation of Allocation Note	In relation to Anchor Investors, the note or advice or intimation including any revisions thereof, sent to each successful Anchor Investors indicating the Equity Shares allocated after discovery of the Anchor Investor Issue Price.
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Co-Book Running Lead Manager/ CBRLM	SREI Capital Markets Limited.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, at which only the Retail Individual Bidders and Eligible Employees are entitled to Bid, for Equity Shares of an amount not exceeding ₹ 200,000.
Depository	A depository registered with the SEBI under the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant or DP	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in/pmd/scsb.html or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks transfer and the SCSBs issue instructions for transfer of funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account in terms of the Red Herring Prospectus.
Designated Stock Exchange or DSE	[●].
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated March 16, 2011 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations and section 60B of the Companies Act.
Eligible Employee	A permanent and full-time employee of our Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form/ ASBA Form and who continue to be in the employment of our Company until submission of the Bid cum Application Form/ ASBA Form.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Employee Reservation Portion	Upto [●]% of the Issue size, constituting 100,000 Equity Shares, available for allocation to Eligible Employees.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Escrow Account(s)	Accounts opened with Escrow Collection Bank(s) for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount.
Escrow Agreement	An agreement to be entered among our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form or ASBA Revision Form, as applicable.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this

Term	Description
	case being ₹ [●], and any revisions thereof.
Fresh Issue	The issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 1,000 million by the Company offered for subscription pursuant to the terms of the Red Herring Prospectus.
IPO Grading Agency	[●], the credit rating agency appointed by our Company for grading this Issue.
Issue	The public issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share for an amount aggregating up to ₹ [●] million, consisting of the Fresh Issue and the Offer for Sale.
Issue Agreement	The agreement entered into on March 16, 2011 between our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The price at which Allotment will be made, as determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager.
Issue Proceeds	Gross proceeds to be raised by our Company through the Fresh Issue.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	[●] Equity Shares or 5% of the Net QIB Portion, available for allocation to Mutual Funds out of the Net QIB Portion.
Net Issue	The Issue less the Employee Reservation Portion.
Net Proceeds	Net proceeds of the Fresh Issue after deducting the Issue related expenses from the Issue Proceeds.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors on a discretionary basis.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Bidders	All Bidders (including ASBA Bidders and Sub-Accounts which are foreign corporates or foreign individuals) that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders.
Offer for Sale	The offer for sale of up to 8,182,598 Equity Shares by the Selling Shareholder aggregating up to ₹ [●] million, pursuant to the terms of the Red Herring Prospectus.
Pre-IPO Placement	The private placement of up to 2,700,000 Equity Shares, for cash consideration aggregating up to ₹ 750 million by the Company and the Selling Shareholder at their discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.
Preference Shares	Preference Shares of face value ₹ 10 each
Price Band	The price band between the Floor Price and Cap Price, including any revisions thereof.
Pricing Date	The date on which the Issue Price is finalised by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company under Section 73 of the Companies Act to receive money from the Escrow Account and where the funds shall be transferred by the SCSBs from the ASBA Accounts on the Designated Date.
QIBs/ Qualified Institutional Buyers	As defined under the SEBI Regulations and includes public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), VCFs,

Term	Description
	FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, the NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, eligible for Bidding in this Issue.
QIB Bid Closing Date	The date one Working Day prior to the Bid Closing Date.
QIB Portion	The portion of the Net Issue being at least 50% of the Net Issue, that is, at least [●] Equity Shares shall be Allotted to QIBs (including the Anchor Investor Portion).
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations, which does not have complete particulars on the Issue Price and size of this Issue.
Refund Account(s)	The account opened by our Company with the Refund Banker, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made out of the subscription monies transferred from the Public Issue Account.
Refund Banker(s)	The Banker(s) to the Issue, with whom the Refund Account(s) will be opened, in this case being [●].
Registrar/ Registrar to the Issue	Karvy Computershare Private Limited.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta, and Eligible NRIs) who have Bid for an amount less than or equal to ₹ 200,000.
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders other than ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/pmd/scsb.html or at such other website as may be prescribed by SEBI from time to time.
Selling Shareholder or NSR	NSR – PE Mauritius LLC, a company registered under the laws of the Republic of Mauritius, and having its registered office at 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius.
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement to be entered by our Company, the Selling Shareholder and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Syndicate	The Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members.
Transaction Registration Slip/ TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company, the Selling Shareholder and the Registrar to the Issue on or immediately after the Pricing Date.
Working Days	All days other than a Sunday or a public holiday on which commercial banks in Mumbai are open for business, except in reference to announcement of Price Band and Issue Period, where a working day shall mean all days other than a Saturday, Sunday or a public holiday on which commercial banks in Mumbai are open for business.

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

Abbreviation	Full Form
AED	Arab Emirates Dirham.
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BAN	Beneficiary account number.
BSE	The Bombay Stock Exchange Limited.
CAGR	Compound annual growth rate, calculated using the following formula: $\mathrm{CAGR}(t_0, t_n) = \left(\frac{V(t_n)}{V(t_0)}\right)^{\frac{1}{t_n - t_0}} - 1$ Where V(t0) : start value, V(tn) : finish value, tn – t0 : number of years
Companies Act	Companies Act, 1956, as amended.
CEO	Chief Executive Officer.
CENVAT	Central Value Added Tax.
CESU/CESCO	Central Electricity Supply Utility of Orissa
CFO	Chief Financial Officer.
CIN	Corporate Identity Number.
CST	Central Sales Tax Act, 1956, as amended.
CDSL	Central Depository Services (India) Limited.
CII	Confederation of Indian Industries
Demat	Dematerialised.
DIN	Directors Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DoT	The Department of Telecommunications.
DP ID	Depository Participant’s Identity.
D/o	Daughter of
ECB	External Commercial Borrowings.
ECS	Electronic Clearing System.
EGM	Extraordinary General Meeting.
EPS	Earning Per Share.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment, as laid down in the Consolidated FDI Policy dated October 1, 2010.
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
FICCI	Federation of Indian Chambers of Commerce and Industry
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Foreign Investment Promotion Board of the Government of India.
Fiscal/ Financial Year/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FVCI	Foreign venture capital investor as defined in and registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GoI/Government of India/ Central Government	The Government of India.
GRIDCO	Grid Corporation of Orissa Limited
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants in India.
ICCL	Indian Charge Chrome Limited
IFRS	International Financial Reporting Standards.
IMFA	Indian Metals & Ferro Alloys Limited.

Abbreviation	Full Form
Indian GAAP	Generally accepted accounting principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
IPC	Indian Penal Code, 1860, as amended.
IPICOL	Industrial Promotion & Investment Corporation of Orissa
IPO	Initial Public Offer.
IRDA	Insurance Regulatory and Development Authority.
IT Act	Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended from time to time.
IT Department	Income Tax Department, GoI.
Karnataka Bank Consortium	A consortium comprising Karnataka Bank, UCO Bank and SREI.
Listing Agreement	Listing Agreement to be entered into by our Company with the Stock Exchanges.
LEO	Labour Enforcement Officer
Ltd.	Limited.
L&T	L&T Finance Limited.
MACT	Motor Accident Claims Tribunal
MBA	Master's in Business Administration.
MIB	Ministry of Information and Broadcasting, Government of India.
N.A.	Not Applicable.
NAV	Net Asset Value.
NI Act	Negotiable Instruments Act, 1881, as amended.
No.	Number.
NR(s) or Non Resident(s)	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OERC	Orissa Electricity Regulatory Commission
OFGI	Oriental Fire & General Insurance
OSEB	Orissa State Electricity Board
OSTIP Regulation	Orissa Scheduled Areas Transfer of Immovable Property (by Scheduled Tribes) Regulation, 1956, as amended
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number allotted under the IT Act.
PBT	Profit Before Tax.
PBDIT	Profit/ (Loss) before Interest, Depreciation and Taxation.
PLR	Prime Lending Rate.
Pvt.	Private.
R&D	Research and Development.
Re.	One Indian Rupee.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
₹/Rs./Rupees / INR	Indian Rupees.
S/o	Son of
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.

Abbreviation	Full Form
SEBI	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SREI	SREI Equipment Finance Private Limited.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TAN	Tax deduction account number allotted the IT Act.
TDS	Tax Deduction at Source.
TDSAT	Telecom Disputes Settlement Appellate Tribunal
TIN	Taxpayers Identification Number.
TRS	Transaction Registration Slip.
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
UoI	Union of India.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S./ US/ U.S.A/United States	The United States of America, together with its territories and possessions.
Ushodaya	M/s Ushodaya Enterprises Private Limited
XLRI	Xavier Labour Relations Institute.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.

Industry/ Project Related Terms, Definitions and Abbreviations

Term	Description
ADSL	Asymmetric Digital Subscriber Line
ARPU	Average Revenue Per User per month
BWA	Broadband Wireless Access
C&S	Cable and Satellite
CAGR	Compound Annual Growth Rate
CAS	Conditional Access System
DSNG	Digital Satellite News Gathering
DTH	Direct-to-home
DVR	Digital Video Recorder
EPG	Electronic Program Guide
ERP	Enterprise Resource Planning System
FICCI KPMG Report 2010	FICCI KPMG Report 2010 , “*The Indian Entertainment and Media Industry*”
FTA	Free-to-Air
GDP	Gross Domestic Product
HFC	Hybrid Fibre Coaxial topology
HHTs	Hand Held Terminals
HITS	Headend-in-the-sky
IPTV	Internet Protocol Television
IRD	Integrated Receiver cum Decoder
ISP	Internet Service Provider
ISRO	Indian Space Research Organization
‘last mile’	Network where the MSO has direct control over the subscriber/ end customer.
LCOs	Local Cable Operators
M&E	Media and Entertainment
MPA Report 2009	Media Partners Asia Limited’s report titled “*Asia Pacific Pay-TV & Broadband Markets 2009*”
MPA Report 2010	Media Partners Asia Limited’s report titled “*Asia Pacific Pay-TV & Broadband*

Term	Description
	Markets 2010”
MSOs	Multi System Operators
NVoD	Video on Demand
OFC	Optic Fibre Cable network
Primary Subscriber	A subscriber to whom services are delivered through the ‘last mile’ cable link owned by the MSO
RF	Radio Frequency network
RGUs	Revenue Generating Units
Secondary Subscriber	A subscriber to whom services are delivered through the ‘last mile’ cable link owned by the ICO and / or the LCO
STB	Set-top box
TRAI	Telecom Regulatory Authority of India
VoiP	Voice over Internet Protocol
xDSL	Digital Subscriber Line

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

Notwithstanding the foregoing, terms in sections titled “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*” and “*Financial Information*” on pages 257, 61 and F-1, respectively, have the meanings given to such terms in these respective sections.

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

Financial Data

Unless indicated otherwise, the financial data and other financial information in this Draft Red Herring Prospectus is derived from the restated financial information of the Company for the Fiscals 2006, 2007, 2008, 2009, 2010 and six months period ended September 30, 2010, prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations.

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

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

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

For more information on the results of operations and financial condition of the Company, see the section titled "*Financial Information*" beginning on page F-1.

Industry and Market Data

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

Presentation of Currency

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

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

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

Period	Period End (in ₹)	Period Average (in ₹.)	High (in ₹.)	Low (in ₹.)
Six months ended September 30, 2010	44.92	46.09	47.57	44.33
FY 2010	45.14	47.42	50.53	44.94
FY 2009	50.95	45.91	52.06	39.89
FY 2008	39.97	40.24	43.15	39.27
FY 2007	43.59	45.29	46.95	43.14
FY 2006	44.61	44.28	46.33	43.30

(Source: RBI Reference Rate)

FORWARD-LOOKING STATEMENTS

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

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

For further discussion of factors that could cause our actual results to differ, see sections titled “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on pages xiii and 142, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

SECTION II – RISK FACTORS

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

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

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

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

We do not have a pan India presence. The majority of our subscriber base is concentrated in Orissa. As of January 31, 2011, 89.66% of our subscribers are in Orissa and our revenues are primarily derived from sale of cable TV and broadband services in Orissa. While we believe that we have a strong presence in the cable industry in Orissa, we continue to face competition from the existing or new service providers such as Direct-to-home ("**DTH**") players, regional MSOs and LCOs. Customer demands and preferences in television programmes continuously change. In the event a national MSO enters the market or a regional MSO or LCO starts to provide better and/or cheaper services or we cannot correctly identify customer preferences, we may not be able to retain or grow our subscriber base in Orissa and it may have an adverse impact on our revenues and results of operations.

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

2. We may not be able to successfully scale and grow our business operations

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

- the ability to identify and acquire subscribers on a cost-effective basis;
- the ability to identify and correctly assess the cost of investment and the growth potential on a new location;
- the ability to obtain the content rights of the start-up sites;
- the ability to obtain legal right of way for laying the cables;
- the ability to integrate acquired operations and networks effectively;

- the ability to address the unanticipated problems, tax or accounting issues or legal liabilities of the acquired businesses; and
- the ability to arrange adequate funding for the capital expenditure to expand our network with the 'last mile' connections.

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

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

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

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

4. We have incurred losses in the Fiscals 2010 and 2009 and for the six months ended September 30, 2010 and have had negative cash flows from operating and investing activities in certain years

We have in the past, and may in the future experience losses and have negative cash flows. As has been set forth in the financial information, in Fiscal 2010 and Fiscal 2009, our loss after taxation were ₹ 59.64 million and ₹ 57.46 million, respectively. Our loss after taxation for the six months ended September 30, 2010 were ₹ 71.95 million and we have had negative cash flow of ₹ 19.66 million in Fiscal 2009 from operating activities. Further, we have had negative cash flow of ₹ 257.69 million, ₹ 494.99 million, ₹ 668.74 million and ₹ 259.18 million for the six months ended September 30, 2010, Fiscal 2010, Fiscal 2009 and Fiscal 2008, respectively from investing activities. If we continue to incur losses or have negative cash flows, our business could be adversely affected.

5. Change in our Board requires the prior approval of the Ministry of Information and Broadcasting, which is currently pending

Our company has a Grant of Permission Agreement for Teleport dated June 25, 2007 ("**GOPA**") which has been granted to establish, maintain and operate an uplinking hub (Teleport) at Bhubaneswar. Our Company uplinks certain channels of Odisha Television Limited, one of the Group Companies, through the Teleport License. Our Company has also obtained permission dated December 4, 2008 for operation of one C-Band DSNG Van at Bhubaneswar for getting live feeds from all over India. The DSNG Van is given on hire to Odisha Television Limited. Both Teleport and DSNG services are ancillary to our business and accounted for 2.62% of our total income, for the six month period ending September 30, 2010. Under Clause 7.4 of the GOPA, read with Clause 5. 10 of the Guidelines for Uplinking from India, dated December 2, 2005 (the "**Uplinking Guidelines**"), it would be obligatory on the part of the Company to take prior permission from the Ministry of Information and Broadcasting, GoI ("**MIB**") before effecting any change in the Board. Any violation of the Uplinking Guidelines and the terms of the GOPA in the first instance attracts the right by the appropriate authorities to impose penalties along with the suspension of the Permission and a prohibition to broadcast up to a period of 30 days. Our Company has made an application dated February 1, 2011 to the MIB for the approval for appointment of the independent Directors, Mr. K. V. Seshasayee, Mr. R.R.N. Prasad, Major (Retd.) R.N. Misra, Dr. P.T. Joseph and Mr. Debaraj Biswal, who have been appointed to the Board of Directors on February 2, 2011. The application is currently pending.

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

We have experienced a steady growth in the recent past. Our subscriber base has grown from 183,841 in March 31, 2008 to 404,437 in January 31, 2011. Our total income has grown from ₹431.50 million in Fiscal 2008 to ₹538.63 million in 2009 and to ₹ 785.30 million in Fiscal 2010, at a CAGR of 34.90% over a two year period and our PBDIT has increased from ₹ 108.26 million in Fiscal 2008 to ₹ 205.94 million in Fiscal 2010, at a CAGR of 37.92% over a two year period. Going forward, there can be no assurance that the past increases in our subscriber numbers and revenues will be sustainable.

Alternatively, in the event the growth continues, it will place significant demands and require us to continuously evolve and improve our operational, financial and internal controls. In particular, continued expansion may increase the challenges involved in:

- preserving a uniform culture, values and work environment across our businesses;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel; and
- maintaining high levels of customer satisfaction.

Any inability to manage the above factors may have an adverse effect on our revenues, business and results of operations.

7. Our past rate of growth through acquisition of MSOs and LCOs may not be replicated in future

The focus of our growth strategy has been to acquire subscribers of MSOs and LCOs. Since April 1, 2008 to January 31, 2011, we have acquired 107,603 subscribers through acquisition of 347 MSOs/ LCOs. This growth rate may not be reflective of our future growth, as we may not be able to identify or acquire suitable MSOs and LCOs.

As a part of 'last mile' connection strategy, we intend to continue to selectively acquire MSOs/ LCOs but we may not always be able to acquire adequate number of subscribers at the appropriate price. Further, we may not be able to arrange for adequate funding. In addition, we may not be able to successfully integrate the acquired business into our business operations which may have an adverse effect on our revenues, business and results of operations.

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

We obtain a valid legal right of way for rolling out our infrastructure in any market. We depend on approvals from municipal corporations, electricity distribution companies and other statutory authorities for use of public infrastructure like poles for laying cables and ducts. The legal right of way thus obtained provides complete legal sanctity to our network and enables us to do proper planning and easy value addition. The owners of the private areas through which our network passes may refuse to give us a right of way or charge us a higher amount for the same. In the future, if we are unable to obtain or renew the existing right of way for laying down the infrastructure, we may not be able to expand our cable network which may adversely affect our business.

The Energy Department, Government of Orissa issued certain notifications dated October 11, 2001 and January 4, 2002 which permitted only one cable operator to lay their cables on a pole. Our Company has made substantial investments towards building up its cable infrastructure network in the state of Orissa for the last 15 years. A subsequent notification issued by the Energy Department, Government of Orissa prescribed that rights of way with respect to one pole, would henceforth be granted to three eligible MSOs who would be selected after the bidding process. Our Company challenged this notification before the High Court of Orissa contending that they would incur significant losses if the existing rights of way were to be discontinued. The High Court of Orissa passed an order dated July 21, 2010 directing the state government of Orissa to bring about appropriate modifications in the policy so as to make the policy reasonable. We cannot assure that such modification, when implemented, will enable us to mitigate our losses or to promote our business operations.

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

As a part of our strategy, we plan to roll out digital television services and expand our digital cable penetration. In order to achieve this we plan to convert our analog customers to digital customers and acquire and convert DTH subscribers through pricing strategies and by offering a larger bouquet of channels, localized content, better quality and value added services. Such conversion will require increased capital expenditure for digital head end, set-top boxes and new software. Delayed adoption by subscribers or failure on our part to acquire digital customers could force us to offer substantial incentives or otherwise incur significant costs to encourage migration from analog to digital cable television services, thereby adversely affecting our revenues and potential increase in the churn of subscribers.

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

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

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

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

Bandwidth is expensive in the areas where we operate in India particularly compared to certain areas like Mumbai where we do not operate. We lease our international bandwidth to provide broadband services from gateway providers. There are only few gateway providers of international bandwidth in India and consequently, the price that they may charge may not be competitive. Increase in international bandwidth costs would increase our operating costs and may adversely affect our profitability.

Further, the market penetration rates of personal computers and online access in India is low. There can be no assurance that the number or penetration rate of personal computers in India will increase rapidly or at apace beneficial to our business. Subscribers will have to bear significant costs for obtaining the hardware and software necessary to connect to the internet in India. If such costs do not become affordable, our broadband services subscriber base will be curtailed or may not expand, which may adversely affect our business and results of operations.

12. ***Our business may not be compatible with delivery methods of broadband services developed in the future and our service offerings may not be compatible with future industry standards. We may not be able to increase our customer base, revenues and profitability for our broadband business, which could adversely affect our business, results of operations and financial condition***

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

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

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

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

Currently, there is one criminal proceeding outstanding against our Company. A criminal complaint has been filed by the labour enforcement officer, Paradeep against our Company alleging breach of various provisions of Payment of Wages (Major Port) Act, 1936, including the provisions which require fixing of date of payment to the workers and display of notice of date and time of payment at the workspot.

In addition to the above, there are outstanding criminal proceedings pending against our Promoters and our Group Companies, and any adverse order or direction by the relevant authority, although not quantifiable, could have a material adverse impact on our business and reputation. For further details in relation to outstanding litigation against our Company, our Promoters and our Group Companies, see section titled "*Outstanding Litigation and Material Developments*" beginning on page 172.

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

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

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

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

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

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

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

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

As of December 31, 2010, we have an outstanding debt of ₹ 1,443.41 million. The significant amount of debt may affect our cash flow in terms of payments on borrowings and interest thereon and also our ability to borrow. A substantial portion of our operating cash flow is required to service our debt and other repayment obligations. This reduces funds available to finance our operations and pursue new business opportunities, limits our flexibility in responding to changing business and economic conditions. Our financing agreements require us to maintain certain security margins and/or financial ratios. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of our assets, if we do not have sufficient cash or credit facilities to make repayments.

Under the terms of the loan agreements, we are required to obtain the prior written consent of the concerned bank prior to our Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction, selling, leasing, transferring all or substantial portion of its fixed and other assets; availing of any fresh credit facilities so long as the loan accounts continue in the books of lender; declaration and/or payment of dividend to the shareholders of our Company in a particular year, if our Company has not paid the installment of the principal, interest and/or other money payable to lender up to the particular year; assignment or transfer any of our Company's rights, benefits or obligations under the loan agreement; provision of any security or commission to the guarantor by our Company, for giving the guarantee; making any change in ownership or control or constitution of our Company, capital structure, creation of subsidiaries or in the nature of business of our Company; making any corporate investment or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make such advances to the employees; or undertaking guarantee obligations on behalf of any third party or any other company. For further details, see sections titled "*Management Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Indebtedness*" beginning on pages 142 and 164, respectively.

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

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

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

Our network infrastructure may be damaged or disrupted by fire, lightning, flooding and other calamities, technology failures, human error, terrorist attacks, hacker attacks and malicious actions and other similar events. We cannot be certain that our backup and protective measures will be sufficient and effective under all circumstances and that disruptions or damage will not occur. Damage or disruption to our infrastructure could result in reduced revenues, increased costs, loss of customers, subscribers and damage to our reputation.

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

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

19. Our pay content providers may discontinue or increase the cost of providing content to us which may result in loss of revenue

Our pay content providers enter into subscription agreements with us which sets forth the commercial and technical terms and conditions for the supply of television channel signals. These subscription agreements have terms ranging from one to two years and contain various renewal and termination provisions. The Telecom Regulatory Authority of India ("**TRAI**") has formulated 'must provide' obligations in terms of which broadcasters are required to provide signals of the channels to the MSOs in a non-discriminatory manner. M/s Ushodaya Enterprises Private Limited has filed a petition against our Company before the Telecom Disputes Settlement Appellate Tribunal ("**TDSAT**") to direct our Company to carry the signals of ETV-Oriya channel on our Company's head-ends. For further details, see section titled "*Outstanding Litigation and Material Developments*" on page 172.

Our content providers may choose not to renew, increase costs, which we may not be able to pass onto our subscribers, or terminate their agreements and/or discontinue airing the television channels either at will or due to our default in complying with the terms of the agreements. Any such disconnection may decrease our subscriber base, require us to refund subscription fees that have accrued or have already been paid or increase cost of 'pay' channels, which could adversely affect our revenues and results of operations.

20. Problems with the service quality or performance of service may adversely effect our operations

Our operations may suffer systems' failures caused by natural calamities, power loss, telecommunications failures, network software flaws, acts of terrorism and certain other factors beyond our control. Most commonly, we face problems of cable wire disconnection which leads to temporary stoppage of our services in such areas. Further, in areas where such disruptions take place on a frequent basis, we may not be able to collect subscription fees or may be required to refund fees for the period of disconnection. If we are unable to provide and sustain high quality services, our credibility, market acceptance and subscriber retention and revenues could be adversely affected.

21. Increased subscriber acquisition costs could materially adversely affect our financial performance

We incur costs relating to customers acquired by us and customers acquired through third-parties. These costs may materially increase to the extent we continue or expand our current sales promotion activities or introduce other more aggressive promotions, or due to increased competition. Any material increase in acquisition costs from current levels would negatively impact our earnings and could materially adversely affect our financial performance.

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

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

23. Some of our Group Companies are in the same line of business as our Company.

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

However, currently Metro Skynet Limited is not carrying out any business activities. Further, Odisha Television Limited is currently not engaged in activities similar to the business of our Company and is engaged in the business of broadcasting. For further details regarding these Group Companies, see section titled "*Our Group Companies- Common Pursuits of our Group Companies*" on page 139. Our Company has not entered into any arrangement to mitigate the conflict of interests. Therefore, there may be conflicts of interest in addressing business opportunities and strategies between our Company and such Group Companies.

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

Our Company, our Promoters, our Directors and our Group Companies are involved in a number of proceedings including criminal proceedings, civil proceedings, consumer dispute proceedings, telecom dispute proceedings, labor dispute proceedings, land acquisition and land title matters, which are related primarily to our ordinary course of business. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our business, reputation, financial condition and results of operations and cash flow. Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable in the summary given below. For further details on these proceedings, see section titled "*Outstanding Litigation and Material Developments*" beginning on page 172.

Category	Company		Promoters/ Directors		Promoter Companies		Group Companies	
	No. of Proceedings	Amount (₹ million) **#	No. of Proceedings	Amount (₹ million) **#	No. of Proceedings	Amount (₹ million)	No. of Proceedings	Amount (₹ million)
Criminal Complaints/ Proceedings	1	Not ascertainable	---	---	1	Not ascertainable	1	Not ascertainable
Civil Proceedings	16	Not ascertainable	12	Not ascertainable	9	Not ascertainable	4	Not ascertainable
Labor Proceedings	2	0.27	1	---	3	Not ascertainable	---	Not ascertainable
Tax Proceedings	5	14.8	3	0.22	---	---	---	Not ascertainable
Consumer Dispute Proceedings	27	17.55	---	---	---	---	---	Not ascertainable
Total	**51**	**32.62**	**16**	**0.22**	**13**		**206**	

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

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

As of September 30, 2010, our contingent liabilities as disclosed in our restated financial information were as follows:

(₹ in million)

Contingent Liability	Six months ended September 30, 2010
Bank Guarantee	0.50
Entry Tax demand under Appeal	0.10
Entertainment Tax demand under Appeal	6.98
Arrear Preference Dividend- 2005-06 to 2009-10	23.76
Total	**31.34**

To the extent that any of these contingent liabilities become actual liabilities, they will adversely affect our result of operations and financial conditions in the future.

26. We have entered into certain related party transactions and there is no assurance that we may not continue to do so in future

We have entered into transactions with several related parties, including our Promoters, Directors and Promoter Group entities. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest and may impose certain obligations on our Company. For more information regarding our related party transactions, refer to "*Financial Information– Related Party Transactions*" on page F-15.

27. Our future results of operations could fluctuate because our expenses are relatively fixed in the short term

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

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

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

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

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

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

In addition, we may not be successful in the execution of our business strategies, including those described in detail under *"Our Business – Strategies"* on page 81. We may experience delays in the implementation of these strategies for various reasons, including a failure to integrate our networks and technologies, capital shortfalls, failure of third party suppliers to deliver services and products in a timely manner and our inability to meet our own implementation schedules. There can be no assurance that our business strategies will be satisfactorily implemented and the growth of our business may be adversely affected.

29. Our auditors, for the respective financial years, have identified certain matters in their auditors report on statutory audited financial statements as "matters for emphasis" which do not require any adjustments to the restated financial information of the Company included in the DRHP

The Auditors have stated certain matters as matters for emphasis in their auditors report on statutory audited financial statements of the Company that did not require adjustments in the restated financial information presented herein. The matters related primarily to:

1. In Fiscal 2010, non redemption of 5,121,897 10.5% non convertible redeemable preference shares ("**NCRPs**") that were due for redemption on March 31, 2010, and the subsequent redemption of the NCRPs by a fresh issue of 5,121,897 cumulative non convertible redeemable preference shares of ₹ 10 each redeemable at par.
2. The Company is in the process of updating the fixed assets records showing full particulars including quantitative details and situation of fixed assets for the Fiscals 2010 and 2009. The Company taking appropriate action to update the fixed assets register showing full particulars including quantitative details and situation of fixed assets.
3. Physical verification of a portion of the fixed assets of the Company for Fiscal 2010 and Fiscal 2009.
4. Particulars of dues of entry tax, entertainment tax and sales tax as at March 31, 2010, 2009, 2008, 2007 and 2006, outstanding for more than six months as at those respective dates, which have not been deposited on account of a dispute.

For further details, see section titled "*Financial Information"* begining on page F-1.

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

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

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

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

32. We may not be able to successfully implement the conditional access system ("CAS") and may face customer resistance

While the shift from analog cable services to digital is mandatory in the limited areas where CAS has been implemented, we cannot predict whether a further rollout of CAS will be on a mandatory or voluntary basis. In August 2010, the TRAI has announced key recommendations for the sector including a sunset date of December 2013 for complete migration from analog to digital cable services. However, the MIB has proposed a revised schedule for achieving complete digitization by March 31, 2015. Therefore, there can be no assurance that we will be able to successfully convert our analog subscribers to digital subscribers. We may not be able to comply with the requirements due to resistance posed by our customers and LCOs.

Additionally, television viewers in India are accustomed to receiving terrestrial broadcast television channels for free and analog cable transmission at a relatively low monthly price and may not be willing to pay higher costs for digital television services, or additional fees for value-added services. Non availability of set top boxes may also hamper the timely implementation of the conditional access system. For information on CAS, see section titled "*Regulations and Policies*" and "*Industry Overview*" on pages 94 and 69.

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

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

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

34. A portion of our revenue consists of channel carriage fees, which are dependent upon the continued demand of channels to be placed in certain preferred frequencies

We derive a portion of our revenue from channel carriage fees. As of September 30, 2010 channel carriage fees contributed to 12.83% of our total income. These fees are paid to us by broadcasters for carrying their channels and placing their channels on their preferred signal and frequency band. Channel carriage fees are determined by the households we reach, the availability of preferred frequency bandwidth, the geographic regions in which we operate and competition among television broadcasters for the preferred frequency band. In the event of any decline in the growth of the broadcasting business in India or the regions we operate in or if new channels are not introduced, our revenues may decrease. Further, revenues from channel carriage fees depend upon the availability of frequencies. If the frequencies requested by a broadcaster have already been provided to another, we may not be able to provide such broadcaster with the same frequency, thereby adversely affecting our business and results of operations.

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

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

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

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

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

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

37. Our exposure to the credit risks of our customers, vendors and third parties could adversely affect our cash flow, results of operations and financial condition

We are exposed to risks associated with the potential financial instability of our customers, many of whom may be adversely affected by the general economic downturn. In addition, we are susceptible to risks associated with the potential financial instability of the vendors and third parties on which we rely to provide products and services or to which we delegate certain functions and lead to significant increases in prices, reduction in output or the bankruptcy of our vendors or third parties upon which we rely. Any interruption in the services provided by our vendors or by third parties could adversely affect our cash flow, results of operation and financial condition.

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

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

Any future growth of our business through strategic investments or acquisition of joint ventures may require significant resources and/or result in significant unanticipated losses, costs or liabilities. In addition, expansions, acquisitions or joint ventures may require significant managerial attention, which may be diverted from our other operations.

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

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

LCOs.

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

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

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

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

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

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

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

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

Of our 27 business locations, we have taken applied for certifications under the respective Shops and Establishment Act of the various states 11 locations. Further, On February 8, 2011, our Company has filed applications with the Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of "Ortel Digital", "Ortel Broadband" and "Ortel Home Cable" as trademark. On February 25, 2011, our Company has filed an application with Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of "Ortel e Phone" as trademark.

Our Company has also made an application dated February 1, 2011 to the MIB for the approval for appointment of the independent Directors, Mr. K. V. Seshasayee, Mr. R.R.N. Prasad, Major (Retd.) R.N. Misra, Dr. P.T. Joseph and Mr. Debaraj Biswal, who have been appointed to the Board of Directors on February 2, 2011. The application is currently pending with the MIB for approval.

For more information about the licences required in our business and the licenses and approvals applied for, see sections titled "*Regulations and Policies*" and "*Government and Other Approvals*" beginning on page 94and 194, respectively.

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

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

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

Indian law imposes certain liabilities on an ISP for the contents of a website. Further, under the Cable TV Act, we must comply with programme code and advertisement code. Programmes and advertisements are not under our control. However, in the event of breach of the programme code or advertisement code by a broadcaster, we may face potential liability with respect to the same. For further details, see section titled "*Regulations and Policies*" on page 94.

45. Our carriage agreements are terminable at will by the broadcasters. If the broadcasters choose to terminate the carriage agreement our business could be adversely affected

Under the carriage agreements entered into by us, the broadcasters choose the desired frequency for airing their channels. Under our carriage agreements, the broadcaster may terminate the agreement at will. In the even the broadcasters were to terminate the carriage agreement at will with little or no prior notice, we may not be able immediately to find a taker for the frequencies made vacant by such termination. Further, if we are unable to provide the agreed frequencies to the broadcaster under the carriage agreement we become liable for liquidated damages to the broadcasters which may affect our business and operations.

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

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

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

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

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

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

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

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

We have made applications for registration of trademarks including "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" under the provisions of the Trade Marks Act of 1999, which are currently pending registration. We cannot assure that we will be able to register these trademarks in our name or that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We can provide no assurance that any unauthorized use by any third parties of our logos "Ortel" and "Ortel.net", will not cause damage to our business prospects, reputation and goodwill. For further details of our pending approvals, see section titled "*Government and Other Approvals*" beginning on page 194.

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

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

Date of allotment	No. of Equity Shares	Issue Price (₹)	Reasons for allotment	Nature of Payment
June 30, 2010	17,050	10	Preferential allotment pursuant to OSSOP 2006	Cash
June 30, 2010	214,100	35	Preferential allotment pursuant to the OSOP 2000	Cash

Date of allotment	No. of Equity Shares	Issue Price (₹)	Reasons for allotment	Nature of Payment
September 29, 2010	5,821,498	103.07	Preferential allotment to NSR	Cash

All of the above stated issuances may be at a price lower than the Issue Price. For further details, see section "*Capital Structure – Notes to Capital Structure - Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year*" on page 28.

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

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

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

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

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

53. Loss of set-top boxes and modems for subscribers

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

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

We depend on the services of our executive officers and key employees for our continued operations and growth. In particular, our senior management has significant experience in the cable service industry. The loss of any of our executive officers, key employees or senior management personnel could negatively affect our ability to execute our business strategy, including our ability to maintain our current growth. We do not maintain a key man insurance policy. Our future success would depend in large part on our ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in our industry and we may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation or to sustain or expand our operations. For fiscal 2008, 2009 and 2010, our attrition rate for all employees was 17.85 %, 20.16 %, and 16.19 %, respectively. We define attrition as the number of employees that have resigned or have been terminated for any reason during the specified period divided by the average number of employees for that same period times the number of months in the period. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for us to manage our business and growth and to meet our key objectives.

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

We intend to use the Net Proceeds as set forth in the section "*Objects of the Issue*" on page 44. We have not entered into any definitive agreements to utilize the Net Proceeds. In particular, we have not placed orders for any of the equipment and machinery to be financed from the Net Proceeds. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on equipments and machinery. We cannot confirm when we will place our orders and whether we will be able to purchase the construction equipment at the same price at which we obtained the quotations. Consequently, these estimates may be inaccurate and we may require additional funds to implement the objects of the Issue.

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

Our funding requirements and the deployment of the proceeds of the Fresh Issue are based on management estimates and have not been appraised by any banks or financial institutions. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programs and an increase or decrease in our proposed expenditure for a particular object. For further details, see section titled "*Objects of the Issue*" on page 44.

57. The Offer for Sale proceeds will not be available to us

This Issue includes an offer for sale of up to 8,182,598 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder. Therefore, the proceeds to the Offer for Sale shall be remitted to the Selling Shareholder and we will not benefit from such proceeds.

58. Our Company intends to seek the RBI's approval for the Offer for Sale and FIPB approval to increase the foreign shareholding, non-receipt of which may adversely affect this Issue

Our Company is in the process of making an application to the RBI in compliance with the applicable foreign exchange control norms for the transfer of Equity Shares forming part of the Offer for Sale in this Issue. In the event the RBI does not grant such permission, the Selling Shareholder will not be able to transfer the Equity Shares, forming part of the Offer for Sale, to 'persons resident inside India' which may adversely affect the Issue. Our Company is also in the process of making an application to the FIPB increase the foreign shareholding in our Company to maximum permitted limit (which is currently 49%). In the event we do not receive FIPB approval, we may not be able to increase our foreign shareholding which may affect the Issue adversely.

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

We are exposed to the risk of strikes and other industrial actions. As of January 31, 2011, we had 1,038 full-time employees and 241 temporary employees, all based in India. Even though none of our employees belong to any trade union, we cannot guarantee that they will not become part of or form any trade union in the future and we will not experience any strike, work stoppage or other such industrial action in the future.

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

60. Wage increases in India may reduce our profit margins

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

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

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

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

Our existing shareholder, NSR – PE Mauritius LLC ("**NSR**") has certain rights under the Articles of Association and the shareholder agreements executed with us, which will continue after the completion of the Issue, such as the right to nominate a director on the Board so long as NSR holds 5% of the Equity Share capital of the Company. However, upon the listing of the Equity Shares on a recognized stock exchange, in the event the Issue (which includes the Offer for Sale) is fully subscribed and NSR's shareholding is reduced to less than 5%, the NSR nominee director shall cease to be a Director on our Board. For further details, see section titled "*History and Corporate Structure*" and "*Main Provisions of our Articles of Association*" beginning on pages 104 and 257.

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

We do not own the premises on which our Registered Office is situated and operates from leased premises. We have entered into a lease deed dated October 1, 2010 with Calorx India Limited, for a period of 11 months till August 31, 2011 in relation to such premises. If the owner of such premises does not renew the lease deed under which we occupy the premises or renew the lease deeds on terms and conditions that are unfavorable to us, we may suffer a disruption in its operations which could have a material adverse effect on its business and operations. We have also leased certain land and office premises in Bhubaneswar and Rourkela.

64. Certain of our group companies have incurred losses

One of our Group Companies has incurred losses during last three Fiscal years (as per its audited financial information) and has a negative net worth. Orissa Telefilms Private Limited has incurred losses as per its audited financial information as of Fiscal 2010. ₹ 0.50 million has been brought into Orissa Telefilms Private Limited in December 2010 and hence the book value of the equity shares is currently positive, i.e, ₹ 5.93 as on December 31, 2010.

The audited financial results of Orissa Telefilms Private Limited for Fiscals 2008, 2009 and 2010 are set forth below:

(₹ in million, except per share data)

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Sales and other income	Nil	6.20	4.90
Profit/ (Loss) after tax	Nil	(0.18)	(0.06)
Equity capital (par value ₹ 10 per share)	0.1	0.1	0.1
Reserves and Surplus (excluding revaluation reserves) (1)	Nil	(0.07)	(0.06)
Earnings/ (Loss) per share (basic) (₹) (2)	N.A.	(18.42)	(5.98)
Earnings/ (Loss) per share (diluted) (₹) (2)	N.A.	(18.42)	(5.98)
Book value per equity share (₹) (2)	10	(15.68)	(20.85)

(1) Net of miscellaneous expenditure not written off.

(2) Face value of each equity share is ₹ 10.

There can be no assurance that we, or other operating Group Companies, will not incur losses or have a negative net worth in the future. Any disruption in the operation of this company could have an adverse affect on our financial condition, results of operation and profitability.

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

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

66. We may not declare dividends in the foreseeable future

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

Risks Related to an Investment in our Equity Shares

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

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

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

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

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

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

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

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

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

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

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

External Risks related to our Industry and India

1. ***Our business is subject to extensive governmental regulation, which could have a material adverse***

effect on our business by increasing our expenses or limiting our operational flexibility

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

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

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

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

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

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

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

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

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

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

Our performance and the growth of our business are necessarily dependent on the health of the overall

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

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

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

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

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

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

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

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

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

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

Equity Shares.

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

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

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

Prominent Notes

- Public issue of up to [●] Equity Shares of our Company for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per equity share, aggregating up to ₹ [●] million. The Issue comprises a Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,000 million and an Offer for Sale of up to 8,182,598 Equity Shares aggregating up to [●] million. The Issue includes a reservation of upto [●]% of the Issue size constituting 100,000 Equity Shares for the Eligible Employees. The Issue and the Net Issue shall constitute [●]% and [●]% of the fully diluted post-Issue paid up Equity Share capital of our Company, respectively.

- Our net worth is ₹ 755.38 million and ₹ 819.04 million as on September 30, 2010 and March 31, 2010 respectively as per our restated financial information included in this Draft Red Herring Prospectus. For further details, see section titled "Financial Information" beginning on page F-1.

- Our net asset value per Equity Share was ₹ 30.27 as at September 30, 2010, as per the Company's financial information.

- The average cost of acquisition of Equity Shares by our Promoters, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and Utkal Manufacturing & Services Limited is ₹ 47.71, ₹ 16.60, ₹ 3.88 and ₹ 55.98 per Equity Share, respectively.

- Except as disclosed in the sections titled "Our Group Companies" on page 131, none of our Group Companies have business interests or other interests in our Company.

- Except as disclosed in the section titled "*Financial Information– Related Party Transactions*" on page F-15, there have been no transactions between our Company and our Group Companies during the last Fiscal.

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

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

SECTION III – INTRODUCTION

SUMMARY OF BUSINESS

Overview

We are a regional cable television service provider engaged in the distribution of analog and digital cable television services, high speed broadband services and Voice over Internet Protocol ("**VoIP**") services. Our business is currently focused in the states of Orissa, Chhattisgarh, Andhra Pradesh and West Bengal, in India. Our services provided under the brand names "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known names in the regions in which we operate. We focus on building a two-way state-of-the-art communication network enabled for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. We are among the ten major Multi System Operators in India ("**MSOs**"). (*Source: MPA Report, 2009).*

Our business comprises of (a) analog cable television services; (b) digital cable television services; (c) broadband services; (d) voice over internet protocol services; (e) leasing of fibre infrastructure; (f) signal uplinking services; and (g) other value added services including Video on Demand ("**NVoD**"), Electronic Program Guide ("**EPG**"), gaming, local content. We are one of the first private sector companies in India to be granted an ISP license by the Government of India (*Source: http://www.dot.gov.in/isp/ISPlicences (FINAL).doc*). As a value addition, we have started providing free intra network voice services to our subscribers.

Our business model is focused on the control over the 'last mile' connection. This allows us to directly interface with the subscribers helping us capture the entire subscription revenues paid by the subscribers, with no loss of revenues to intermediaries such as local cable operators ("**LCOs**"). Owning the end connection also enables us to provide multiple offerings to our subscribers directly. As on January 31, 2011, 90.73% of our subscriber base is on our own 'last mile' network.

As we primarily operate on the 'last mile' model and have restricted franchisees, the loss of business due to shifting of LCOs from us to any other MSO is limited. We believe our business model results in higher PBDIT margins. Our business is driven by revenues from subscription due to control on the 'last mile. We have low reliance on channel carriage fees which we receive from broadcasters for placing their channels on our network. With digitization, we believe that the channel carriage fees would be reduced over time. Our revenues from subscription fees are comparatively stable. For the period six month ended September 30, 2010, our total revenues from cable television services excluding connection fees, comprise of 80.75% from cable television subscription fees and 19.25% from channel carriage fees. The total revenue from cable television services includes subscription fees from analog cable television sevices, digital cable television services, franchisee cable television services and channel carriage fees and does not include connection fees.

Our network is spread over 33 locations with more than 15,000 kilometers of cables as of January 31, 2011 supported by 29 analog head-ends and six digital head-ends. We have legal 'rights of way' for laying our network on utility poles as well as for underground cabling. We use Hybrid Fibre Coaxial ("**HFC**") topology to build our network. We are capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. We currently provide data services at speeds of up to 2 mbps to retail customers and as per the requirements for our corporate customers.

We have grown organically through sale of our services directly to subscribers and through acquisition of other MSOs and LCOs. This consolidation has enabled us to increase our presence in the cable television sector and acquire a large subscriber base. We convert the acquired LCOs' analog subscribers to primary subscribers and improve the quality of the services by upgrading or rebuilding the network with the 'last mile' connection. We service both retail and corporate customers. As of January 31, 2011, we had 304,783 retail subscribers for our analog cable television services, 48,915 digital cable television retail subscribers and 50,739 broadband retail subscribers adding up to a total of 404,437 revenue generating units ("**RGUs**") and 184.14 mbs to the broadband corporate customers.

We often convert our analog subscribers into digital cable subscribers. As a result, we are able to provide higher number of channels and better quality services to our subscribers. This reduces customer attrition to competing service platforms such as DTH providers. Leveraging our network, we also offer for broadband services.

For the year ended March 31, 2010, our total income was ₹ 785.30 million and our PBDIT was ₹ 205.94 million. In the six months ended September 30, 2010 our total income was ₹ 475.45 million and our PBDIT was ₹ 118.22 million.

Our Strengths

We control the 'last mile' connection

We have invested in and have control over the 'last mile' connection. In India the franchise model is predominant in the cable distribution industry and majority of the cable companies are dependent on the secondary point strategy. As of December 2009, six major national MSOs operating primarily through the franchisee model, reaching almost 50 million homes would have approximately one million 'last mile' connections. Comparatively, as on January 31, 2011, 90.73% of our subscriber base is on our own 'last mile' network. Only 9.27% of our subscriber base is connected through LCOs.

The major MSOs operating through the franchisee model reach 50 million homes but get remunerated for less than seven million homes. (*Source: MPA Report, 2010*). This revenue leakage is due to under reporting of subscription collections by LCOs. Our control over the 'last mile' minimizes any such revenue loss as we directly collect subscription revenues from our customers without operating through LCOs. We further leverage on a loyal customer base to understand their needs and offer a bouquet of services, helping in cross selling our services and increasing revenues.

In a franchise model, the LCOs can shift from one MSO to another thereby causing large scale customer churn from the MSOs. In a 'last mile' model like ours, a customer may only shift individually. Hence the 'last mile' control reduces risk of large scale loss of subscribers and thereby helps in better customer retention.

In a franchise model, the 'last mile' network is built and maintained by individual LCOs where there is a possibility of the network being of inferior quality. In a 'last mile' network like ours, since the entire network is built and maintained by us, the quality of the network is uniformly maintained.

We generate a steady revenue stream

Our 'last mile' model results in a reduced churn of subscribers and facilitates collections of fees directly. Our revenues are driven largely by sale of cable and broadband services which includes subscription and connection fees, with limited reliance on channel carriage fees. For the six month ended September 30, 2010 our total income was ₹ 475.45 million, out of which subscription fees and internet income accounted for ₹ 346.29 million i.e., 72.83% of the total income of the Company. Our total income during the Fiscal 2010 was ₹ 785.30 million against ₹ 538.63 million, ₹ 431.50 million, ₹ 360.39 million and ₹ 260.11 million respectively during the Fiscals 2009, 2008, 2007 and 2006. Consequently, the growth rate of total income over the previous year is 45.80%, 24.83%, 19.73% and 38.55% during the Fiscals 2010, 2009, 2008 and 2007, respectively.

Our business model also helps us control debtors and reduce bad debts resulting in better margins and cash flows. Our debtors as on March 31, 2010 were at ₹ 52.14 million, i.e. 6.64% of total income. In contrast, the average receivables of our listed peers stood at 29.26% and 30.17% for Hathway Cable & Datacom Limited and Den Networks Limited, respectively, on the same date. (*Source: March 31, 2010 results of Den Networks Limited and Hathway Cable & Datacom Limited*). We had positive operating cash flows of ₹ 113.95 million and ₹ 234.18 million, during the six months ended September 30, 2010 and Fiscal 2010, respectively.

Our customer base (RGUs) have grown by 26.49% as on January 31, 2011 as compared to March 31, 2010. The growth rates as of Fiscal 2010, 2009, 2008 and 2007 over the corresponding previous year has been 15.73%, 50.29%, 9.31% and 19.29% respectively.

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

We have built a two-way enabled communication network which can provide data and voice services, supported by network operating centers for analog, digital and broadband services. Our network is spread over 33 locations with more than 15,000 kilometers of cables as of January 31, 2011 supported by 29 analog head-ends and six digital head-ends. We follow stringent network design parameters and upgrade the technology relating to our network to maintain a high quality of service. We have predefined network designs for providing each of our services. The network backbone is built with high capacity fibre cable. Our downstream network is built using co-axial cable which supports the high capacity to carry signals. We also install digital set top boxes ("**STBs**") and cable modems at customer locations for providing digital television and broadband services. We procure the equipment from reputed vendors such as Cisco Systems International B.V., Motorola Mobility India Private Limited, Sumavision Technologies Company Limited, Irdeto B.V., PPC and Skyworth.

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

We offer 'Triple Play' services to our customers

Our ability to offer 'Triple Play' services (i.e., video, data and voice capabilities) on one network differentiates us from other competing platforms such as DTH and other cable competitors. This helps us earn from multiple streams of revenues with marginal additional capital expenditure.

Our subscribers have choice of multiple services over the same cable leading to customer convenience and satisfaction. Our range of services enables us to cross sell our products, including our cable broadband services, VoIP, NVoD, EPG and other interactive video content. As of January 31, 2011, our broadband, digital television and analog subscribers were 12.55%, 12.09% and 75.36%, respectively, of our total subscriber base. These subscribers respectively contributed 21.28%, 6.87% and 48.52% of our total income during the half year ended September 30, 2010. We have also completed a pilot project of 'voice services' within our network and have recently launched international calling through VoIP.

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

As of September 30, 2010, more than 90.46% of our subscribers are based in Orissa. We have in the recent past expanded into the adjoining states of Andhra Pradesh, West Bengal and Chhattisgarh. Being a regional player allows us to cater to the local and regional interests of our subscribers such as regional language channels, films, general entertainment, local events and news programming. With our network typically providing up to 200 channels in digital and 80 channels in analog services, we have an advantage over DTH providers. We have head-ends located in 31 locations which provides us the ability to tailor content in each of these locations in contrast to the DTH providers who have a uniform pan-India platform which constraints them in providing regional channels. For example, in the state of Orissa, we typically provide 14 Oriya language channels whereas the DTH service providers typically provide five to six numbers of Oriya channels. Similarly, in other markets we are able to provide higher number of local language channels or content as compared to DTH providers.

We have strong execution skills and an experienced management team

Our business is highly specialized. Our management team is trained and experienced in building and managing the 'last mile' business over 15 years. Our promoters, Ms. Jagi Mangat Panda, who is also our Managing Director, and Mr. Baijayant Panda have extensive experience in the cable television distribution industry and have provided strategic direction to the Company since inception. Our key management personnel have been with the Company at an average of seven years. Our technical personnel include engineers and information technology experts who have significant experience in this area. As of January 31, 2011, we have 51 degree engineers, 30 diploma engineers and 403 technicians on the rolls of our Company. For details of the experience of our key management personnel, see section titled "*History and Corporate Structure*" on page 104.

Our Strategy

Expansion and retention of customers

We have in the past successfully expanded our operations and increased our subscriber base. Our strategy is to continue to invest in the expansion of our existing network. We have expanded from 13 locations as of March 31, 2008 to 33 locations as of January 31, 2011. We intend to expand further to new locations in the states of

Orissa, Andhra Pradesh, Chhattisgarh and West Bengal. We also intend to roll out our network in the uncovered areas of the existing 33 locations and bring more subscribers into our network.

We intend to continue increasing our customer penetration and income from sales of cable and broadband services in the areas in which our cable network is laid. Our cable penetration ratio (cable television subscriber base as a percentage of estimated homes passed) in individual locations varies between 6.20% and 100.00% as of January 31, 2011. We intend to improve this ratio in locations with a low penetration, thereby improving the overall connection efficiency across our network. Our strategy to expand such sales and subscriber base and retain our existing customers is through competitive pricing, multiple service offerings, extensive marketing and acquisitions of LCOs in such areas, as the case may be.

Additionally, we continue to explore opportunities to expand our geographical coverage and we have applied for 'rights of way' to lay our network in other states.

Increased penetration of digital television services

Digital penetration in India is expected to grow from 3.5% as on December, 2009 to 16% by the end of year 2014. (*Source: MPA Report, 2010*). The TRAI has recommended a proposal to support and promote complete digitization in the near term. (*Source:www.trai.gov.in*).

Our Company commenced offering digital cable services in 2007. Subscribers of digital cable services account for 12.09% of our RGUs as on January 31, 2011, which we intend to expand. We intend to achieve this by acquiring new subscribers on the digital platform in cities where are our digital services are operational, by converting DTH subscribers to our digital subscribers by competitive pricing, converting our analog subscribers to digital subscribers and by rolling out digital services in more locations. As part of our digital strategy, we plan to provide more regional content to make our services more attractive than competing platforms such as DTH.

Increase our broadband subscriber base

Broadband penetration as a percentage of total households in India is 3.6% and is expected to grow to 7.1% over the next five years. (*Source: MPA Report, 2010*) The GoI has announced its 'National Broadband Policy' providing emphasis on broadband penetration. The personal computer penetration pegged at 4% at the end of 2009 is expected to reach 17% by 2015. (*Source: TRAI Recommendations on National Broadband Plans dated December 8, 2010*). We intend to tap this potential and substantially increase our broadband penetration.

We hold a pan India ISP license which enables us to provide broadband services in all our locations. Our broadband subscriber base has grown from 19,329 in April 2008 to 50,739 as of January 31, 2011 which constitutes 12.55% of our RGUs. We also provide high bandwidth service to our corporate subscribers. As on January 31, 2011, we have 122 corporate customers with a bandwidth provision of 184 mbps. We intend to cross sell our broadband services to our existing customers and attract new customers through competitive pricing, better customer support service, providing higher data transfer speed and other features such as home wireless.

Expansion through acquisition of MSOs and LCOs

Acquisitions and integration of MSOs and LCOs, especially in the newer markets in which we have expanded, have contributed to our growth. We have acquired 330 MSOs/ LCOs between April 1, 2008 and September 30, 2010, resulting in an acquisition of 102,651 subscribers. We intend to continue to selectively acquire MSOs and LCOs if such acquisition contributes to our strategic growth. We have successfully managed to acquire such MSOs and LCOs through long term deferred payments and/or revenue share models. This helps in staggered capital outflows and reduces the risk of re entry of the LCOs into the same market as our competitors.

Leasing of fibre infrastructure to corporates.

Being a 'last mile' operator, we have extensive presence of our network in various cities in the areas we operate. We leverage our network infrastructure by leasing out spare capacity on our network to corporates for their communication requirements. As on January 31, 2011, we lease out around 471.40 km of optical fibre cable network to various corporates. With rapid industrialization in our target markets, we expect continued growth of revenues from providing these services and we have a dedicated sales, projects and service team concentrating on expanding such business.

THE ISSUE

The following table summarizes the Issue details:

Public issue aggregating up to ₹ [●] million^	Up to [●] Equity Shares
Of which:	
Offer for Sale by Selling Shareholder[##]	Up to 8,182,598 Equity Shares
Fresh Issue by our Company[#]	Up to [●] Equity Shares
Of which:	
Employee Reservation Portion	100,000 Equity Shares[(2)]
Net Issue	[●] Equity Shares
Of which:	
QIB Portion[(1) (2)]	At least [●] Equity Shares[*]
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares[**]
Net QIB Portion	Up to [●] Equity Shares[*]
Of which:	
Mutual Fund Portion	[●] Equity Shares[*]
Balance of QIB Portion (available for all QIBs including Mutual Funds)	[●] Equity Shares[*]
Non-Institutional Portion[(2)]	Not less than [●] Equity Shares[*]
Retail Portion[(2)]	Not less than [●] Equity Shares[*]
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	23,263,759 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	
For details in relation to use of the Issue Proceeds, see section titled "*Objects of the Issue*" on page 44. Our Company will not receive any proceeds of the Offer for Sale.	

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

* *In the event of over-subscription, allocation shall be made on a proportionate basis, except the Anchor Investor Portion, subject to valid Bids being received at or above the Issue Price.*

** *Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see section titled "Issue Procedure" on page 220. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

\# *The Fresh Issue has been authorised by our Board by their resolution dated December 29, 2010 and by the shareholders of our Company at the EGM dated January 22, 2011.*

\#\# *The Issue includes an Offer for Sale of an aggregate of up to 8,182,598 Equity Shares by the Selling Shareholder. The Selling Shareholder has authorized the Offer for Sale pursuant to its board resolution dated February 22, 2011. The Equity Shares offered by the Selling Shareholder in the Issue are eligible to form part of the offer for sale in accordance with the SEBI Regulations.*

(1) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, that is 5% of the Net QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price. For further details, see section titled *"Issue Procedure"* on page 220.

[2] Under-subscription, if any, other than in the QIB Portion, would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers, the Co-Book Running Lead Manager and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion subject to the Net Issue constituting at least 25% of the post-Issue paid up capital of our Company.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated financial information for the period from April 1, 2010 to September 30, 2010 and years ended March 31, 2010, 2009, 2008, 2007 and 2006. This financial information have been prepared in accordance with the Companies Act and the SEBI Regulations and presented under the section "*Financial Information*" beginning on page F-1. The summary financial information presented below should be read in conjunction with our restated financial information, the notes thereto and the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" beginning on pages 142 and F-1 respectively.

Restated Statement of Assets and Liabilities of Ortel Communications Limited

(₹ In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	**2009**	**2008**	**2007**	**2006**
A. Fixed Assets						
Gross Block	2,396.24	2,133.80	1,228.57	739.57	594.20	459.96
Less: Depreciation	496.89	407.58	262.85	205.23	167.01	134.53
Net Block	**1,899.35**	**1,726.22**	**965.72**	**534.34**	**427.19**	**325.43**
Capital Work-in-Progress including Capital Advances	155.52	167.13	373.85	177.12	30.10	31.82
Total	**2,054.87**	**1,893.35**	**1,339.57**	**711.46**	**457.29**	**357.25**
B. Investments	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**
C. Current Assets, Loans and Advances						
Inventories	3.73	4.80	7.20	3.09	0.70	0.92
Sundry Debtors	66.77	52.14	73.10	31.58	13.50	4.07
Cash and Bank Balances	146.24	85.80	179.75	55.82	22.51	24.97
Other Current Assets	5.57	4.07	9.10	1.92	0.80	0.36
Loans and Advances	139.41	147.73	162.41	128.18	52.47	31.31
Total	**361.72**	**294.54**	**431.56**	**220.59**	**89.98**	**61.63**
D. Liabilities and Provisions						
Secured Loans	1,187.60	899.46	661.23	363.10	236.00	179.80
Unsecured Loans	-	1.04	1.51	1.49	3.44	3.44
Current Liabilities	466.15	462.76	222.80	215.83	122.13	75.42
Provisions	10.72	8.85	9.63	5.67	5.23	2.00
Deferred Suppliers' Credit	-	-	-	-	0.05	2.16
Total	**1,664.47**	**1,372.11**	**895.17**	**586.09**	**366.85**	**262.82**
Net Worth (A+B+C-D)	**755.38**	**819.04**	**879.22**	**349.22**	**183.68**	**159.32**
Net Worth Represented By:						
E. Share Capital (Including Preference Capital)	**283.86**	**823.33**	**823.22**	**223.20**	**178.60**	**178.45**
F. Stock Options Outstanding Account	**2.16**	**0.28**	**0.28**	**0.12**	**0.21**	**-**
G. Reserves and Surplus	705.27	157.71	157.49	176.23	54.49	54.22
Less: Profit & Loss Account Debit Balance	235.91	162.28	101.77	50.33	58.04	73.35
Total	**469.36**	**(4.57)**	**55.72**	**125.90**	**(3.55)**	**(19.13)**
H. Advance against Share Capital	**-**	**-**	**-**	**-**	**8.42**	**-**
Net Worth (E+F+G+ H)	**755.38**	**819.04**	**879.22**	**349.22**	**183.68**	**159.32**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Restated Statement of Profit and Loss Account

(₹ In Millions)

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
INCOME						
Sales and Services	425.56	720.49	500.51	418.09	355.81	256.50
Other Income	49.89	64.81	38.12	13.41	4.58	3.61
Total Income	**475.45**	**785.30**	**538.63**	**431.50**	**360.39**	**260.11**
EXPENDITURE						
Programming Cost	110.61	203.24	112.79	91.77	85.66	59.23
Bandwidth Cost	28.75	63.38	56.75	43.72	32.29	25.39
Administrative & Other Expenses	199.52	290.28	244.35	151.40	125.76	93.91
Selling & Distribution Expenses	18.35	22.46	46.92	36.35	31.35	25.86
Total Expenditure	**357.23**	**579.36**	**460.81**	**323.24**	**275.06**	**204.39**
Profit / (Loss) before Interest, Depreciation and Taxation	**118.22**	**205.94**	**77.82**	**108.26**	**85.33**	**55.72**
Interest and Finance Charges	90.47	115.55	71.76	44.20	28.78	18.16
Depreciation/Amortisation	99.70	150.03	62.07	42.62	36.40	26.01
Profit / (Loss) before Taxation	**(71.95)**	**(59.64)**	**(56.01)**	**21.44**	**20.15**	**11.55**
Profit / (Loss) before Taxation - Continuing Operations	**(71.95)**	**(59.64)**	**(56.01)**	**21.44**	**20.15**	**10.10**
Tax Expenses - Continuing Operations						
Current Tax	-	-	-	2.30	2.50	0.33
Fringe Benefit Tax	-	-	1.45	1.50	1.07	0.71
Total	**-**	**-**	**1.45**	**3.80**	**3.57**	**1.04**
Profit / (Loss) after Taxation-Continuing Operations	**(71.95)**	**(59.64)**	**(57.46)**	**17.64**	**16.58**	**9.06**
Profit before Taxation - Discontinuing Operations	-	-	-	-	-	**1.45**
Tax Expenses - Discontinuing Operations						
Current Tax	-	-	-	-	-	0.12
Profit after Taxation-Discontinuing Operations	**-**	**-**	**-**	**-**	**-**	**1.33**
Profit / (Loss) after Taxation before Restatement Adjustments	**(71.95)**	**(59.64)**	**(57.46)**	**17.64**	**16.58**	**10.39**
Restatement Adjustments:						
a. Material adjustments relating to previous years	(1.68)	(0.87)	6.02	(10.19)	(0.42)	1.78
b. Adjustments on account of qualifications	-	-	-	-	-	-
c. Adjustments on account of changes in Accounting Policies	-	-	-	0.26	(0.85)	(0.04)
d. Deferred Tax impact of the above adjustments	-	-	-	-	-	-
Net Profit / (Loss) as Restated	**(73.63)**	**(60.51)**	**(51.44)**	**7.71**	**15.31**	**12.13**
Balance brought forward from previous year, as restated	(162.28)	(101.77)	(50.33)	(58.04)	(73.35)	(85.48)
Balance Carried Forward, as Restated	**(235.91)**	**(162.28)**	**(101.77)**	**(50.33)**	**(58.04)**	**(73.35)**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Restated Statement of Cash Flows

(₹ In Millions)

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Restated Net Profit / (Loss) before taxation	(73.63)	(60.51)	(49.99)	11.51	18.88	13.29
Adjustments for:						
Depreciation	99.70	150.03	62.07	42.62	36.40	26.01
Interest Expenses	83.73	95.94	63.23	42.20	27.59	17.15
Interest Income	(3.08)	(12.36)	(24.30)	(2.64)	(1.28)	(0.73)
Fixed Assets written off	4.49	8.71	7.17	6.67	4.46	4.28
Provision for Doubtful Debts	13.70	17.72	0.57	3.34	-	-
Bad Debts Written off	10.32	53.99	23.78	16.58	12.35	5.43
Profit on Sale of Undertaking	-	-	-	-	-	(1.45)
Miscellaneous Expenditure written off	-	-	-	-	-	3.58
Unrealised foreign exchange Loss/(Gain) (Net)	(0.51)	(3.33)	3.88	(0.03)	-	-
Operating Profit before Working Capital Changes	**134.72**	**250.19**	**86.41**	**120.25**	**98.40**	**67.56**
Adjusted for:						
Increase in Sundry Debtors	(38.65)	(50.74)	(65.88)	(37.99)	(21.78)	(2.32)
Increase Other Current Assets	(0.75)	-	-	-	-	-
(Increase) / Decrease in Loans & Advances	10.57	19.14	(27.61)	(75.71)	(21.41)	(14.50)
(Increase) / Decrease in Inventories	1.08	2.39	(4.11)	(2.39)	0.22	(0.40)
Increase in Trade and Other Payables	9.23	17.72	0.64	61.86	32.99	16.50
Cash Generated From Operations	**116.20**	**238.70**	**(10.55)**	**66.02**	**88.42**	**66.84**
Payment of Taxes (Net)	(2.25)	(4.52)	(9.11)	(3.84)	(1.99)	(1.31)
NET CASH FROM / (USED) OPERATING ACTIVITIES (A)	**113.95**	**234.18**	**(19.66)**	**62.18**	**86.43**	**65.53**
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Fixed Assets	(236.13)	(470.59)	(691.20)	(264.89)	(137.93)	(132.09)
Purchase of Investments	-	-	-	-	-	(2.75)
Proceeds from Sale of Fixed Assets	2.64	6.44	5.35	4.19	3.85	7.09
Payment for Non Compete Fee to LCOs	(26.53)	(48.23)	-	-	-	-
Interest Received	2.33	17.39	17.11	1.52	0.84	0.70
Profit on Sale of Undertaking	-	-	-	-	-	1.45
NET CASH USED IN INVESTING ACTIVITIES (B)	**(257.69)**	**(494.99)**	**(668.74)**	**(259.18)**	**(133.24)**	**(125.60)**
C. CASH FLOW FROM FINANCING ACTIVITIES:						
Proceeds from Long Term Borrowings	630.92	376.71	360.15	168.56	90.88	101.60
Repayment of Long Term Borrowings	(392.45)	(138.86)	(91.62)	(62.90)	(27.35)	(4.13)
Proceeds from Short Term Borrowings	50.00	1.04	28.18	20.78	-	-
Repayment of Short Term	(1.04)	(0.45)	-	(2.00)	(2.12)	(5.15)

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
Borrowings						
Issue of Share Capital including Security Premium	8.09	0.33	600.02	160.03	0.40	-
Advance against Share Capital	-	-	-	-	0.70	-
Share Issue Expenses	-	-	(18.74)	(2.10)	-	-
Interest Paid	(85.05)	(95.23)	(61.53)	(41.63)	(27.25)	(16.37)
NET CASH FROM FINANCING ACTIVITIES (C)	**210.47**	**143.54**	**816.46**	**240.74**	**35.26**	**75.95**
Net increase/(decrease) in Cash and Cash equivalents (A) + (B) + (C)	**66.73**	**(117.27)**	**128.06**	**43.74**	**(11.55)**	**15.88**
Cash and cash equivalents (Opening Balance)	**62.48**	**179.75**	**51.69**	**7.95**	**19.50**	**3.62**
Cash and cash equivalents (Closing Balance)	**129.21**	**62.48**	**179.75**	**51.69**	**7.95**	**19.50**

GENERAL INFORMATION

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

Registered Office

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

Corporate Office

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

For details relating to changes in our registered office, see section titled "*History and Corporate Structure*" on page 104.

Corporate Identity Number: U74899DL1995PLC069353
Company Registration Number: 55-069353

Address of the RoC

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

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. Baijayant Panda *Designation:* Non Executive Director cum Chairman *Occupation:* Business	47	00297862	Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Orissa, India.
Ms. Jagi Mangat Panda *Designation:* Managing Director *Occupation:* Business	44	00304690	Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Orissa, India.

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. Subhrakant Panda *Designation:* Non Executive Director *Occupation:* Service	40	00171845	30, Green Avenue, Vasant Kunj, New Delhi-110 070, India.
Mr. Shantanu Yeshwant Nalavadi *Designation:* Investor/ Nominee Director *Occupation:* Service	40	02104220	Yeshwant, Plot No 399 Sri Ahobila Mutt Road, Chembur, Mumbai- 400 074, Maharashtra India.
Mr. Jyoti Bhusan Pany *Designation:* Independent Director *Occupation:* Business	57	0020453	212, Kharwela Nagar Bhubaneswar- 751 003 Orissa, India.
Dr. Gautam Sehgal *Designation:* Non Executive Director *Occupation:* Service	46	0034243	B-29, Kailash Colony, New Delhi-110 048, India.
Ms. Manjula Shroff *Designation:* Non Executive Director *Occupation:* Business	47	0297159	Y-89, Hauz Khas, New Delhi-110 016, India.
Mr. K V Seshasayee *Designation:* Independent Director *Occupation:* Service	67	00659784	2 B Century Habitat No. 9, 4th Main Road, Gandhi Nagar, Adyar Chennai - 600 020, India
Mr. R.R.N. Prasad *Designation:* Independent Director *Occupation:* Retired from service	70	03433128	302, PC-II, Essel Tower, M G Road, Gurgaon, India
Major (Retd.) R.N. Misra *Designation:* Independent Director *Occupation:* Retired Major	72	00146138	6-D "Regency Park", Endenwood, Pokhran 2, Thane(West) - 400 601, India
Dr. P.T. Joseph *Designation:* Independent Director *Occupation:* Service	58	03396028	6-XLRI, PB 222, C H Area (East) Jamshedpur 831 001, India.
Mr. Debaraj Biswal *Designation:* Independent Director *Occupation:* Retired from service	61	01318134	Unit -9, Sahidnagar, Bhubaneswar-751 022, Orissa, India

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

For further details and profile of our Directors, see section titled "*Our Management*" on page 109.

Company Secretary and Compliance Officer

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

His contact details are as follows:

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

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

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

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

Book Running Lead Managers

IDFC CAPITAL LIMITED
Naman Chambers
C – 32, G Block, Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051, India
Tel: +91 22 6622 2600
Fax: +91 22 6622 2501
Email: ortel.ipo@idfc.com
Investor Grievance ID: complaints@idfc.com
Website: www.idfccapital.com
Contact Person: Mr. Cyril Paul
SEBI Registration No.: INM000011336

CENTRUM CAPITAL LIMITED
Centrum House, Vidya Nagari Marg
CST Road, Kalina, Santacruz (East)
Mumbai – 400 098
Maharashtra , India
Tel: +91 22 4215 9000
Fax: +91 22 4215 9707
Email: ortel.ipo@centrum.co.in
Investor Grievance ID: igmbd@centrum.co.in
Website: www.centrum.co.in
Contact Person: Ms. Hema Lalwani Wagle/ Mr. N. Saravanan

SEBI Registration No.: INM000010445

Co-Book Running Lead Manager

SREI CAPITAL MARKETS
"Vishwakarma"
86C, Topsia Road (South)
Kolkata
Tel: +91 33 6602 3845/ 6602 3755
Fax: +91 33 6602 3861/ 6602 3863
Email: capital@srei.com
Investor Grievance ID: scmlinvestors@srei.com
Website: www.srei.com
Contact Person: Mr. Manoj Agarwal
SEBI Registration No.: INM 000003762

Domestic Legal Counsel to the Issue

Luthra & Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001, India
Telephone: +91 11 4121 5100
Facsimile: : +91 11 2372 3909

International Legal Counsel to the Underwriters

Dorsey & Whitney, LLP
50 South Sixth Street
Suite 1500
Minneapolis, Minnesota 55402-98, U.S.A
Telephone: +1 612 340 2600
Facsimile: +1 612 340 2868
Email: india@dorsey.com

Registrar to the Issue

Karvy Computershare Private Limited
Plot no. 17 – 24, Vittalrao Nagar
Madhapur
Hyderabad – 500 081, India
Telephone: +91 40 2342 0815
Facsimile: +91 40 2343 1551
Email: eiwward.ris@karvy.com
Investor Grievance ID: ortel.ipo@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murali Krishna, GM
SEBI Registration No.: INR000000221

Escrow Collection Banks/ Bankers to the Issue

[●]

Syndicate Members

[●]

Self Certified Syndicate Banks

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

Refund Banker
[●]

Statutory Auditors to our Company

Price Waterhouse, Chartered Accountants
Plot No. Y-14, Block EP
Sector V, Salt Lake Electronic Complex
Bidhan Nagar
Kolkata 700 091
Telephone: +91 33 2357 7600
Facsimile: +91 33 2357 7496

Bankers to our Company

Karnataka Bank Limited B-63, Sahid Nagar Bhubaneswar 751 007 Orissa Telephone: +91 674 2544 337 Facsimile: +91 674 2546 674 E-mail: bhubaneshwar@ktkbank.com Contact Person: Mr. T.N. Ramesh	**UCO Bank** Mid Corporate Branch, H-46 Connaught Place, New Delhi 110 001 Telephone: +91 11 2332 2044 Facsimile: +91 11 2373 1705 E-mail: bo.connaught@ucobank.co.in Contact Person: Mr. Rakesh Mehta
Axis Bank Limited Plot No. 7, District Centre Chandrasekharpur Bhubaneswar 751 016 Orissa Telephone: +91 674 274 1866 Facsimile: +91 674 274 1869 E-mail: chandrasekharpur.branchhead@axisbank.com Contact Person: Mr. Biswajit Rath	

Statement of Responsibilities of the Book Running Lead Managers and the Co-Book Running Lead Manager

S. No	Activity	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities	IDFC Capital Limited ("**IDFC**"), Centrum Capital Limited ("**Centrum**"), SREI Capital Markets Limited ("**SREI**")	IDFC
2.	Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus and Application Forms including a memorandum containing salient features of the Prospectus; The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of the Prospectus and RoC filing.	IDFC, Centrum, SREI	IDFC
3.	Drafting and approval of all statutory advertisements	IDFC, Centrum, SREI	IDFC
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, corporate films, etc.	IDFC, Centrum, SREI	Centrum

S. No	Activity	Responsibility	Coordinator
5.	Appointment of intermediaries including Registrar to the Issue, Lawyers, Printers, Advertising Agency and Bankers to the Issue	IDFC, Centrum, SREI	Centrum
6.	Preparation of road show presentation and frequently asked questions	IDFC, Centrum, SREI	IDFC
7.	International institutional marketing of the Issue, which will cover, inter alia:	IDFC, Centrum, SREI	IDFC
	Finalizing the list and division of investors for one-to-one meetings	IDFC, Centrum, SREI	
	Finalizing the road show schedule and the investor meeting schedules	IDFC, Centrum, SREI	
8.	Domestic Institutional marketing of the Issue, which will cover, inter alia:	IDFC, Centrum, SREI	IDFC
	Finalizing the list and division of investors for one-to-one meetings and institutional allocation	IDFC, Centrum, SREI	
9.	Non-institutional and retail marketing of the Issue, which will cover, inter alia:	IDFC, Centrum, SREI	Centrum
	Finalizing media, marketing and public relations strategy	IDFC, Centrum, SREI	
	Finalizing centers for holding conferences for brokers, etc.	IDFC, Centrum, SREI	
	Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material	IDFC, Centrum, SREI	
	Finalizing collection centers	IDFC, Centrum, SREI	
10.	Managing the book, Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading	IDFC, Centrum, SREI	Centrum
11.	Finalization of Issue Price, in consultation with the Company	IDFC, Centrum, SREI	IDFC
12.	The post-Bidding activities including management of escrow accounts, coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc.	IDFC, Centrum, SREI	IDFC
	The post-Issue activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and the SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company.	IDFC, Centrum, SREI	

Even if any of these activities are being handled by other intermediaries, the Book Running Lead Managers and the Co-Book Running Lead Manager shall be responsible for ensuring that these intermediaries fulfil their functions and enable them to discharge their responsibility through suitable agreements with our Company and the Selling Shareholder.

Credit Rating

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

Trustees

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

IPO Grading Agency

[●]

IPO Grading

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]" indicating [●] through its letter dated [●], which is valid for a period of [●] months. The IPO grading is assigned on a five point scale from 1 to

5 wherein an "IPO Grade 5" indicates strong fundamentals and "IPO Grade 1" indicates poor fundamentals. The rationale furnished by the grading agency for its grading will be updated at the time of filing of the Red Herring Prospectus with the RoC/ Designated Stock Exchange.

A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date. For details of summary of rationale for the grading assigned by the IPO Grading Agency, see section titled "*Other Regulatory and Statutory Disclosures*" on page 200. The Issue has not been graded by any other agency.

Disclaimer of IPO Grading Agency

[●]

Monitoring Agency

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

Expert

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading and such persons that are deemed to be experts under the Companies Act, we have not obtained any expert opinions.

Appraising Entity

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

Book Building Process

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

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

This Issue is being made through the Book Building Process where at least 50% of the Net Issue shall be Allotted on a proportionate basis to QIB Bidders. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIB Bidders (including Mutual Funds) subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, that is 5% of the Net QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance

Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see section titled "*Issue Procedure*" on page 220. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. Further, Anchor Investors shall pay the entire Bid Amount at the time of submission of the Bid cum Application Form to the Book Running Lead Managers and the Co-Book Running Lead Manager and the balance, if any, within two days from the Bid Closing Date. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company and the Selling Shareholder have appointed the Book Running Lead Managers and the Co-Book Running Lead Manager to manage this Issue and procure subscriptions to this Issue.

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

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

- Check eligibility for making a Bid. For further details, see section titled "*Issue Procedure*" on page 220. Specific attention of ASBA Bidders is invited to "Issue Procedure" on page 220;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see section titled "*Issue Procedure*" on page 220). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants' verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;
- Ensure the correctness of your Demographic Details (as defined in "Issue Procedure – Bidder's PAN, Depository Account and Bank Account Details" on page 239), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their specified bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected;
- Bidders can submit their Bids through the ASBA by submitting ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained; and
- Bids by QIBs (including Anchor Investors), except ASBA bidders will only have to be submitted to members of the Syndicate or their affiliates.

Illustration of Book Building Process and the Price Discovery Process

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

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

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

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

Withdrawal of this Issue

In accordance with the SEBI Regulations, our Company or the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Manager, reserve the right not to proceed with this Issue at anytime after the Bid Opening Date but before the Board meeting for Allotment, without assigning any reasons therefor. However, if our Company or the Selling Shareholder withdraw the Issue after the Bid Closing Date, we will give the reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Managers and the Co-Book Running Lead Manager through the Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders. In the event of withdrawal of the Issue and subsequently if there are plans of an IPO by our Company, a fresh draft red herring prospectus will be submitted again for observations of the SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

In terms of the SEBI Regulations, QIBs Bidding in the Net QIB Portion shall not be allowed to withdraw their Bids after the QIB Bid Closing Date and Anchor investors cannot withdraw after Anchor Investor Bidding Date. For details in relation to Anchor Investors bidding in the Anchor Investor Portion, see section titled "*Issue Procedure*" on page 220.

Bid/Issue Programme*

FOR ALL BIDDERS	**ISSUE OPENS ON [●]**
FOR QIBs**	**ISSUE CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**ISSUE CLOSES ON [●]**

* *Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. Anchor Investors shall bid on the Anchor Investor Bidding Date.*
** *Bidding for QIBs shall close on the QIB Bid Closing Date.*

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form (other than ASBA Form) or, in case of Bids submitted through ASBA Form, the Designated Branches **except that:**

(i) in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Book Running Lead Managers and the Co-Book Running Lead Manager to the Stock Exchanges.

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Applicants may note that in case the DP ID & Client ID, PAN and such other details as required, mentioned in the application form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with such details available in the depository database, the application is liable to be rejected.

The Price Band will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager. The announcement of the Price Band shall also be made available on the websites of the Book Running Lead Managers, the Co-Book Running Lead Manager and at the terminals of the Syndicate.

Our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Manager, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. In such an event, the Cap Price should not be more than 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, in other words, the Floor Price can move up or down, to the extent of 20% of the Floor Price, as disclosed and advertised at least two Working Days before the Bid Opening Date.

In case of revision in the Price Band, the Bidding Period shall be extended for atleast three additional Working Days after such revision, subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers, the Co-Book Running Lead Manager and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters and the Registrar to the Issue for the Equity Shares proposed to be offered through this Issue. Pursuant to the terms of the Underwriting Agreement and the SEBI Regulations, the Book Running Lead Managers and the Co-Book Running Lead Manager shall be responsible for bringing in the amount devolved in the event any of the respective Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

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

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

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

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriters, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

In case of under-subscription in the Issue, the Book Running Lead Managers and the Co-Book Running Lead Manager as described in "General Information – Statement of Responsibilities of the Book Running Lead Managers and the Co-Book Running Lead Manager" on page 15, responsible for underwriting arrangements shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriters is issued in terms of the SEBI Regulations.

CAPITAL STRUCTURE

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

(₹ million, except share data)

		Aggregate nominal value	Aggregate value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**[(a)]		
	30,000,000 Equity Shares	300	-
	66,000,000 Preference Shares of face value ₹ 10 each (“**Preference Shares**”)	660	-
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	23,263,759 Equity Shares	232.64	[●]
	5,121,897 Preference Shares	51.22	[●]
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS** [(b)]		
	Public Issue of up to [●] Equity Shares	[●]	[●]
	Which comprises		
	(a) Fresh Issue of [●] Equity Shares[(b)]	[●]	[●]
	(b) Offer for Sale of up to 8,182,598 Equity Shares by the Selling Shareholder[(c)]	[●]	[●]
	Of which:		
	Employee Reservation Portion of 100,000 Equity Shares*	[●]	[●]
	Net Issue of [●] Equity Shares	[●]	[●]
	Of which:		
	QIB Portion of at least [●] Equity Shares[(d)], of which the:		
	Anchor Investor Portion is up to [●][(e)] Equity Shares		
	Net QIB Portion of at least [●] Equity Shares[(d)], of which the:	[●]	[●]
	Mutual Fund Portion is [●] Equity Shares*		
	Other QIBs (including Mutual Funds) is [●] Equity Shares*		
	Non-Institutional Portion of not less than [●] Equity Shares*[(e)]	[●]	[●]
	Retail Portion of not less than [●] Equity Shares*[(e)]	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]
	5,121,897 Preference Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	705.27	
	After the Issue**	[●]	

*Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
**The securities premium account will be determined after completion of the Book Building Process and determination of the Issue Price.

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) This Issue has been authorized by resolutions of our Board dated December 29, 2010, and by a special resolution passed by our shareholders pursuant to Section 81(1A) of the Companies Act, at the EGM held on January 22, 2011. Our Company and the Selling Shareholder are exploring the possibility of a Pre-IPO Placement. We intend to complete the issuance/transfer of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post-Issue paid-up Equity Share capital being offered to the public.

(c) NSR is authorised to transfer upto 8,182,598 Equity Shares as part of the Offer for Sale, pursuant to its board resolution dated February 22, 2011.

The Equity Shares constituting the Offer for Sale are eligible for being offered for sale in this Issue in accordance with the SEBI Regulations. The Equity Shares held by the Selling Shareholder are currently not in dematerialised form. The Equity Shares constituting the Offer for Sale shall be dematerialised prior to the filing of the Red Herring Prospectus with the RoC.

Further, our Company is also in the process of making an application to the FIPB for participation by foreign investors in the Issue and to increase the FII limits in our Company to the maximum permitted limit (which is currently 49%). Our Company is in the process of making an application to the RBI in compliance with the applicable foreign exchange control norms for the transfer of Equity Shares forming part of the Offer for Sale, to 'persons resident inside India'.

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

(e) Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see section titled "*Issue Procedure*" on page 220. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion.

Notes to Capital Structure

1. *Share Capital History*

a) History of equity share capital of our Company

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)
June 2, 1995	700	10	10	Cash	Subscription to our Memorandum[1]	700	7,000	Nil
August 10, 1995	406,500	10	10	Cash	Preferential allotment [2]	407,200	4,072,000	Nil
October 19, 1995	657,000	10	10	Cash	Preferential allotment[3]	1,064,200	10,642,000	Nil
February 13, 1996	781,800	10	10	Cash	Preferential allotment [4]	1,846,000	18,460,000	Nil
February 20, 1996	25,000	10	10	Cash	Preferential allotment [5]	1,871,000	18,710,000	Nil
March 22, 1996	300,000	10	10	Cash	Preferential allotment[6]	2,171,000	21,710,000	Nil
April 26, 1996	190,000	10	10	Cash	Preferential allotment[7]	2,361,000	23,610,000	Nil
May 24, 1996	133,000	10	10	Cash	Preferential allotment [8]	2,494,000	24,940,000	Nil
June 25, 1996	28,000	10	10	Cash	Preferential allotment[9]	2,522,000	25,220,000	Nil
September 3, 1996	2,000	10	10	Cash	Preferential allotment[10]	2,524,000	25,240,000	Nil
October 7, 1996	750,000	10	10	Cash	Preferential allotment[11]	3,274,000	32,740,000	Nil
November 26, 1996	420,000	10	10	Cash	Preferential allotment[12]	3,694,000	36,940,000	Nil
December 5,	100,000	10	10	Cash	Preferential	3,794,000	37,940,000	Nil

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)
1996					allotment[13]			
March 31, 1997	1,465,000	10	10	Cash	Preferential allotment[14]	5,259,000	52,590,000	Nil
July 7, 1997	77,500	10	10	Cash	Preferential allotment[15]	5,336,500	53,365,000	Nil
February 12, 1998	170,000	10	10	Cash	Preferential allotment[16]	5,506,500	55,065,000	Nil
March 30, 1998	420,000	10	10	Cash	Preferential allotment[17]	5,926,500	59,265,000	Nil
September 16, 1998	458,000	10	10	Cash	Preferential allotment[18]	6,384,500	63,845,000	Nil
March 20, 1999	51,300	10	10	Cash	Preferential allotment[19]	6,435,800	64,358,000	Nil
April 5, 1999	38,000	10	10	Cash	Preferential allotment[20]	6,473,800	64,738,000	Nil
May 31, 1999	35,000	10	10	Cash	Preferential allotment[21]	6,508,800	65,088,000	Nil
October 20, 1999	2,361,100	10	18	Cash	Preferential allotment[22]	8,869,900	88,699,000	18,888,800
April 24, 2000	2,361,100	10	18	Cash	Preferential allotment[23]	11,231,000	112,310,000	37,777,600
November 22, 2001	918,500	10	15	Cash	Preferential allotment[24]	12,149,500	121,495,000	42,370,100
February 12, 2002	91,305	10	27	Cash	Preferential allotment[25]	12,240,805	122,408,050	43,922,285
February 28, 2002	666,665	10	15	Cash	Preferential allotment[26]	12,907,470	129,074,700	47,255,610
July 21, 2002	135,876	10	27	Cash	Preferential allotment[27]	13,043,346	13,043,3460	49,565,502
November 14, 2002	251,826	10	15	Cash	Preferential allotment[28]	13,295,172	13,295,1720	50,824,632
March 31, 2003	92,590	10	27	Cash	Preferential allotment[29]	13,387,762	13,387,7620	52,398,662
September 30, 2003	99,990	10	27	Cash	Preferential allotment[30]	13,487,752	134,877,520	54,098,492
November 24, 2003	7,400	10	27	Cash	Preferential allotment[31]	13,495,152	134,951,520	54,224,292
July 7, 2006	5,000	10	30	Cash	Allotment against grant of options under OSOP 2000 [32]	13,500,152	135,001,520	54,324,292
July 7, 2006	9,500	10	27	Cash	Allotment against grant of options under OSOP 2000 [33]	13,509,652	135,096,520	54,485,792
May 23, 2007	40,000	10	35	Cash	Allotment against grant of options under OSOP 2000 [34]	13,549,652	135,496,520	55,485,792
August 17, 2007	1,590,900	10	44	Cash	Preferential allotment[35]	15,140,552	151,405,520	109,576,392
November 16, 2007	450	10	30	Cash	Allotment against grant of options under OSOP 2000 [36]	15,141,002	151,410,020	109,585,392
November 16, 2007	1,034,000	10	44	Cash	Preferential allotment[37]	16,175,002	161,750,020	144,741,392
December 22, 2007	30,000	10	35	Cash	Preferential allotment[38]	16,205,002	162,050,020	145,491,392
January 31, 2008	965,909	10	44	Cash	Preferential allotment[39]	17,170,911	17,170,911	178,332,298
January 31,	27,400	10	10	Cash	Preferential	17,198,311	171,983,110	178,332,298

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)
2008					allotment[40]			
September 1, 2008	1,800	10	10	Cash	Preferential allotment[41]	17,200,111	172,001,110	178,332,298
November 30, 2009	11,000	10	30	Cash	Allotment against grant of options under OSOP 2000 [42]	17,211,111	172,111,110	178,552,298
June 30, 2010	17,050	10	10	Cash	Preferential allotment[43]	17,228,161	172,281,610	178,552,298
June 30, 2010	214,100	10	35	Cash	Allotment against grant of options under OSOP 2000 [44]	17,442,261	174,422,610	183,904,798
September 29, 2010	5,821,498	10	103.07	Cash	Preferential allotment[45]	23,263,759	232,637,590	725,711,616.86

(1) Mr. Baijayant Panda, Mr. Sudhir Prakash Mathur, Mr. Ravindra Kumar Gupta, Mr. Jayant Kumar Misra, Mr. Joginder Kumar Pahwa, Mr. Om Prakash and Mr. Pratap Aditya Mishra were allotted 100 Equity Shares each pursuant to their subscription to our Memorandum.
(2) Finlay Corporation Limited was allotted 406,500 Equity Shares.
(3 Finlay Corporation Limited was allotted 657,000 Equity Shares.
(4) Ms. Jagi Mangat Panda and Finlay Corporation Limited were allotted 45,000 and 736,800 Equity Shares, respectively.
(5) Calorex Holdings Private Limited was allotted 25,000 Equity Shares.
(6) Calorex Holdings Private Limited was allotted 280,000 Equity Shares. The following individuals were allotted 20,000 Equity Shares in aggregate: Mr. Vijender Kumar was allotted 1,000 Equity Shares, Mr. Ramender Yadav, Mr. Navraj Karki, Mr. Tankeswar Prasad, Ms. Shiksha Chauhan, Mr. Vikram Singh, Mr. Sanjay Kumar, Mr. Rahul Kumar, Ms. Usha Aggarwal, Mr. Surya Ram Chaudhary and Mr. Gopal Mandal were allotted 1,500 Equity Shares each and Mr. Jogender Pal was allotted 4,000 Equity Shares.
(7) Calorex Holdings Private Limited was allotted 123,000 Equity Shares. The following individuals were allotted 67,000 Equity Shares in aggregate: Ms. Rajni Bankoti, Mr. Arjun Sahu, Mr. Arun KumarVerma, Mr. Suresh Bankoti, Mr. Pratap Ku. Sahu, Ms. Anita Sharma, Mr. Satish Ku. Sharma, Ms. Sheela Devi, Ms. Kiran Chawla and Mr. Shiv Kumar Sharma were allotted 2,500 Equity Shares each, Mr. S.K. Jain was allotted 3,000 Equity Shares, Ms. Sanjukta Panda and Mr. Shikhar Jain were allotted 4,000 Equity Shares each, Mr. Rajat Mehta and Mr. C.L. Kapoor were allotted 5,000 Equity Shares each, Ms. Savita Kapoor was allotted 6,000 Equity Shares, Ms. Jyoti Mehta was allotted 7,000 Equity Shares and Mr. Vimal Mehta was allotted 8,000 Equity Shares.
(8) The following individuals were allotted 133,000 Equity Shares in aggregate: Ms. Kanta Jain, Mr. Vimal Mehta, Mr. Dharam Chand and Mr. Rajendra were allotted 2,000 Equity Shares each, Mr. Ajit Tandon, Mr. Harish Khanna, Mr. A.K. Tannan, Mr. Jagyamurti Koirala, Mr. Rajesh Gupta, Mr. A.P. Narain, Mr. Pushpa Sharma, Mr. Om Parkash Sahu, Mr. Nirmal Sharma and Ms. Rosy Tandon were allotted 2,500 Equity Shares each, Ms. Chanda Mehta, Ms. Jyoti Mehta and Mr. Bharat Mehta were allotted 3,000 Equity Shares each, Ms. Anita Goyal, Ms. Chetna Aggarwal, Mr. Vikas Aggarwal and Ms. Sarita were allotted 3,500 Equity Shares each, Mr. S.K. Jain, Ms. Ankita Mehta and Mr. Basantilal Mehta were allotted 4,000 Equity Shares each, Mr. Surinder Kapoor, Mr. Rajesh Sethi and Mr. Parveen Sethi were allotted 4,500 Equity Shares each, Mr. Ishteaque Ahemad, Mr. Jawaharlal Padhee and Mr. Bishnupriya Das were allotted 5,000 Equity Shares each, Mr. Prakash Kapoor was allotted 6,500 Equity Shares and Mr. R.K. Gupta was allotted 30,000 Equity Shares.
(9) The following individuals were allotted 28,000 Equity Shares in aggregate: Mr. Shaintan Bisi, Mr. Srabanti Bisi were allotted 2,000 Equity Shares each, Mr. A. Saxena, Ms. Poonam, Mr. Vipin Kumar and Mr. Ramesh Singh were allotted 2,500 Equity Shares each, Mr. Lokesh Jain and Ms. Urmila Jain were allotted 3,000 Equity Shares each and Mr. Narender Sethi and Mr. S.K. Jain were allotted 4,000 Equity Shares each.
(10) Mr. Nikhil KumarKapoor and Mr. Santanu K. Mishra were allotted 1,000 Equity Shares each.
(11) Calorex Holdings Private Limited was allotted 750,000 Equity Shares.
(12) Calorex Holdings Private Limited was allotted 420,000 Equity Shares.
(13) Calorex Holdings Private Limited was allotted 100,000 Equity Shares.
(14) The following individuals/ entities were allotted 1,465,000 Equity Shares in aggregate: Calorex Holdings Private Limited was allotted 970,000 Equity Shares, B. Panda and Company Private Limited, was allotted 35,000 Equity Shares and Paramita Investment and Trading Company Private Limited, Barabati Investment and Trading Company Private Limited, K.B. Investments Private Limited and Madhuban Investments Private Limited were allotted 115,000 Equity Shares each.
(15) The following individuals were allotted 77,500 Equity Shares in aggregate: Mr. Baijayant Panda was allotted 11,000 Equity Shares, Ms. Jagi Mangat Panda was allotted 10,000 Equity Shares and Mr. Randhir Singh and Ms. Uma Devi were allotted 28, 250 Equity Shares each.
(16) Calorex Holdings Private Limited was allotted 150,000 Equity Shares and Ms. Jagi Mangat Panda was allotted 20,000 Equity Shares.
(17) Barabati Investment and Trading Company Private Limited was allotted 340,000 Equity Shares, Paramita Investment and Trading Company Private Limited was allotted 30,000 Equity Shares and the Orissa State Electronics Development Corporation Limited was allotted 50,000 Equity Shares.
(18) The following individuals were allotted 458,000 Equity Shares in aggregate: Mr. Baijayant Panda was allotted 55,000 Equity Shares, Madhuban Investments Private Limited was allotted 180,000 Equity Shares, Paramita Investment and Trading Company Private Limited was allotted 130,000 Equity Shares, K.B. Investments Private Limited was allotted 90,000 Equity Shares and B. Panda and Company Private Limited was allotted 3,000 Equity Shares.
(19) Mr. Baijayant Panda was allotted 6,000 Equity Shares, B. Panda and Company Private Limited was allotted 5,300 Equity Shares and K.B. Investments Private Limited was allotted 40,000 Equity Shares.
(20) Ms. Jagi Mangat Panda was allotted 38,000 Equity Shares.
(21) Strategic Brand Equity Limited was allotted 35,000 Equity Shares.
(22) South Asia Regional Fund was allotted 2,361,100 Equity Shares.
(23) South Asia Regional Fund was allotted 2,361,100 Equity Shares.
(24) Finlay Corporation Limited was allotted 918,500 Equity Shares.

[25] Mr. Baijayant Panda was allotted 28,360 Equity Shares, Ms. Jagi Mangat Panda was allotted 18,500 Equity Shares and Panda Investments Private Limited was allotted 44,445 Equity Shares.
[26] Finlay Corporation Limited was allotted 666,665 Equity Shares.
[27] Mr. Baijayant Panda was allotted 5,245 Equity Shares, Ms. Jagi Mangat Panda was allotted 19,520 Equity Shares and MS Telecom Investment Private Limited was allotted 111,111 Equity Shares.
[28] Finlay Corporation Limited was allotted 251,826 Equity Shares.
[29] Panda Investments Private Limited was allotted 92,590 Equity Shares.
[30] MS Telecom Investment Private Limited was allotted 92,590 Equity Shares and Panda Investments Private Limited was allotted 7,400 Equity Shares.
[31] Panda Investments Private Limited was allotted 7,400 Equity Shares.
[32] Mr. Manmohan Patnaik was allotted 5,000 Equity Shares pursuant to the OSOP 2000.
[33] Mr. Bibhu Prasad Rath was allotted 3,000 Equity Shares, Mr. Ashok Kumar Behera was allotted 2,000 Equity Shares, Mr. M Sidheswar and Mr. Deepak Singh were allotted 1,250 Equity Shares each, Mr. Harpal Singh, Mr. Mihir Kanta Samal and Mr. Biswajit Mohanty were allotted 500 Equity Shares each, Mr. Bijay Kumar Swain was allotted 300 Equity Shares and Mr. Debadutta Das and Ms. Sabnam Khanum were allotted 100 Equity Shares each, pursuant to the OSOP 2000.
[34] Mr. Baijayant Panda and Dr. G Sehgal were allotted 20,000 Equity Shares each pursuant to the OSOP 2000.
[35] Medium and Small Infrastructure Fund of SREI Venture Capital Limited was allotted 1,590,900 Equity Shares.
[36] Mr. Basant Kumar Pati was allotted 150 Equity Shares, Mr. Mahesh Pattnaik was allotted 100 Equity Shares and Mr. Ramakanta Mohapatra was allotted 200 Equity Shares pursuant to the OSOP 2000.
[37] Odisha Television Limited, formerly known as Orissa Television Limited was allotted 125,000 Equity Shares and Utkal Manufacturing & Services Limited were allotted 909,000 Equity Shares.
[38] Mr. J.B. Pany and Dr. G Sehgal were allotted 15,000 Equity Shares each.
[39] Ms. Nivedita Panda was allotted 45,460 Equity Shares, Ms. Paramita Mahapatra was allotted 22,730 Equity Shares, Ms. Paramita Mahapatra was allotted 22,730 Equity Shares as trustee of Reva Foundation and 22,730 Equity Shares as trustee of Roumayne Foundation, Subhrakant Panda as trustee of Shaisah Foundation was allotted 56,818 Equity Shares, Mr. P Khandelwal was allotted 5,000 Equity Shares, Mr. C R Ray was allotted 2,000 Equity Shares and Utkal Manufacturing & Services Limited was allotted 788,441 Equity Shares.
[40] Mr. Bibhu Prasad Rath and Mr. Manmohan Patnaik were allotted 10,000 Equity Shares each, Mr. A.K. Behera was allotted 5,000 Equity Shares, Mr. Ranjan Kumar Swain, Mr. C.R. Nayak, Mr. Nihar Ranjan Bhuyan and Mr. Chandrasekhar Pattnaik were allotted 150 Equity Shares each, Mr. Samarendra Ku Mohanty, Mr. Manoranjan Sarangi, Mr. Harpal Singh, Mj. Guru Pr. Sahoo, Mr. Barenya Pattnaik, Mr. M.K. Samal, Mr. Bublu Mohanty, Mr. B. Mohanty, Mr. Swapnendu Kabi, Mr. Gati Krushna Acharya, Mr. G.P. Choudhary, Mr. Gouri S. Panda, Mr. Deepak Singh, Mr. Jyoti Prakash Ghose and Mr. Manoranjan Meher were each allotted 100 Equity Shares, Mr. Mahesh Patnaik, Mr. B.K. Pati, Mr. B.K. Swain, Mr. Shuvendu Ku Pattnaik, Mr. Debadatta Das and Mr. Malay Das were allotted 50 Equity Shares each against loyalty bonus due on December 31, 2007, in accordance with OSSOP 2006.
[41] Mr. C.R. Nayak was allotted 850 Equity Shares, Mr. Samarendra Ku Mohanty and Mr. Manoranjan Sarangi were allotted 150 Equity Shares each, Mr. Himansu S Mohapatra, Mr. Ranjan Kumar Swain, Mr. Nihar Ranjan Bhuyan and Mr. Chandrasekhar Pattnaik were allotted 100 Equity Shares each and Mr. Biswaranjan Pattnaik, Mr. Brahmeswar Mishra, Mr. Sanjaya Nayak, Mr. Rabinarayan Mishra and Mr. Narendra Jena were allotted 50 Equity Shares each, in accordance with OSSOP 2006.
[42] Mr. Bublu Mohanty was allotted 2,500 Equity Shares, Mr. Samarendra Ku Mohanty was allotted 2,000 Equity Shares, Mr. Harpal Singh and Mr. B. Mohanty were allotted 1,250 Equity Shares each, C.R. Nayak and Mr. Nihar Ranjan Bhuyan and Mr. M.K. Samal were allotted 1,000 Equity Shares each and Mr. Narendra Jena and Mr. Mahesh Ch. Mohapatra were allotted 500 Equity Shares each, pursuant to the OSOP 2000.
[43] Mr.Bibhu Prasad Rath was allotted 5,000 Equity Shares, Mr. A.K. Behera and Mr. Manmohan Patnaik were allotted 2,500 Equity Shares each, Mr. Nihar Ranjan Bhuyan was allotted 1,250 Equity Shares, Mr. Manoranjan Sarangi was allotted 750 Equity Shares, Mr. Bublu Mohanty, Mr. M.K Samal and Mr. Ranjan Kumar Swain were allotted 500 Equity Shares each, Mr. Chandrasekhar Pattnaik was allotted 250 Equity Shares, Mr. Manoranjan Meher was allotted 100 Equity Shares and Mr. Ashok Kumar Behera, Mr. B.M. Rath, Mr. Bijay Kr. Panda, Mr. Brajabandhu Dalei, Ms. Debabrata Swain, Ms. Debashree P. Swain, Mr. Dilip Dalai, Mr. Himansu Sekhar Jena, Mr. Jeevan Mohapatra, Mr. Khetrabasi Mishra, Mr. Mahesh Ch. Mohapatra, Mr. Manas Ranjan Rout, Mr. Pradeep Das, Mr. Prasanna Kumar Pradhan, Mr. Ramakanta Mohapatra, Ms. Rashmi Ranjan Nayak, Mr. S.P. Patnaik, Mr. Santosh Behera, Mr. Saubhagya Kar, Mr. Srinivas Patnaik, Ms. Sukanta Ch. Rana, Mr. Suresh Acharya, Mr. Suvendu K. Pani and Mr. Walter Majhi were allotted 50 Equity Shares each, pursuant to the OSSOP 2006.
[44] Mr. Bibhu Prasad Rath was allotted 47,000 Equity Shares, Mr. Manmohan Patnaik was allotted 35,000 Equity Shares, Mr. Ashok Ku Behera was allotted 28,000 Equity Shares, Mr. Chittaranjan Nayak was allotted 17,500 Equity Shares, Mr. Nihar Ranjan Bhuyan was allotted 12,500 Equity Shares, Mr. Manoranjan Sarangi was allotted 11,500 Equtiy Shares, Mr. Chandrasekhar Pattnaik and Mr. Ranjan Kumar Swain were allotted 10,000 Equity Shares each, Mr. Mihir Samal was allotted 7,500 Equity Shares, Mr. Gati Krushna Acharya was allotted 6,500 Equity Shares, Mr. Bublu Mohanty was allotted 5,500 Equity Shares, Mr. Swapnendu Kabi was allotted 4,000 Equity Shares, Mr. Deepak Singh was allotted 3,750 Equity Shares, Mr. Himanshu Shekhar Mohapatra was allotted 3,500 Equity Shares, Mr. Biswajit Mohanty was allotted 1,250 Equity Shares, Mr. Brahmeswar Mishra, Mr. Gouri S. Panda and Mr. Harpal Singh were allotted 1,000 Equity Shares each, Mr. Bibhuti Ranjan Das and Mr. Suresh Acharya was allotted 750 Equity Shares each, Mr. Bijay Swain, Mr. Dilip Dalai, Mr. Himansu Sekhar Jena, Mr. Mahesh Ch. Mohapatra and Mr. Pranab Ku Praharaj were allotted 500 Equity Shares each, Mr. Basant Pati, Mr. Mr. Bijay Kr. Panda, Mr. Biswa Ranjan Samal, Mr. Biswaranjan Mohapatra, Mr. Brajabandhu Dalei, Mr. Debabrata Swain, Mr. Khetrabasi Mishra, Mr. Lalit Swain, Mr. Prasanna Kumar Pradhan, Mr. Sambit Swain, Mr. Saubhagya Kar, Mr. Srinivas Patnaik, Mr. Tapan Ku Moharana and Mr. Tapaswini Dash were allotted 250 Equity Shares each and Ms. Basundhara Das and Mr. Jagarnath Ojha were allotted 50 Equity Shares each, pursuant to the OSOP 2000.
[45] NSR was allotted 5,821,498 Equity Shares pursuant to conversion of 60,000,000 compulsorily convertible preference shares of ` 10 each bearing a coupon rate of 0.001% p.a.

b) *History of preference share capital of our Company*

Date of allotment	Number of preference shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Date of conversion/ Redemption
February 23, 2005	4,350,000	10	10	Cash	Preferential Allotment[1]	December 29, 2010
May 23, 2007	771,897	10	10	Cash	Preferential	December 29,

Date of allotment	Number of preference shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Date of conversion/ Redemption
					Allotment[2]	2010
April 20, 2008	45,000,000	10	10	Cash	Preferential Allotment[3]	September 29, 2010
September 1, 2008	15,000,000	10	10	Cash	Preferential Allotment[4]	September 29, 2010
December 29, 2010	5,121,897	10	10	Cash	Preferential Allotment[5]	Within five years

[1] Finlay Corporation Limited was allotted 4,350,000 non-convertible cumulative redeemable preference shares with a rate of dividend up to 10.50% p.a.
[2] Finlay Corporation Limited was allotted 771,897 non- convertible cumulative redeemable preference shares with a rate of dividend up to 10.50% p.a.
*[3] Pursuant to a subscription Agreement dated February 12, 2008 between NSR, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, formerly known as Orissa Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited and our Company (the "**Subscription Agreement**"), NSR was allotted 45,000,000 compulsorily convertible preference shares of ₹10 each bearing a coupon rate of 0.001% p.a.*
[4] Pursuant to the Subscription Agreement, NSR was allotted 15,000,000 compulsorily convertible preference shares of ₹10 each bearing a coupon rate of 0.001% p.a.
[5] Odisha Television Limited, formerly known as Orissa Television Limited was allotted 5,121,897 non- convertible cumulative redeemable preference shares with a rate of dividend up to 10.50% p.a.

c) Equity Shares issued for consideration other than cash

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

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

Our Company has allotted Equity Shares during preceding one year from the date of filing this Draft Red Herring Prospectus, which may be lower than the Issue Price. Details of such allotment are as follows:

Date of allotment	No. of Equity Shares	Issue Price (₹)	Reasons for allotment	Nature of Payment
June 30, 2010	17,050	10	Preferential allotment pursuant to OSSOP 2006	Cash
June 30, 2010	214,100	35	Preferential allotment pursuant to the OSOP 2000	Cash
September 29, 2010	5,821,498	103.07	Preferential allotment to NSR	Cash

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

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

Set forth below are the details of the build up of our Promoters' shareholding:

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
Mr. Baijayant Panda	June 2, 1995	100	10	10	Negligible	[●]	Cash	Subscription to our Memorandum
	July 7, 1997	11,000	10	10	Negligible	[●]	Cash	Preferential Allotment
	September 16, 1998	55,000	10	10	0.23	[●]	Cash	Preferential Allotment
	March 20, 1999	6,000	10	10	Negligible	[●]	Cash	Preferential Allotment
	September 21, 1999	30,100	10	10	0.13	[●]	Cash	Transfer from Mr. Ravinder Kumar Gupta
	February 12, 2002	28,360	10	27	0.12	[●]	Cash	Preferential Allotment
	July 21, 2002	5,245	10	27	Negligible	[●]	Cash	Preferential Allotment
	May 23, 2007	20,000	10	35	Negligible	[●]	Cash	Preferential Allotment
	April 30, 2010	158,300	10	79	0.68	[●]	Cash	Transfer from Medium and Small Infrastructure Fund

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
	November 30, 2010	15,000	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Manmohan Patnaik
		2,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Himansu Sekhar Mohapatra
Sub-total		*331,605*			1.42	***[●]***		
Ms. Jagi Mangat Panda	February 13, 1996	45,000	10	10	0.19	[●]	Cash	Preferential Allotment
	July 7, 1997	10,000	10	10	Negligible	[●]	Cash	Preferential Allotment
	February 12, 1998	20,000	10	10	Negligible	[●]	Cash	Preferential Allotment
	April 5, 1999	38,000	10	10	0.16	[●]	Cash	Preferential Allotment
	September 21, 1999	28,250	10	10	0.12	[●]	Cash	Transfer from Ms. Uma Devi
	September 21, 1999	28,250	10	10	0.12	[●]	Cash	Transfer from Mr. Randhir Singh
	February 12, 2002	18,500	10	27	Negligible	[●]	Cash	Preferential Allotment
	July 21, 2002	19,520	10	27	Negligible	[●]	Cash	Preferential Allotment
	November 30, 2010	17,000	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Bibhu Prasad Rath
	November 30, 2010	4,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Ashok Kumar Behera
	November 30, 2010	10,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Manoranjan Sarangi
Sub-total		*239,520*			1.02	***[●]***		
Panda Investments Private Limited	September 21, 1999	2,818,000	10	2.55	12.11	[●]	Cash	Transfer from Calorex Holdings Private Limited
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Rahul Kumar
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Usha Aggarwal
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Surya Ram Chaudhary
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Gopal Mandal
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Rajani Bankoti
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Arjun Sahu
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Arun Kumar Verma
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Suresh Bankoti
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Sanjukta Panda
		6,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Savita Kapoor
		2,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Vimal Mehta
		8,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Vimal Mehta
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. S.K. Jain
		2,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Kanta Jain
		3,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Anita Goyal
		3,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Chetna Agarwal
		3,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Vikas Agarwal
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Om Prakash

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
		2,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Dharam Chand
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Ramender Yadav
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Navraj Kakki
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Tankeshwar Prasad
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Joginder Pal
		1,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Vijender Kumar
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Shiksha Chauhan
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Vikram Singh
		1,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Sanjay Kumar
		7,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Jyoti Mehta
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Jyoti Mehta
		5,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Rajat Mehta
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Kiran Chawla
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. S.K. Jain
		5,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. C.L. Kapoor
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Shikhar Jain
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Pratap Kumar Sahu
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Anita Sharma
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Sheela Devi
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Shiv Kumar Sharma
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Satish Kumar Sharma
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Chanda Mehta
		3,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Sarita Mehta
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Ajit Tandon
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Harish Khanna
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. A.K. Tannan
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Yagya Murti Koirala
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Rajesh Gupta
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. A.P. Narain
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Pushpa Sharma
		2,500	10	1.75	Negligible	[●]	Cash	Share transfer from Mr. Nirmal Sharma
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Rosy Tandon
		4,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Surinder Kapoor

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
		6,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Prakash Kapoor
		4,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Rajesh Sethi
		4,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Parveen Sethi
		2,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Rajendra
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Bharat Mehta
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Ankita Mehta
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Basantilal Mehta
		5,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Ahemad Ishteaque
		5,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Jawahar Lal Padhee
		5,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Bishnupriya Das
		4,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Narender Sethi
		2,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Chaitan Bisi
		2,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Srabanti Bisi
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. S.K. Jain
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Lokesh Jain
		3,000	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Urmila Jain
		3,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. A. Saxena
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Ms. Poonam Kumar
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Vipin Kumar Sharma
		2,500	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Ramesh Singh
		1,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Nikhil Kumar Kapoor
		1,000	10	1.75	Negligible	[●]	Cash	Transfer from Mr. Santanu Mishra
		43,300	10	2.15	0.18	[●]	Cash	Transfer from B. Panda and Company Private Limited
		275,000	10	2.15	1.18	[●]	Cash	Transfer from Paramita Investment and Trading Company Private Limited
		455,000	10	2.15	1.95	[●]	Cash	Transfer from Barabati Investment and Trading Company Private Limited
		245,000	10	2.15	1.05	[●]	Cash	Transfer from K.B. Investments Private Limited
		295,000	10	2.15	1.27	[●]	Cash	Transfer from Madhuban Investments Private Limited
		35,000	10	2.15	0.15	[●]	Cash	Transfer from Strategic Brand Equity Limited
	February 12, 2002	44,445	10	27	0.19	[●]	Cash	Preferential Allotment
	March 31, 2003	92,590	10	27	0.40	[●]	Cash	Preferential Allotment
	September 30, 2003	7,400	10	27	Negligible	[●]	Cash	Preferential Allotment

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
	November 24, 2002	7,400	10	27	Negligible	[●]	Cash	Preferential Allotment
	April 30, 2010	98,375	10	35	0.42	[●]	Cash	Transfer from Orissa Stevedores Limited
Sub-total		*4,636,510*			19.93	[●]		
Utkal Manufacturing & Services Limited	November 16, 2007	909,000	10	44	3.90	[●]	Cash	Preferential Allotment
	January 31, 2008	788,441	10	44	3.39	[●]	Cash	Preferential Allotment
	April 30, 2010	900,950	10	79	3.87	[●]	Cash	Transfer from Medium and Small Infrastructure Fund
		(200)	10	79	Negligible	[●]	Cash	Transfer to Mr. Mayadhara Moharana
		(17,750)	10	79	Negligible	[●]	Cash	Transfer to Dr. Gautam Sehgal
Sub-total		*2,580,441*			11.09	[●]		
Total		***7,788,076***			***33.48***	[●]		

* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*

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

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

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

Our Promoters have, pursuant to their undertakings dated March 2, 2011 granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue equity share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in*	% of pre-Issue Capital	% of post-Issue Capital
Mr. Baijayant Panda	155,805	0.66	[●]
Ms. Jagi Mangat Panda	207,520	0.88	[●]
Panda Investments Private Limited	4,538,135	19.30	[●]
Utkal Manufacturing & Services Limited	1,090,000	4.63	[●]
Total	**5,991,460**	**25.47%**	**20%**

* *All the Equity Shares held by our Promoters as on the date of filing of this Draft Red Herring Prospectus, are eligible for computation of Promoters' Contribution.*

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

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

(a) have not been subject to pledge or any other form of encumbrance; or
(b) do not consist of Equity Shares resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against equity shares which are ineligible for Promoters' Contribution
(c) have not been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction; or
(d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Draft Red Herring Prospectus at a price lower than the Issue Price.

Other requirements in respect of lock-in

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

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

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

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

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

(c) Details of shareholding of Promoter Group in our Company

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

Name of the Promoter Group Entity	Date of allotment/ transfer	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
Odisha Television Limited, formerly known as Orissa Television Limited	May 13, 2006	162,040	10	35	0.69	[●]	Cash	Transfer from South Asia Regional Fund
	September 20, 2007	787,040	10	35	3.38	[●]	Cash	Transfer from South Asia Regional Fund
	November 16, 2007	125,000	10	44	0.54	[●]	Cash	Preferential Allotment
	April 30, 2010	531,650	10	79	2.28	[●]	Cash	Transfer from Medium and Small Infrastructure Fund
Sub-total		*1,605,730*			6.90	[●]		
Paramita Realtors Private Limited	April 30, 2010	98,375	10	35	0.42	[●]	Cash	Transfer from Orissa Stevedores Limited
Sub-total		*98,375*			0.42	[●]		
Metro Skynet Limited	May 28, 2010	1,800,300	10	1.95	7.74	[●]	Cash	Transfer from Panda Investments Private Limited as trustee of MS Telecom Investment Private Limited
		453,701	10	1.95	1.95	[●]	Cash	Transfer from MS Telecom Investment Private Limited
		393,520	10	1.95	1.69	[●]	Cash	Transfer from Calorex India Limited
		1,586,991	10	1.95	6.82	[●]	Cash	Transfer from Finlay Corporation Limited
		625,000	10	1.95	2.69	[●]	Cash	Transfer from Pikika Limited
Sub-total		*4,859,512*			20.88	[●]		

Name of the Promoter Group Entity	Date of allotment/ transfer	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
Mr. Subhrakant Panda (as trustee of Shaisah Foundation)	January 31, 2008	56,818	10	44	0.24	[●]	Cash	Preferential Allotment
Sub-total		*56,818*			*0.24*	[●]		
Mr. Subhrakant Panda	November 30, 2010	6,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Mihir Kanta Samal
	November 30, 2010	5,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Bublu Mohanty
	November 30, 2010	5,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Gati Krushna Acharya
	February 2, 2011	98,375	10	35	Negligible	[●]	Cash	Transfer from Esquire Realtors Private Limited
Sub-total		*115,875*			Negligible	[●]		
Ms. Nivedita Panda	January 31, 2008	45,460	10	44	Negligible	[●]	Cash	Preferential Allotment
	April 30, 2010	98,375	10	35	Negligible	[●]	Cash	Transfer from Orissa Stevedores Limited
	November 30, 2010	8,000	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Ranjan Kumar Swain
		5,000	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Chandra Sekhar Pattnaik
		4,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Chitta Ranjan Nayak
Sub-total		*161,335*			0.69	[●]		
Ms. Paramita Mahapatra	January 31, 2008	22,730	10	44	Negligible	[●]	Cash	Preferential Allotment
	November 30, 2010	10,500	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Nihar Ranjan Bhuvan
		7,000	10	39.20	Negligible	[●]	Cash	Transfer from Mr. Chitta Ranjan Nayak
Sub-total		*40,230*			0.17	[●]		
Paramita Mahapatra (as trustee of Reva Foundation)	January 31, 2008	22,730	10	44	Negligible	[●]	Cash	Preferential Allotment
Paramita Mahapatra (as trustee of Roumayne Foundation)	January 31, 2008	22,730	10	44	Negligible	[●]	Cash	Preferential Allotment
Sub-total		*45,460*			0.19	[●]		
Total		**6,983,335**			30.01	[●]		

* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*

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

3. Details of share capital locked in for one year

In addition to the lock-in of the Promoters' Contribution, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters) other than the Equity Shares sold through the Offer for Sale and Equity Shares allotted to employees under OSOP 2000 and OSSOP 2006, shall be locked in for a period of one year from the date of Allotment. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time.

4. Our shareholding pattern

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

Shareholders	Pre-Issue		Post-Issue*	
	No. of Equity Shares	Percentage of shareholding	No. of Equity Shares	Percentage of shareholding
Promoters and Promoter Group (A)				
(1) Indian				
Individuals/ Hindu Undivided Family	888,565	3.82	[●]	[●]
Central Government/ State Government(s)	--	--	[●]	[●]
Bodies Corporate	13,780,568	59.24	[●]	[●]
Financial Institutions/ Banks	--	--	[●]	[●]
Any Other (specify)-Trust	102,278	0.44	[●]	[●]
Sub-Total (A) (1)	*14,771,411*	*63.50*	[●]	[●]
Foreign (2)				
Individuals (Non- Resident Individuals/ Foreign Individuals)	--	--	[●]	[●]
Bodies Corporate	--	--	[●]	[●]
Institutions	--	--	[●]	[●]
Any Other (specify)	--	--	[●]	[●]
Sub-Total (A) (2)	--	--	[●]	[●]
Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)	*14,771,411*	*63.50*	[●]	[●]
Public shareholding (B)				
Institutions (1)				
Mutual Funds/ UTI	--	--	[●]	[●]
Financial Institutions/ Banks	--	--	[●]	[●]
Central Government(s)/State Government(s)	50,000	0.21	[●]	[●]
Venture Capital Funds	--	--	[●]	[●]
Insurance companies	--	--	[●]	[●]
Foreign Institutional Investors	--	--	[●]	[●]
Foreign Venture Capital Investors	--	--	[●]	[●]
Any Other (specify)-Foreign Company	8,182,598	35.17	[●]	[●]
Sub-Total (B)(1)	*8,232,598*	*35.38*	[●]	[●]
Non-institutions (2)				
Bodies Corporate	--	--	[●]	[●]
Individuals shareholders holding nominal share capital up to ₹ 0.10 million	63,500	0.27	[●]	[●]
Individuals shareholders holding nominal share capital in excess of ₹ 0.10 million	196,250	0.85	[●]	[●]
Non Resident India/OCB	--	--	[●]	[●]
Clearing member	--	--	[●]	[●]
Trusts	--	--	[●]	[●]
Sub-Total (B)(2)	259,750	1.12	[●]	[●]
Public (Pursuant to the Net Issue) (B)(3)	--	--	[●]	[●]
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	8,492,348	36.50	[●]	[●]
GRAND TOTAL (A)+(B)	23,263,759	100	[●]	[●]

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

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

S. No.	Name of Director/ Key Managerial Personnel	No. of Equity Shares	Percentage of shareholding
Directors			
1.	Mr. Baijayant Panda	331,605	1.43
2.	Ms. Jagi Mangat Panda	239,520	1.03
3.	Dr. G. Sehgal	52,750	0.23
4.	Mr. J. B. Pany	15,000	0.06
Key Management Personnel			

5.	Mr. Bibhu Prasad Rath	48,000	0.21
6.	Col. Manmohan Pattnaik	37,500	0.16
7.	Mr. Ashok Kumar Behera	33,000	0.14
8.	Mr. C.R. Nayak	10,000	0.04
9.	Mr. Himanshu Shekhar Mahapatra	1,100	0.01

6. The directors of our Promoter companies who hold Equity Shares are as follows:

S. No.	Name	No. of Equity Shares	Percentage of shareholding
1.	Mr. Baijayant Panda	331,605	1.43
2.	Ms. Jagi Mangat Panda	239,520	1.03
3.	Ms. Paramita Mahapatra	40,230	0.17
4.	Mr. C. R.Ray	2,000	0.01
5.	Mr. Prem Khandelwal	5,000	0.02

7. Employee stock option schemes

Currently, our company has the following two employee stock option schemes in force:

ESOS scheme	Outstanding Options	Remarks
OSOP 2000	207,900	Our Board vide its resolution dated September 25, 2000 approved OSOP 2000 for granting stock options for 1,000,000 Equity Shares to the employees and associates of our Company. The OSOP 2000 entitles eligible employees to apply for Equity Shares after a minimum period of continued employment/ association in good standing. Further, our Promoters, Mr. Baijayant Panda and Ms. Jagi Mangat Panda and their associates have a right of first refusal over the Equity Shares allotted to any optionee pursuant to OSOP 2000, if such optionee desires to transfer such Equity Shares at any time prior to the Issue. The right of first refusal shall be exercised within three months from the receipt of notice from the optionee and on the same price and terms and conditions which the optionee has negotiated with the third party. If the optionee is unable to find any buyer in the open market, prior to the Issue, the optionees can offer the Equity Shares to the Promoters and associates at an internal rate of return of 12% p.a.
OSSOP 2006	47,550	Our Board vide its resolution dated May 13, 2006 approved OSSOP 2006 for granting stock options for 200,000 Equity Shares to the employees and associates of our Company. The OSSOP 2006 entitles eligible employees to apply for Equity Shares in lieu of loyalty bonus due to them after a minimum period of continued uninterrupted employment/ association in good standing. The eligible employees for the purpose of OSSOP 2006 will be determined by the Compensation Committee from time to time. Further, our Promoters, Mr. Baijayant Panda and Ms. Jagi Mangat Panda and their associates have a right of first refusal over the Equity Shares allotted to any optionee pursuant to OSSOP 2006, if such optionee desires to transfer such Equity Shares at any time prior to the Issue. The right of first refusal shall be exercised within three months from the receipt of notice from the optionee and on the same price and terms and conditions which the optionee has negotiated with the third party. If the optionee is unable to find any buyer in the open market, prior to the Issue, the optionees can offer the Equity Shares to the Promoters and associates at an internal rate of return of 12% p.a.

The details of OSOP 2000 are as follows:

Particulars	Details					
	Fiscal 2008	**Fiscal 2009**	**Fiscal 2010**	**Period between April 1, 2010 to June 30, 2010**	**Period between July 1, 2010 to September 30, 2010**	**Period between October 1, 2010 to December 31, 2010**
No. of Options as at beginning of Fiscal	517,300	470,550	617,800	401,800	147,250	**102,250**
Options granted	0	147250	0	0	**0**	**22,650**
Pricing Formula	**Profit Earning Capacity value(PECV) Method**					
Exercise price of options	30	30	27 , 30 , 35 ,105 and 103	0	**0**	103
Total options vested (includes options exercised)	46,750	0	432,000	0	**0**	0
Options exercised	450	0	11,000	**214,100**	**0**	0
Total number of Equity Shares arising as a result of full exercise of options already granted	450	0	11,000	**214,100**	**0**	0
Options forfeited/ lapsed/ cancelled**	46,300	0	205,000	**40,450**	**45,000**	17,000
Variations in terms of options	0	0	0	**0**	**0**	0
Money realised by exercise of options (in ₹)	13,500	0	330,000	**7,493,500**	**0**	0
Options outstanding (in force)	470,550	617,800	**401,800**	**147,250**	**102,250**	**107,900**
Person wise details of options granted to						

i) Directors and key managerial employees*

Name of Employee	No. of options		
	Granted	**Exercised**	**Outstanding**
B. P. Rath	80,000	50,000	30,000
Manmohan Patnaik	45,000	40,000	5,000
A. K. Behera	40,000	30,000	10,000
C.R. Nayak	46,000	18,500	27,500
Kishore Ch Behera	15,000	0	15,000
Himanshu Shekhar Mohapatra	9,750	3,500	6,250
Shubhro Goswami	3,000	0	3,000
Bibhu Prasad Mohapatra	7,500	0	7,500
Lalit Kumar Mohanty	2,000	0	2,000
Kapilendra Swain	10,750	0	10,750

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

Name of Employee	No. of options		
	Granted	**Exercised**	**Outstanding**
Manoj Kumar Patra	7,500	0	7,500

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

<table>
<tr><th>Particulars</th><th colspan="6">Details</th></tr>
<tr><th></th><th>Fiscal 2008</th><th>Fiscal 2009</th><th>Fiscal 2010</th><th>Period between April 1, 2010 to June 30, 2010</th><th>Period between July 1, 2010 to September 30, 2010</th><th>Period between October 1, 2010 to December 31, 2010</th></tr>
<tr><td>Fully diluted EPS[#] pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard</td><td>0.82</td><td>-3.65</td><td>-3.78</td><td>N.A</td><td>-4.12</td><td>N.A</td></tr>
<tr><td>Vesting schedule</td><td colspan="6"><table><tr><th>Vesting Date</th><th>No of ESOP</th></tr><tr><td>April 20, 2011</td><td>80,250</td></tr><tr><td>June 6, 2011</td><td>5,000</td></tr><tr><td>October 6, 2013</td><td>22,650</td></tr><tr><td>February 2, 2014</td><td>100,000</td></tr></table></td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options</td><td colspan="6">NIL</td></tr>
<tr><td>Impact on the profits of our Company and on the EPS[#] arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)</td><td colspan="6">NIL</td></tr>
<tr><td>Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock</td><td colspan="6">Not Applicable since Market Price is not available being an unlisted company.</td></tr>
<tr><td colspan="7">Method and significant assumptions used to estimate the fair value of options granted during the year:</td></tr>
<tr><td>Method used</td><td colspan="6">Profit Earning Capacity value(PECV) Method</td></tr>
<tr><td>Risk free interest rate</td><td colspan="6">7%</td></tr>
<tr><td>Expected Life</td><td colspan="6">NA</td></tr>
<tr><td>Expected Volatility</td><td colspan="6">NA</td></tr>
<tr><td>Expected Dividends</td><td colspan="6">NA</td></tr>
<tr><td>Price of underlying shares in market at the time of Option grant</td><td colspan="6">NA</td></tr>
</table>

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

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

[#] *Our Company has followed the intrinsic value method for calculating employee compensation as per the ESOS Guidelines. The intrinsic value per Equity Share was ₹27, ₹ 30, ₹ 35, ₹ 105 and ₹ 103 (on various dates of grant of options) whereas the exercise price was the same, except for options granted on February 2, 2011, which were at a 50% discount of ₹103, i.e., ₹51.50.*

The details of OSSOP 2006 are as follows:

Particulars	Details					
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Period between April 1, 2010 to June 30, 2010	Period between July 1, 2010 to September 30, 2010	Period between October 1, 2010 to December 30, 2010
No. of Options as at beginning of Fiscal	55,850	27,150	64,750	37,650	19,900	19,900
Options granted	0	41,100	0	0	0	27,650
Pricing Formula	**Issued at par**					
Exercise price of options	10	10	10	0	0	10
Total options vested (includes options exercised)	28,700	3,500	23,650	0	0	0
Options exercised	27,400	1,800	0	17,050	0	0
Total number of Equity Shares arising as a result of full exercise of options already granted	27,400	1,800	0	17,050	0	0
Options forfeited/ lapsed/ cancelled**	1,300	1,700	27,100	700	0	0
Variations in terms of options	0	0	0	0	0	0
Money realised by exercise of options (in ₹)	274,000	18,000	0	170,500	0	0
Options outstanding (in force)	27,150	64,750	37,650	19,900	19,900	47,550
Person wise details of options granted to						

i) Directors and key managerial employees*

Name of Employee	No. of options		
	Granted	Exercised	Outstanding
B. P. Rath	20,000	15,000	5,000
Manmohan Patnaik	15,000	12,500	2,500
A. K. Behera	10,000	7,500	2,500
C.R. Nayak	5,000	3,000	2,000
Kishore Ch Behera	5,000	0	5,000
Himanshu Shekhar Mohapatra	1,000	100	900
Shubhro Goswami	0	0	0
Bibhu Prasad Mohapatra	2,500	0	2,500
Lalit Kumar Mohanty	0	0	0
Kapilendra Swain	1,000	0	1,000

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

Name of Employee	No. of options		
	Granted	Exercised	Outstanding
Ravi sankar Durairaj	2,500	0	2,500
Manoj Kumar Patra	2,500	0	2,500
Gouri S. Panda	2,500	100	2,400
Sunil K Mohapatra	2,500	0	2,500

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

Particulars	Details					
	Fiscal 2008	**Fiscal 2009**	**Fiscal 2010**	**Period between April 1, 2010 to June 30, 2010**	**Period between July 1, 2010 to September 30, 2010**	**Period between October 1, 2010 to December 30, 2010**
Fully diluted EPS# pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard	0.82	-3.65	-3.52	N.A	-4.52	N.A
Vesting schedule	**Vesting Date**	**No of ESOP**				
	April 20, 2011	22,400				
	June 6, 2011	2,500				
	October 6, 2013	22,650				
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	NIL					
Impact on the profits of our Company and on the EPS# arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	NIL					
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Not Applicable since Market Price is not available being an unlisted company.					
Method and significant assumptions used to estimate the fair value of options granted during the year:						
Method used	**Profit Earning Capacity value(PECV) Method**					
Risk free interest rate	7%					
Expected Life	NA					
Expected Volatility	NA					
Expected Dividends	NA					
Price of underlying shares in market at the time of Option grant	NA					

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

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

\# *Our Company has followed the intrinsic value method for calculating employee compensation as per the ESOS Guidelines. The intrinsic value per Equity Share was ₹27, ₹30, ₹35, ₹105 and ₹103 (on various dates of grant of options) whereas the exercise price was ₹10 per Equity Share*

8. Top 10 shareholders

As on the date of this Draft Red Herring Prospectus, our Company has 93 shareholders. The list of the principal shareholders of our Company and the number of Equity Shares held by them is provided below:

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

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	NSR – PE Mauritius LLC	8,182,598	35.17%
2.	Panda Investments Private Limited	4,636,510	19.93%
3.	Metro Skynet Limited	4,859,512	20.89%
4.	Utkal Manufacturing & Services Limited	2,580,441	11.09%
5.	Odisha Television Limited	1,605,730	6.90%
6.	Mr. Baijayant Panda	331,605	1.43%
7.	Ms. Jagi Mangat Panda	239,520	1.03%
8.	Ms. Nivedita Panda	161,335	0.69%
9.	Mr. Subhrakant Panda	115,875	0.50%
10.	Paramita Realtors Private Limited	98,375	0.42%
	Total	**22,811,501**	**98.05%**

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

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	NSR – PE Mauritius LLC	8,182,598	35.17%
2.	Panda Investments Private Limited	4,636,510	19.93%
3.	Metro Skynet Limited	4,859,512	20.89%
4.	Utkal Manufacturing & Services Limited	2,580,441	11.09%
5.	Odisha Television Limited	1,605,730	6.90%
6.	Mr. Baijayant Panda	331,605	1.43%
7.	Ms. Jagi Mangat Panda	239,520	1.03%
8.	Ms. Nivedita Panda	161,335	0.69%
9.	Mr. Subhrakant Panda	115,875	0.50%
10.	Paramita Realtors Private Limited	98,375	0.42%
	Total	**22,811,501**	**98.05%**

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

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Panda Investments Private Limited	4,538,135	26.38
2.	NSR – PE Mauritius LLC	2,361,100	13.73
3.	Panda Investments Private Limited (under trusteeship-beneficial ownership of MS Telecom Investments Private Limited)	1,800,300	10.47
4.	Utkal Manufacturing & Services Limited	1,697,441	9.87
5.	Medium and Small Infrastructure Fund	1,590,900	9.25
6.	Finlay Corporation Limited	1,586,991	9.22
7.	Odisha Television Limited	1,074,080	6.25
8.	Pikika Limited	625,000	3.63
9.	MS Telecom Investments Private Limited	453,701	2.64
10.	Calorx India Limited	393,520	2.29
	Total	**16,121,168**	**93.73**

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

10. Except as disclosed under "Capital Structure – Notes to Capital Structure" beginning on page 24, our Company has not issued any Equity Shares which may be at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus.

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

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

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

14. Other than the options granted under the OSOP 2000 and the OSSOP 2006, described above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Draft Red Herring Prospectus.

15. Except as described in this section, our Company does not have any other scheme of employee stock option or employee stock purchase.

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

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

18. Our Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split /consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Bid Opening Date, except allotment of Equity Shares under OSOP 2000 and OSSOP 2006 that may vest and be exercised in the next six months or if our Company enters into acquisitions or joint ventures or, if the business needs otherwise arise, subject to necessary approvals, consider raising additional capital to fund such activity or use the Equity Shares as currency for acquisition or participation in such joint ventures.

19. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, see section titled "*Financial Indebtedness*" on page 164.

20. Except as stated in "Capital Structure – Notes to Capital Structure – History of equity share capital of our Company" on page 24, respectively, none of our Directors, their immediate relatives, Promoters, the respective directors of our Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

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

22. Any oversubscription to the extent of 10% of this Issue can be retained for the purpose of rounding off, while finalising the 'Basis of Allotment'. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked in.

23. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Net Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details, see section titled "*Issue Procedure*" on page 220.

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

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

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

27. This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI Regulations. The Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations.

28. In the case of over-subscription in any of the categories, at least 50% of the Net Issue shall be Allotted on a proportionate basis to QIBs, of which 5% shall be available for allotment on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; not less than 15% of the Net Issue shall be available for allotment on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

29. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, would be met with the spill over from any other categories, at the sole discretion of the Company and the Selling Shareholder in consultation with the Book Running Lead Managers, the Co-Book Running Lead Manager and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion shall be added to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted under the Employee Reservation Portion. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. If the aggregate demand by Mutual Funds is less than 5% of the Net QIB Portion, the balance share available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion.

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

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

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

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

OBJECTS OF THE ISSUE

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

The Proceeds of Offer for Sale

The funds from the Offer for Sale shall be received by the Selling Shareholder and our Company shall not receive any proceeds from the Offer for Sale.

Objects of Fresh Issue

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

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

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

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

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

Utilisation of Proceeds of the Fresh Issue

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

Particular	Estimated Amount (₹ *million*)
Gross proceeds to be raised through this Fresh Issue	1,000
Less Issue related expenses of our Company*	[●]
Net proceeds of the Fresh Issue after deducting the Issue related expenses of our Company ("**Net Proceeds**") *	[●]

* *Will be incorporated after finalization of the Issue Price*

Requirement of Funds

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

(In ₹ million)

Sr. No	Particulars	Total Estimated Cost	Amount deployed till December 31, 2010	Balance Amount Payable	Amount to be deployed from the Net Proceeds	Proposed schedule of Deployment	
						Fiscal 2012	Fiscal 2013
1.	Expansion of our network for providing video, data and telephony services	289.04	Nil	289.04	289.04	169.20	119.83
2.	Capital expenditure on development of our analog and digital services	344.30	Nil	344.30	344.30	181.60	162.70
3.	Capital expenditure	217.40	Nil	217.40	217.40	118.10	99.30

Sr. No	Particulars	Total Estimated Cost	Amount deployed till December 31, 2010	Balance Amount Payable	Amount to be deployed from the Net Proceeds	Proposed schedule of Deployment	
						Fiscal 2012	Fiscal 2013
	on development of our broadband services						
4.	General corporate purposes	[●]*	Nil	[●]	[●]	[●]	[●]
	Total	[●]		[●]	[●]	[●]	[●]

To be finalized upon determination of Issue Price

Note: We have not accounted for contingencies and price escalations while calculating the fund requirements.

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

Our funding requirements for the Objects and the deployment schedule of the Net Proceeds are based on current conditions and are subject to change in light of external circumstances or changes in our financial condition, business or strategy such as geological assessments, exchange or interest rate fluctuations, changes in design of the projects, increase in costs of steel and cement, other construction materials and labour costs, other pre-operative expenses and other external factors which may not be in our control. This may also include rescheduling or revising the proposed utilization of Net Proceeds at the discretion of the management of our Company. In the event of a shortfall in raising the requisite capital from the proceeds of the Fresh Issue towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to our Company, including through incremental debt, or further issue of capital.

Details of the activities to be financed from the Net Proceeds

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

In order to increase our market presence, we are required to expand our network in different geographical areas. For this purpose, we lay cables and install other equipments whereby the nearby homes (generally referred to as "**Homes Passed**") can be connected to our network at a later date with marginal subsequent investment. Such network is generally capable of providing multiple services such as video, data and telephony. However, depending on the demography, we can build the network with varying parameters.

We intend to use ₹ 289.04 million from the Net Proceeds to buy and install capital equipments to meet the requirements of our various projects and future requirements as estimated by the management.

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

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
1.	Fibre 6F (Arial)	595,213	11.25	6,696,146.25	Himachal Futuristic Communications Limited	February 16, 2011
2.	Fiber 12F (Arial)	160,940	15.5	2,494,570	Himachal Futuristic Communications Limited	February 16, 2011
3.	Fiber 4F (Arial)	577,246	9.2	5,310,663.2	Himachal Futuristic Communications Limited	February 16, 2011
4.	Fiber 24F (Arial)	104,136	32.45	3,379,213.2	Himachal Futuristic Communications Limited	February 16, 2011
5.	12F Fiber Underground	20,000	30	600,000	Himachal Futuristic Communications Limited	February 16, 2011
6.	24F Fiber Underground	25,000	34	850,000	Himachal Futuristic Communications Limited	February 16, 2011
7.	48F Fiber Underground	55,000	47.5	2,612,500	Himachal Futuristic Communications Limited	February 16, 2011
8.	96F Fiber Underground	60,000	78.5	4,710,000	Himachal Futuristic Communications Limited	February 16, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
9.	24F Joint Box for UG Fiber	100	1,900	190,000	Raychem RPG Limited	February 3, 2011
10.	48F Joint Box for UG Fiber	175	2,600	455,000	Raychem RPG Limited	February 3, 2011
11.	96F Joint Box for UG Fiber	175	2,800	490,000	Raychem RPG Limited	February 3, 2011
12.	24F Fiber Managent System for UG Fiber	30	6,514	195,420	Raychem RPG Limited	February 3, 2011
13.	48F Fiber Managent System for UG Fiber	45	10,002	450,090	Raychem RPG Limited	February 3, 2011
14.	96F Fiber Managent System for UG Fiber	45	17,579	791,055	Raychem RPG Limited	February 3, 2011
15.	Cable R.G-11	3,556,910	18	64,024,380	Teletronics India	February 5, 2011
16.	Cable 500S	100,832	59	5,949,088	Teletronics India	February 5, 2011
17.	Amplifier (Rev.)	7,000	2,300	16,100,000	Teletronics India	February 5, 2011
18.	Node (Rev.)	755	29,000	21,895,000	Teletronics India	February 5, 2011
19.	Pin Connector R.G-11	164,000	53	8,692,000	Teletronics India	February 5, 2011
20.	Amplifier (Forward)	9,000	1,428	12,852,000	Teletronics India	February 5, 2011
21.	Duct 40/33mm	50,000	39,500	197,500	Dura-Line India Private Limited	February 6, 2011
22.	Push-fit Coupler for Duct-40mm	500	125	62,500	Dura-Line India Private Limited	February 6
23.	Simple Plug-40mm	150	165	24,500	Dura-Line India Private Limited	February 6
24.	End Plug-40mm	150	45	6,750	Dura-Line India Private Limited	February 6
25.	Inverter Box	500	11,800	5,900,000	P.P. Enterprises	February 3, 2011
26.	Transformer for invertor box	500	3,952	1,976,000	P.P. Enterprises	February 3, 2011
27.	GI Wire No. 10	1,000	55	55,000	P.P. Enterprises	February 3, 2011
28.	GI Wire No. 12	1,000	55	55,000	P.P. Enterprises	February 3, 2011
29.	Earthing Pipe 40 mm 10’	90	1040	93600	P.P. Enterprises	February 3, 2011
30.	Earthing Pipe 40 mm 20’	30	2080	62400	P.P. Enterprises	February 3, 2011
31.	Earthing nut & bolts with washer	12200	5	61000	P.P. Enterprises	February 3, 2011
32.	Insulated G.I.	300	90	27,000	P.P. Enterprises	February 3, 2011
33.	Service wire 4 mm	42,000	7	294,000	P.P. Enterprises	February 3, 2011
34.	2.5 Copper wire	30,000	16.65	499,500	P.P. Enterprises	February 3, 2011
35.	Transmitters	170	46,000	7,820,000	Sancheti Electronics Limited	February 1, 2011
36.	Reverse Receiver	62	40,000	2,480,000	Sancheti Electronics Limited	February 1, 2011
37.	Node(FW)	550	5,200	2,860,000	Channel Master Private Limited	February 11, 2011
38.	O/D Passive(11/2,8/2,4/2)	40,000	280	11,200,000	Sancheti Electronics Limited	February 1, 2011
39.	O/D Passive(11/4,8/4)	45,000	300	13,500,000	Sancheti Electronics Limited	February 1, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
40.	O/D Splitter	5,000	480	2,400,000	Sancheti Electronics Limited	February 1, 2011
41.	Power Insertor	4,500	500	2,250,000	Sancheti Electronics Limited	February 1, 2011
42.	PSU 90v-230v	800	5,600	4,480,000	Konark Enterprises	February 2, 2011
43.	PSU(CVT)130v-230v	2,100	4,500	9,450,000	Konark Enterprises	February 2, 2011
44.	I/D Passive(11/2,8/2)	42,782	80	3,422,560	MG Electronics	February 1, 2011
45.	I/D Passive(11/4,8/4)	84,000	90	7,560,000	MG Electronics	February 1, 2011
46.	I/D Splitter 2way PP	4,500	57	256,500	MG Electronics	February 1, 2011
47.	I/D Splitter 2way All PP	14,000	70	980,000	MG Electronics	February 1, 2011
48.	Pin Connector R.G-11	164,000	53	8,692,000	Teletronics India	February 5, 2011
49.	Amplifier (Forward)	9,000	1428	12,852,000	Teletronics India	February 5, 2011
50.	Node Box	300	1518.75	455,625	Unique Enterprises	February 3, 2011
51.	Amplifier Box with clamp	15,000	1012.5	15,187,500	Unique Enterprises	February 3, 2011
52.	1/2" x 3" Bolt & 1/2" x 6" Bolt	60,000	7	420,000	Unique Enterprises	February 3, 2011
53.	1/2" & 5/8" Nut.	45,000	2.57	115,650	Unique Enterprises	February 3, 2011
54.	5" x 2.5" Clamps M.S Channel	3,500	60.32	211,120	G.G.S.Syndicate	February 3, 2011
55.	6" x 2.5" Clamps M.S Channel	5,000	63.44	317,200	G.G.S.Syndicate	February 3, 2011
56.	7" x 2.5" Clamps M.S Channel	5,000	65.52	327,600	G.G.S.Syndicate	February 3, 2011
57.	8" x 2.5" Clamps M.S Channel	5,000	66.56	332,800	G.G.S.Syndicate	February, 20113
58.	9" x 2.5" Clamps M.S Channel	2,500	68.64	171,600	G.G.S.Syndicate	February 3, 2011
59.	10" x 2.5" Clamps M.S Channel	700	70.72	49,504	G.G.S.Syndicate	February 3, 2011
60.	100mm Round Clamps M.S	1,900	59.28	112,632	G.G.S.Syndicate	February 3, 2011
61.	80mm Round Clamps M.S	1,700	61.36	104,312	G.G.S.Syndicate	February 3, 2011
62.	Shackle	25,000	14.62	365,500	Suvam Enterprises	February 3, 2011
63.	Aluminium Lacing Wire	102,000	1.63	166,260	Suvam Enterprises	February 3, 2011
64.	500's Pin Connector	15,426	300	4,627,800	Sancheti Electronics Limited	February 1, 2011
65.	F-7 Compression	55,000	72	3,960,000	Sancheti Electronics Limited	February 1, 2011
66.	F-7 Crimping	80,000	39.27	3,141,600	Sancheti Electronics Limited	February 1, 2011
67.	Invertor (SET)	540	13000	7,020,000	Konark Enterprises.	February 2, 2011
68.	Galvanized Pole 5.3mtr	352	5950	2,094,400	Elemech Engineeering	February 2, 2011
69.	Galvanized Ploe 5.9mtr	300	6698	2,009,400	Elemech Engineeering	February 2, 2011
70.	Cement Pole	300	1800	540,000	Orissa Concrete Industries	February 3, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
71.	Earthing Pipe 40mm 5'	5000	275	1,375,000	Suman Pipes & Fittings	February 3, 2011
72.	Earthing Pipe 40mm 10'	90	1040	93,600	P.P.Enterprises	February 3, 2011
73.	Earthing Pipe 40mm 20'	30	2080	62,400	P.P.Enterprises	February 3, 2011
74.	Charcoal	800	300	240,000	Krishna Agency	February 2, 2011
75.	Salt	350	4	1,400	Krishna Agency	February 2, 2011
76.	Earthing Nut&Bolts With Washer	12,200	5	61,000	P.P.Enterprises	February 3, 2011
77.	Insulated G.I.	300	90	27,000	P.P.Enterprises	February 3, 2011
78.	Patch Cord	5000	115	575,000	Sancheti Electronics Limited	February 1, 2011
79.	Joint Box 12F	3000	90	270,000	Sancheti Electronics Limited	February 1, 2011
80.	Joint Box 24F	500	150	75,000	Sancheti Electronics Limited	February 1, 2011
81.	Termination Box 12F	900	200	180,000	Sancheti Electronics Limited	February 1, 2011
82.	Termination Box 24F	500	950	475,000	Sancheti Electronics Limited	February 1, 2011
83.	Optical Splitters	3500	250	875,000	Sancheti Electronics Limited	February 1, 2011
84.	Fiber Slives	100000	0.5	50,000	Sancheti Electronics Limited	February 1, 2011
85.	Lock	15000	247	3,705,000	Nervy Lock Company	February 2, 2011
86.	Dual Pin Connector	5000	200	1,000,000	Sancheti Electronics Limited	February 1, 2011
87.	Service Wire 4mm	42000	7	294,000	P.P.Enterprises	February 3, 2011
88.	2.5 Copper Wire	30000	16.65	499,500	P.P.Enterprises	February 3, 2011
	Total			**289,040,588.70**		
	Total *(Rs in millions)*			**289.04**		

**inclusive of applicable taxes.*

None of the machinery described above, is used/second hand in nature, and we do not propose to purchase any used / second hand machinery.

The Promoters, Directors, Key Managerial Personnel and the Group Companies do not have any interest in the proposed acquisition of the equipments and machinery or in the entity from whom we have obtained quotations for the same.

The prices for the equipments proposed to be purchased as set out above are as per the quotations received from the respective suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimates.

Further, our Company's capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

2. Capital expenditure on development of our analog and digital services

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

We believe that such investments in suitable hardware and software is necessary to further integrate our business and enable us to broaden the scope and quality of our services and increase our market presence. We intend to use ₹ 344.30 million from the Net Proceeds for the purchase and installation of capital equipments to meet the requirements of our various projects and future requirements as estimated by the management.

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

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
1.	Digital Set-Top Box (Skyworth)	35185	2291.25	80,617,631.25	Teletronics India	February 5, 2011
2.	Digital Set-Top Box (Sumavision)	47000	1468.75	69,031,250	Teletronics India	February 5, 2011
3.	RG-6 Cable	7912000	9	71,208,000	Teletronics India	February 5, 2011
4.	TV Pin	135000	3	405,000	Satyam Sales	February 4, 2011
5.	High Pas Filter	85000	55	4,675,000	Teletronics India	February 5, 2011
6.	St. Jointers	30056	10	300,560	Satyam Sales	February 4, 2011
7.	Power Stoppers	20000	12	240,000	Satyam Sales	February 4, 2011
8.	Attenuators	13000	13	169,000	Satyam Sales	February 4, 2011
9.	F-5 (Compression)	135000	13	1,755,000	Sancheti Electronics Limited	February 10, 2011
10.	F-5 (Crimping)	500000	8	4,000,000	Sancheti Electronics Limited	February 10, 2011
11.	Compressions and other equipment	2	25000	50,000	Optilink Networks Private Limited	February 11, 2011
12.	Modulators Fixed	800	5200	4,160,000	Sancheti Electronics Limited	February 10, 2011
13.	Agile Modulators.	350	14000	4,900,000	Sancheti Electronics Limited	February 10, 2011
14.	Digital Receiver Satellite	500	1400	700,000	Sancheti Electronics Limited	February 10, 2011
15.	VAL 42U RACK 600 x 650	90	14000	1,260,000	Susree Computer and Consultancy Private Limited	February 10, 2011
16.	Cantilever	450	300	135,000	Susree Computer and Consultancy Private Limited	February 10, 2011
17.	Steel Rack with Self	150	3250	487,500	P.P.Enterprises	February 4, 2011
18.	Digital Control Room(False Flooring and Interior cost)	3	50000	150,000	Biswaranjan Mahapatro	February 5, 2011
19.	12Ft Dish Antennas	110	16000	1760,000	MG Electronics.	February 4, 2011
20.	Band pass filters	15	30000	450,000	Optilink Networks Private Limited	February 11, 2011
21.	62.5 KVA Diesel Generators	3	569330	1,707,990	Sunbeam Generators Private Limited	February 15, 2011
22.	10 KVA Diesel Generators	10	264138	2,641,380	Sunbeam Generators Private Limited	February 15, 2011
23.	25 KVA Diesel Generators	5	346643	1,733,215	Sunbeam Generators Private	February 15, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
					Limited	
24.	6 KVA UPS with battery	30	142000	4,260,000	Key Business Solutions	February 10, 2011
25.	10KVA UPS with battery	16	300000	4,800,000	Key Business Solutions	February 10, 2011
26.	20KVA UPS with battery	10	450000	4,500,000	Key Business Solutions	February 10, 2011
27.	Air Conditioners 1.5 Ton	40	31000	1,240,000	Kalinga Sales	February 7, 2011
28.	Television 14"	40	5000	200,000	Kalinga Sales	February 7, 2011
29.	5KVA Stabiliser	40	6000	240,000	Quantum Systems	February 5, 2011
30.	LNB	200	450	90,000	MG Electronics	February 4, 2011
31.	Dual Feed Horn	90	150	13,500	MG Electronics	February 4, 2011
32.	Power Dividers	200	2295	459,000	Channel Master Private Limited	February 10, 2011
33.	Combiners	200	5508	1,101,600	Channel Master Private Limited	February 10, 2011
34.	Audio Cables	500	265	132,500	Optilink Networks Private Limited	February 11, 2011
35.	Video Cables	500	500	250,000	Optilink Networks Private Limited	February 11, 2011
36.	Audio and Video Cables	300	600	180,000	Optilink Networks Private Limited	February 11, 2011
37.	EMR Chasis 5*QPSK CARD 1*IP CARD	12	321300	3,855,600	Teletronics India	February 5, 2011
38.	EMR Chasis 5*ENCODER CARD 1*IP CARD	10	470000	4,700,000	Teletronics India	February 5, 2011
39.	SMR Chasis 1*4 ASI Control Card 3*IP Scrambler Card	2	1601910	3,203,820	Teletronics India	February 5, 2011
40.	SMR Chassis, 1*IP SCRAMBLER CARD	8	200000	1,600,000	Teletronics India	February 5, 2011
41.	IP QAM Chasis 5* card	2	300000	600,000	Teletronics India	February 5, 2011
42.	Servers	4	147798	591,192	Angel Impex	February 11, 2011
43.	Switches	4	50000	200,000	Angel Impex	February 11, 2011
44.	HD Encoders	10	250000	2,500,000	Angel Impex	February 11, 2011
45.	PVR HD Boxes	1000	6000	6,000,000	Angel Impex	February 11, 2011
46.	HD MPEG4 Decoder	10	110000	1,100,000	Angel Impex	February 11, 2011
47.	VOD	2	2138500	4,277,000	Angel Impex	February 11, 2011
48.	Web Carrousel	2	1468750	2,937,500	Optilink Networks Private Limited	February 11, 2011
49.	Game Carrousel	2	1468750	2,937,500	Optilink Networks Private Limited	February 11, 2011
50.	NVOD Servers	2	325000	650,000	Optilink Networks Private Limited	February 11, 2011
51.	Mosiac Servers	2	415000	830,000	Optilink Networks Private Limited	February 11, 2011
52.	Logo Generator/ Water Marking Servers	64	80000	5,120,000	Optilink Networks Private Limited	February 11, 2011
53.	MiddleWare Hardware and Software for CAS	2	3701250	7,402,500	Optilink Networks Private Limited	February 11, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
54.	OTDR	35	214200	7,497,000	Sancheti Electronics Limited	February 10, 2011
55.	Optical Power Meter	55	15300	841,500	Sancheti Electronics Limited	February 10, 2011
56.	Optical Fiver Fusion Splicer	25	331500	8,287,500	Sancheti Electronics Limited	February 10, 2011
57.	Drill Machine	40	800	32,000	PP.Enterprises	February 4, 2011
58.	Digital Clamp Meter	40	4163	166,520	PP.Enterprises	February 4, 2011
59.	Digital Earth Tester	40	5175	207,000	PP.Enterprises	February 4, 2011
60.	Mini Blower	20	1400	28,000	PP.Enterprises	February 4, 2011
61.	D.B.Metter	100	4100	410,000	MG Electronics	February 4, 2011
62.	Digital Multi Metter	200	350	70,000	Quantum Systems	February 5, 2011
63.	Cutting Plair	100	160	16,000	Shree Ganesh Hadware Store	February 10, 2011
64.	Nose Plair	60	129	7,740	Shree Ganesh Hadware Store	February 10, 2011
65.	Adj.Wrench 14"	50	252	12,600	Shree Ganesh Hadware Store	February 10, 2011
66.	Adj.Wrench 12"	50	236	11,800	Shree Ganesh Hadware Store	February 10, 2011
67.	D/E Spanner	40	173	6,920	Shree Ganesh Hadware Store	February 10, 2011
68.	Wire Stripper	40	37.5	1,500	Shree Ganesh Hadware Store	February 10, 2011
69.	Screw Driver Set	20	139	2,780	Shree Ganesh Hadware Store	February 10, 2011
70.	Line Tester	100	28	2,800	Shree Ganesh Hadware Store	February 10, 2011
71.	Rubber For Aluminium Ladder	400	50	20,000	L.K.Enterprises	February 10, 2011
72.	Helment	200	102	20,400	L.K.Enterprises	February 10, 2011
73.	Hand Gloves	600	56.5	33,900	L.K.Enterprises	February 10, 2011
74.	Safety Balt	200	400	80,000	L.K.Enterprises	February 10, 2011
75.	Safety Shoes	400	765	306,000	L.K.Enterprises	February 10, 2011
76.	250A Electrical Panel Board	20	110000	2,200,000	PP.Enterprises	February 4, 2011
77.	125A Electrical Panel Board	20	96000	1,920,000	PP.Enterprises	February 4, 2011
78.	80A Electrical Panel Board	20	25800	516,000	PP.Enterprises	February 4, 2011
79.	Local Electrical Board	100	630	63,000	PP.Enterprises	February 4, 2011
80.	Spick Electrical Board with 5A Socket	40	1012	40,480	PP.Enterprises	February 4, 2011
81.	125A Main Switches	20	5000	100,000	PP.Enterprises	February 4, 2011
82.	63A TPN MCB with Box	20	1650	33,000	PP.Enterprises	February 4, 2011
83.	16A SP MCB	20	120	2,400	PP.Enterprises	February 4, 2011
84.	15A 3Pin Top	600	45	27,000	PP.Enterprises	February 4, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
85.	6A 3Pin Top	600	27	16,200	PP.Enterprises	February 4, 2011
86.	5A 3Pin Socket	400	20	8,000	PP.Enterprises	February 4, 2011
87.	15A 3Pin Socket	500	45	22,500	PP.Enterprises	February 4, 2011
88.	5A 2in One Socket	200	22	4,400	PP.Enterprises	February 4, 2011
89.	50mm Cpp.Socket	200	50	10,000	PP.Enterprises	February 4, 2011
90.	50mm All.Socket	100	20	2,000	PP.Enterprises	February 4, 2011
91.	70mm All.Socket	40	20	800	PP.Enterprises	February 4, 2011
92.	95mm All.Socket	20	25	500	PP.Enterprises	February 4, 2011
93.	10mm Copp.Socket	20	13	260	PP.Enterprises	February 4, 2011
94.	25mm Copp.Socket	20	16	320	PP.Enterprises	February 4, 2011
95.	25mm All.Socket	20	11	220	PP.Enterprises	February 4, 2011
96.	35mm All.Socket	20	12	240	PP.Enterprises	February 4, 2011
97.	35mm Copp.Socket	20	30	600	PP.Enterprises	February 4, 2011
98.	2.5mm Copp.Socket	20	24	480	PP.Enterprises	February 4, 2011
99.	16mm Cpp.Socket	20	18	360	PP.Enterprises	February 4, 2011
100.	16mm All.Socket	20	10	200	PP.Enterprises	February 4, 2011
101.	1.5mm Cpp.Socket	20	8	160	PP.Enterprises	February 4, 2011
102.	4mm Cpp.Socket	20	5	100	PP.Enterprises	February 4, 2011
103.	6mm Cpp.Socket	20	6.5	130	PP.Enterprises	February 4, 2011
104.	300mm All.Socket	20	85	1,700	PP.Enterprises	February 4, 2011
105.	16mm Aluminium Cable	400	64	25,600	PP.Enterprises	February 4, 2011
106.	50mm Aluminium Cable	200	240	48,000	PP.Enterprises	February 4, 2011
107.	70mm Aluminium Cable	130	350	45,500	PP.Enterprises	February 4, 2011
108.	2.5mm 3 Core Copper Cable	400	64.5	25,800	PP.Enterprises	February 4, 2011
109.	2.5mm 4 Core Copper Cable	250	78	19,500	PP.Enterprises	February 4, 2011
110.	4mm 3 Core Copper Cable	250	112	28,000	PP.Enterprises	February 4, 2011
111.	4mm 4 Core Copper Cable	250	140	35,000	PP.Enterprises	February 4, 2011
112.	6mm 3 Core Copper Cable	250	160	40,000	PP.Enterprises	February 4, 2011
113.	10mm 3 Core Copper Cable	250	195	48,750	PP.Enterprises	February 4, 2011
114.	10mm 4 Core Copper Cable	250	219	54,750	PP.Enterprises	February 4, 2011
115.	16mm 4 Core Copper Cable	250	590	147,500	PP.Enterprises	February 4, 2011

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
116.	25mm 4 Core Copper Cable	250	920	230,000	PP.Enterprises	February 4, 2011
117.	25mm 3 Core Copper Cable	250	715	178,750	PP.Enterprises	February 4, 2011
118.	25mm 2 Core Copper Cable	250	580	145,000	PP.Enterprises	February 4, 2011
119.	1.5mm Copper Cable	250	12.5	3,125	PP.Enterprises	February 4, 2011
120.	2.5mm Copper Cable	250	18	4,500	PP.Enterprises	February 4, 2011
121.	4mm Copper Cable	250	22	5,500	PP.Enterprises	February 4, 2011
122.	10mm Copper Cable	250	81	20,250	PP.Enterprises	February 4, 2011
123.	GI Flat 25x3	300	1800	540,000	PP.Enterprises	February 4, 2011
124.	GI Plate 6mm 2' x 2'	33	1800	59,400	PP.Enterprises	February 4, 2011
125.	Copper Plate 3mm	250	509	127,250	PP.Enterprises	February 4, 2011
126.	Copper Flat 25 x 3	300	509	152,700	PP.Enterprises	February 4, 2011
127.	Lightening Arestor	20	1248	24,960	PP.Enterprises	February 4, 2011
128.	Electrical Transformer	3	250000	750,000	Orissa Power Transfomer Private Limited	February 11, 2011
	Total			**344,301,083**		
	Total (Rs) in milions			**344.30**		

inclusive of applicable taxes.

None of the machinery described above, is used/second hand in nature, and we do not propose to purchase any used / second hand machinery.

The Promoters, Directors, Key Managerial Personnel and the Group Companies do not have any interest in the proposed acquisition of the equipments and machinery or in the entity from whom we have obtained quotations for the same.

The prices for the equipments proposed to be purchased as set out above are as per the quotations received from the respective suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimates.

Further, our Company's capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

3. Capital expenditure on development of our broadband services

Once the network is built and 'Homes Passed' are created, we need to deploy back end equipments and software for provision of data and telephony services. We are also required to invest in cable and related equipments to connect subscribers to our network. Further, a cable modem is required to be installed at the customer's premises for providing data services.

We believe that such investments in suitable hardware and software will give us the ability to further integrate our business and enable us to broaden the scope and quality of our services and increase our market presence. We intend to use ₹ 217.40 million from the Net Proceeds for the purchase of capital equipments to meet the requirements of our various projects, for providing broadband services and future requirements as estimated by the management.

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

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
1.	Cable Modem 2.0 docsis	81,150	1,510	122,536,500	Sancheti Electronics Limited	February 10, 2011
2.	Cable Modem Wireless	10,635	3,151	33,510,885	Sancheti Electronics Limited	February 10, 2011
3.	CMTS DOCSIS 2.0	4	650,000	2,600,000	Sancheti Electronics Limited	February 10, 2011
4.	CMTS DOCSIS 3.0	2	12,500,000	25,000,000	Sancheti Electronics Limited	February 10, 2011
5.	Blade Servers for Provisioning	3	85,000	255,000	Future Netwings Solutions Private Limited	February 2, 2011
6.	Juniper Highend Router	4	1,400,000	5,600,000	Future Netwings Solutions Private Limited	February 2, 2011
7.	10GB CISCO 12 Port Switch with SFP Module	3	928,200	2,784,600	Sancheti Electronics Limited	February 10, 2011
8.	CISCO 3750 Switch	4	646,363.80	2,585,455.20	Sancheti Electronics Limited	February 10, 2011
9.	CISCO 7206 G2 Router	4	56,663	226,652	Sancheti Electronics Limited	February 10, 2011
10.	High End Servers Quad Processor with 128GB RAM	4	158,100	632,400	Optilink Networks Private Limited	February 10, 2011
11.	Firewall	1	728,000	728,000	Future Netwings Solutions Private Limited	February 2, 2011
12.	IP Security System	1	365,760	365,760	Future Netwings Solutions Private Limited	February 2, 2011
13.	IP Commander for 20000 Customers	1	781,960	781,960	Future Netwings Solutions Private Limited	February 2, 2011
14.	Monitoring Software on SNMP Based	1	197,600	197,600	Future Netwings Solutions Private Limited	February 2, 2011
15.	Solaris Server for Oracle Database and Report Database with Redundancy	2	950,000	1,900,000	Future Netwings Solutions Private Limited	February 2, 2011
16.	8 Ports 10/100M Layer 2 Managed Switch	10	5,916	59,160	Optilink Networks Private Limited	February 10, 2011
17.	24 Ports 10/100M Layer 2 Managed Switch	10	14,790	147,900	Optilink Networks Private Limited	February 10, 2011
18.	24 Port Dual Speed SFP Layer 2 MEN Switch	10	72,420	724,200	Optilink Networks Private Limited	February 10, 2011
19.	24 port 10/100M Layer 3 Core Switch	10	55,080	550,800	Optilink Networks Private Limited	February 10, 2011
20.	Web Smart 8 Port Sitch	650	1,428	928,200	Optilink Networks Private Limited	February 10, 2011
21.	EOC Master	40	8,670	346,800	Optilink Networks Private Limited	February 10, 2011
22.	EOC Slave	200	2,346	469,200	Optilink Networks Private Limited	February 10, 2011
23.	CWDM Optical Mux/Demux	20	56,100	1,122,000	Optilink Networks Private Limited	February 10, 2011
24.	DWDM Optical Mux/Demux	10	214,200	2,142,000	Optilink Networks Private Limited	February 10, 2011
25.	Wireless P2P Stations	20	32,895	657,900	Optilink Networks	February 10,

Sr. No.	Description	Purchase Quantity	Unit Cost*	Total Amount	Name of the Supplier	Date of Quotation
					Private Limited	2011
26.	Wireless P2MP Base Station	20	38,250	765,000	Optilink Networks Private Limited	February 10, 2011
27.	Wireless P2MP CPE	60	16,447.5	986,850	Optilink Networks Private Limited	February 10, 2011
28.	SIP Phones	2,000	3,519	7,038,000	Optilink Networks Private Limited	February 10, 2011
29.	Cat6e Cable with LDPE Coating	100,000	17.34	1,734,000	Optilink Networks Private Limited	February 10, 2011
30.	Rj45 Connector	9,200	2.2	20,240	Optilink Networks Private Limited	February 10, 2011
	Total			**217,397,062.20**		
	Total *(Rs in millions)*			**217.40**		

*inclusive of applicable taxes.

None of the machinery described above, is used/second hand in nature, and we do not propose to purchase any used / second hand machinery.

The Promoters, Directors, Key Managerial Personnel and the Group Companies do not have any interest in the proposed acquisition of the equipments and machinery or in the entity from whom we have obtained quotations for the same.

The prices for the equipments proposed to be purchased as set out above are as per the quotations received from the respective suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimates.

Further, our Company's capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

4. General Corporate Purposes

The Net Proceeds will be first utilized towards investment in capital equipments. The balance is proposed to be utilized for general corporate purposes, including strategic initiatives, brand building exercises and strengthening of our marketing capabilities partnerships, joint ventures, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The Issue expenses comprising the fees and expenses of the Book Running Lead Managers, the Co-Book Running Lead Manager, the Indian and international legal counsels, underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers and the SCSBs payable in relation to the Issue shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.

All other Issue expenses, such as printing, advertisement, listing fee, auditor's fees, registrar's fees, SEBI filing fees and Stock Exchange fees for usage of book building facility etc. will be paid by our Company.

The estimated Issue expenses are as under:

Activity	Amount (₹ million)	% of the Issue Expenses	% of total Issue Size
Lead management fees*	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission*	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and distribution expenses*	[●]	[●]	[●]
IPO Grading expenses*	[●]	[●]	[●]
Advisors*	[●]	[●]	[●]
Bankers to the Issue*	[●]	[●]	[●]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

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

Appraisal

The Objects have not been appraised by any banks, financial institutions or agency.

Bridge loans

We have not raised any bridge loans against the Net Proceeds.

Means of Finance

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

Interim Use of Net Proceeds

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

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹ 5,000 million. Our audit committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years commencing from FY 2012.

We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial information specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the listing agreement, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the audit committee. The said disclosure shall be made till such time that the full proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditors. Further, in terms of Clause 43A of the listing agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the listing agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Clause 49 of the listing agreement.

Other Confirmations

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

BASIS FOR THE ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager on the basis of an assessment of market demand for the offered Equity Shares by the book building process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive Strengths

We believe that we have the following competitive strengths:

a) We control the 'last mile' connection in our network

b) We generate a steady revenue stream

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

d) We offer 'Triple Play' services to our customers

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

f) We have strong execution skills and an experienced management team

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, see sections titled "*Our Business*" and "*Risk Factors*" on pages 79 and xiii, respectively.

Quantitative Factors

Information presented in this section is derived from our restated financial information prepared in accordance with the Companies Act and the SEBI Regulations.

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

1. *Basic and Diluted Earnings / (Loss) per Share ("EPS")*

Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2010	(3.83)	(3.83)	3
March 31, 2009	(3.30)	(3.30)	2
March 31, 2008	0.16	0.16	1
Weighted Average	(2.99)	(2.99)	

The restated Basic and Diluted EPS for the six months ended September 30, 2010 is ₹ (4.21).

2. Price Earning (P/ E) Ratio in relation to the Issue Price of ₹ [●] per Equity Share

Sr. No.	*Particulars*	
1.	P/E ratio on the Basic and Diluted EPS for the year ended March 31, 2010 at the Floor Price	[●]
2.	P/E ratio on the Basic and Diluted EPS for the year ended March 31, 2010 at the Cap Price	[●]

Industry P/ E*

	P/ E Ratio	*Name of the company*	*Face value of equity shares (₹)*
Highest	[●]	[●]	[●]

	P/ E Ratio	Name of the company	Face value of equity shares (₹)
Lowest	[●]	[●]	[●]
Average	[●]		

Capital Market Magazine Volume [●]
* *Peer group includes Hathway Cable and Datacom Ltd., DEN Networks Limited, Wire & Wireless India Ltd. and Dish TV India Ltd.*

3. *Return on Networth (RoNW)*

Period ended	RoNW (%)	Weight
2010	-40.47%	3
2009	-25.52%	2
2008	0.84%	1
Weighted Average	**-28.60%**	

The restated RONW for the six months ended September 30, 2010 is -10.46%.

4. *Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue Basic EPS for the year ended March 31, 2010*

Based on Basic and Diluted EPS

At the Floor Price – [●] % and [●] % based on Restated financial information.
At the Cap Price – [●] % and [●] % based on Restated financial information.

5. *Net Asset Value*

NAV as at March 31, 2010 : ₹ 9.44 per Equity Share
NAV as at September 30, 2010 : ₹ 30.27 per Equity Share

Issue price : ₹ [●] per Equity Share

NAV after the Issue : ₹ [●] per Equity Share

Note:
(i) Net Assets Value per Share (₹) = Net worth as per statement of adjusted Assets and liabilities divided by the Number of Shares

6. *Comparison with other listed companies**

	Face Value of Equity Shares in ₹	Total Income in ₹ Million	Basic EPS[1] in ₹	RoNW (%)[2]	NAV per Equity Share[3] in ₹	P/E Ratio[4]
Ortel Communication Ltd.[#]	10	785.30	-3.83	-	9.44	[●]
Peer Group						
Hathway Cable and Datacom Ltd.*	10	4,065.37	-6. 98	NA[##]	62.00	NA**
DEN Networks Limited*	10	3,347.77	1.86	2.87%	55.64	193.72
Wire & Wireless India Ltd.*	1	2,018.29	-6.33	NA[##]	-5.17	NA**
Dish TV India Ltd.*	1	10,901.07	-3.19	NA[##]	3.76	NA**

* *Source: Based on the certificate received from A.K. Sabat & Co, Chartered Accountant dated March 08, 2011. All the financial information for Peer Group mentioned above is on a standalone basis and is sourced from Annual reports of the companies for the year ended March 31, 2010.*
\# *Source: Based on the Restated Financial Information for the year ended March 31, 2010*
\#\# *Not applicable as the return on net worth is negative for the year/period as at the balance sheet date*
** *P/E Ratio is negative hence not given*

Note 1: Basic EPS refers to the basic EPS sourced from the annual reports of the companies

Note 2: RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as sum of share capital and reserves minus debit balance of Profit and Loss Account.

Note 3: NAV is computed as the closing net worth divided by the closing outstanding number of equity shares adjusted for partly paid-up shares as on March 31, 2010 in the Annual Reports

Note 4: P/E Ratio has been computed based on the closing market price of equity shares on the BSE as on February 28, 2011, divided by the basic EPS provided under Note 1.

7. The Issue price will be [●] times of the face value of the Equity Shares.

The Issue Price will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager on the basis of the demand from investors for the Equity Shares through the Book Building Process.

STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS

AUDITORS' REPORT ON STATEMENT OF TAX BENEFITS

To
The Board of Directors,
Ortel Communications Limited,
C-1, BDA Chandrasekharpur
Bhubaneswar- 751016.

Dear Sirs,

We hereby report that the enclosed statement states the possible tax benefits available to Ortel Communications Limited ("the company") and to its shareholders (including Preference Shareholders) under the Income Tax Act, 1961 ,the Wealth Tax Act, 1957, and other allied direct tax laws presently in force in India. The benefits outlined in the statement will be dependent upon the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled. Additionally, in respect of the company benefits listed, the business imperatives faced by the company in the future will also affect the benefits actually claimed.

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

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

i) the company is currently availing any of these benefits or will avail these benefits in future; or
ii) the company's share holders will avail these benefits in future; or
iii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the company and on the basis of the understanding of the business activities and operations of the company.

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

For **A.K.SABAT & CO.,**
Chartered Accountants

Place: Bhubaneswar
Date: 27/12/2010

(CA S. CHAND)
PARTNER
Membership No. 050063
Firm Registration No. 321012E (ICAI)

Statement of Tax Benefits

This statement lists out the possible key tax benefits that may be available to the company and the prospective shareholders under the current direct tax laws in India.

SPECIAL TAX BENEFITS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the company.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the company.

GENERAL TAX BENEFITS

1. KEY BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME-TAX ACT, 1961 (THE ACT)

A. BUSINESS INCOME:

I. Depreciation (Section 32 of the Act)

The company is entitled to claim depreciation on specific tangible assets (being Buildings, Plant and Machinery, Computers, Vehicles and Furniture) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business.

In case of any new Plant or Machinery (other than ships and aircraft) that will be acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to depreciation of a further sum equal to twenty percent of the actual cost of such machinery or plant subject to conditions specified in the Act in the year in which it is first put to use.

For assets put to use for less than 180 days 50% of the depreciation can be claimed as per the above paragraphs.

Unabsorbed depreciation, if any, for an Assessment Year (AY) can be carried forward **without any time limit** and set off against any source of income in the subsequent AYs.

II. Preliminary expenses (Section 35D of the Act)

The company is eligible for deduction in respect of specified preliminary expenses incurred, in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses over 5 successive AYs in accordance with provisions of the Act.

III. Expenditure incurred on Voluntary Retirement Scheme (Section 35DDA)

The company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement in accordance **with any scheme or schemes** of an amount equal to 1/5th of such payments over 5 successive AYs subject to conditions and limits specified in the Act.

IV. Expenditure on Scientific Research (Section 35)

The company is eligible for deduction in respect of any expenditure (not being expenditure on the acquisition of any land) on scientific research related to the business subject to conditions specified in the Act.

Finance Act, 2010 has amended Section 35(2AB), subject to fulfillment of conditions specified therein, by extending weighted deduction **(a sum equal to two times of expenditure not being expenditure on the acquisition of any land or building)** for in-house research & development for companies engaged in any business of manufacture or production of any article or thing except those provided in the Eleventh Schedule of the Act and is applicable with effect from **1st April 2010.**

V. Set off & Carry forward of business loss (Section 72 of the Act)

Business losses (not from speculation business), if any, can be set off against any income of that year & the balance would be carried forward and set off against business profits for eight subsequent AYs.

VI. Minimum Alternative Tax (Section 115JB)- (MAT)

The Finance Act, 2010 increased the rate of minimum alternative tax to 18% with effect from **2010-11**. The Finance (No.2) Act, 2009 also inserted a new clause in Section 115JB which provides that if any provision for diminution in value of any asset has been debited to the profit and loss account, it shall be added to the net profit as shown in the profit and loss account for the purpose of computation of book profit. Similar amendment is also made in Section 115JA of the Income Tax Act.

The amendment in Section 115JA is made retrospectively from 1st day of April, 1998 and will accordingly apply in relation to the assessment year 1998-99 and subsequent years. The amendment in Section 115JB is made retrospectively from 1st day of April, 2001 and will accordingly apply in relation to the assessment year 2001-02 and subsequent years.

VII. MAT Credit (Section 115JAA)

The company would be required to pay tax on its book profits under the provisions of Section 115JB in case where tax on its "total income" [the term defined under Section 2(45) of the Act] is less than **18% with effect from 1st April, 2010** of its book profit (the term defined under Section 115JB of the Act). Such tax is referred to as Minimum Alternative Tax (MAT.) The difference between the MAT payable under Section 115JB of the Act and the tax on its total income payable for that assessment year shall be allowed to be carried forward as "MAT credit" upto tenth assessment year **(effective from 2009-10)** immediately succeeding the assessment year in which the tax credit becomes allowable. The MAT credit can be utilized to be set off against taxes payable on the total income computed under the provisions of the Act other than 115JB thereof if any, in the subsequent assessment years in accordance with the provisions & limit specified in the Act.

B. CAPITAL GAINS

I. Long Term Capital Gain (LTCG)

i) LTCG means Capital Gain arising from the transfer of a capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a Zero-coupon bond, held by an assessee for more than 12 months. In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

ii) LTCGs are exempt from tax under Section 10(38) of the Act provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that Section. With effect from AY 2007-08, income by way of LTCG exempt u/s 10(38) of a company is taken into account in computing book profit and income tax is payable under Section 115JB.

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

iv) As per Section 112, LTCG is taxed @ 20% plus applicable surcharge thereon and 3% Education and Secondary & Higher education cess on tax plus Surcharge (if any) (hereinafter referred to as applicable Surcharge + Education and Secondary & Higher Education Cess) However as per proviso to Section 112(1), if such tax payable on transfer of listed securities / units / Zero coupon bond which is chargeable to tax, exceeds 10% of the LTCG, without availing benefit of indexation, then the excess tax shall be ignored.

v) As per Section 70 read with Section 74, long term capital loss arising during a year is allowed to be set off only against long term capital gains. Balance loss if any, should be carried forward and available for set-off against subsequent year's long term capital gains for subsequent 8 years.

vi) Under Section 54EC of the Act, capital gains arising on transfer of a long term capital asset is exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bond issued by the following and subject to the conditions specified therein:

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

vii) If only part of the long term capital gain is reinvested, the exemption shall be proportionately reduced. However, if the new bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, shall be taxable as Capital gains in the year of transfer or conversion.

viii) With effect from 1st April, 2007 the investment in the Long Term Specified Asset made by the company during a financial year should not exceed 50 Lakh rupees.

II. Short Term Capital Gain (STCG)

i) STCG means Capital gain arising from the transfer of capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a 49 unit of a mutual fund specified under clause (23D) of Section 10 or a Zero-coupon bond, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

ii) As per Section 111A of the Act, STCG arising on sale of equity shares of a company or units of equity oriented mutual fund [as defined under Section 10(23D)], on a recognized stock exchange are subject to tax at the rate of 15%(plus applicable surcharge + Education and Secondary & Higher Education cess), provided the transaction is chargeable to STT. In other case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income.

iii) As per Section 70 read with Section 74, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. Balance loss if any, should be carried forward and available for set-off against subsequent year's short term or long term capital gains for subsequent 8 years.

C. INCOME FROM OTHER SOURCES

Dividend income / Share of Profit

Under Section 10(34) of the Act, income by way of dividend referred to in Section 115-O received by the company on its investments in shares of another Domestic company is exempt from income tax in the hands of the company.

As per Section 10(35) of the Act the following income will be exempt in the hands of the company:

i) Income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of units in such mutual fund).
ii) Income received in respect of units from Administrator (defined in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal Act, 2002) of the Specified Undertaking (as defined in Section 2 (h) of the aforesaid Act.
iii) Income received in respect of units from the specified company (as defined in Section 2(h) of the aforesaid Act)

However, it is pertinent to note that Section 14A of the Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation such exempt income.

Under Section 10(2A) of the Act, any share of profit of the company in the total income from firm in which the company is a partner, is exempt from tax.

D. RELIEF FOR INTER CORPORATE DIVIDEND FROM SUBSIDIARIES

The company, being a domestic company, is required to pay dividend distribution tax under Section 115-O in respect of dividend declared, distributed or paid @ 15% (plus applicable surcharge and education cess and Secondary and higher education cess). However the company is entitled to avail the credit of dividend received from its subsidiaries in accordance with the provisions of Section 115-O (IA) on which dividend distribution tax has been paid by the subsidiary. This credit is available to ultimate parent , i.e. in case the company is not a subsidiary of any other company.

2. KEY BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE ACT)

2.1 Resident Members

a) Profits and Gains from Business or Profession

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

b) Capital gains

i) Benefits outlined in Paragraph 1(B) are also applicable to resident shareholders. However, sub-paragraph I(ii) thereof, as relates to income tax payable under Section 115JB is available to only corporate shareholders, **Levy of surcharge in case of individuals has been removed vide Finance (No.2) Act, 2009.** In addition to the same, the following benefits are also available to resident shareholders.

ii) As per Section 54F of the Act applicable to an individual or a Hindu undivided Family (HUF), Long Term Capital Gain arising from transfer of shares will be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer subject to fulfillment of conditions & limits specified therein.

iii) As per Section 112 of the Act, in case of an individual or an HUF being a resident, where the total income as reduced by long term capital gains is below the maximum amount, which is not chargeable to income tax, then such long term capital gain shall be reduced by the amount by which the total income as so reduced, falls short of maximum amount which is not chargeable to income tax and the tax on balance of such long term capital gains shall be computed at the rate of 20% after claiming indexation benefit / or at the rate of 10% without claiming indexation benefit.

iv) As per Section 111A of the Act, in case of an individual or an HUF being a resident, where the total income as reduced by short term capital gains is below the maximum amount, which is not chargeable to income tax, then such short term capital gain shall be reduced by the amount by which the total income as so reduced, falls short of maximum amount which is not chargeable to income tax and the tax on balance of such short term capital gains shall be computed at the rate of 15%.

c) Dividend income

Dividend (both interim and final) income, if any, received by the resident shareholders from a Domestic company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act. However, it is pertinent to note that Section 14A of the IT Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation to such exempt income.

d) Clubbing of Income

Under Section 10(32) of the IT Act, any income (other than Dividend Income as referred under (c) above of a minor child who is a shareholder of the company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included in the income of the parent.

2.2 Key Benefits available to Non-Resident Member

a. Dividend Income:

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a Domestic company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act. However, Section 14A of the Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation such exempt income.

b. Capital gains:

Benefits outlined in Paragraph 2.1(b) above are also available to a non-resident shareholder except that as per first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders in such case. The benefit of proviso to Section 112(1) of the Act is applicable only to resident individual and HUF only.

c. Tax Treaty Benefits:

As per Section 90 of the Act, the shareholder can claim relief in respect of double taxation if any as per the provision of the applicable double taxation avoidance agreements.

d. Clubbing of Income

Under Section 10(32) of the IT Act, any income (other than Dividend Income as referred under (a) above of a minor child who is a shareholder of the company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included in the income of the parent.

e. Special provision in respect of income / LTCG from specified foreign exchange assets available to non-resident Indians under Chapter XII-A.

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

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

iii. As per Section 115E, income [other than dividend which is exempt under Section 10(34)] from investments and Long Term Capital Gain (LTCG) from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable Surcharge + Education and Secondary & Higher Education Cess). However, indexation benefit will not be available for computation of capital gain. Further, no deduction in respect of any expenditure allowance from such income will be allowed and no deductions under chapter VI-A will be allowed from such income. **Levy of surcharge in case of individuals has been removed vide Finance (No.2) Act, 2009.**

iv. As per Section 115E, LTCG arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable Surcharge + Education and Secondary & Higher Education Cess). However indexation benefit will not be available for determining the amount of capital gain chargeable to tax. **Levy of surcharge in case of individuals has been removed vide Finance (No.2) Act, 2009.**

v. As per Section 115F, LTCG on transfer of specified foreign exchange asset shall be exempt under Section 115F, in the proportion of the net consideration from such transfer being invested in specified assets or savings certificates within six months from date of such transfer, subject to further conditions specified under Section 115F.

vi. As per Section 115G, if the income of an NRI taxable in India consists only of income/LTCG from such shares and tax has been properly deducted at source in respect of such income in accordance with the Act, it is not necessary for the NRI to file return of income under Section 139.

vii. As per Section 115H, where the NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year, in which he is first assessable as a resident, under Section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

viii. As per Section 115I, the NRI can opt not to be governed by the provisions of chapter XII-A for any AY by declaring the same in the return of income filed under Section 139 in which case the normal benefits as available to non-resident shareholders will be available.

2.3 Key Benefits available to Foreign Institutional Investors (FIIs)

1. Dividend Income:

i. Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act. However, it is pertinent to note that Section 14A of the IT Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation such exempt income.

ii. Under Section 115AD, income (other than income by way of dividends referred in Section 115O) received in respect of securities (other than units referred to in Section **115AB i.e units of mutual fund specified under Section 10(23D) or of the Unit Trust of India**) shall be taxable at the rate of 20% (plus applicable Surcharge + Education and Secondary & Higher Education Cess). No deduction in respect of any expenditure/allowance shall be allowed from such income.

2. Capital Gains:

Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB), shall be taxable as follows:

- As per Section 111A, Short Term Capital Gain (STCG) arising on transfer of securities where such transaction is chargeable to Security Transaction Tax (STT), shall be taxable at the rate of 15% (plus applicable Surcharge + Education and Secondary & Higher Education Cess). STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable Surcharge + Education and Secondary & Higher Education Cess).
- LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10% (plus applicable Surcharge & Education and Secondary & Higher Education Cess). The benefit of indexation and benefit of foreign exchange fluctuation, as mentioned under 1st and 2nd proviso to Section 48 would not be allowed while computing the capital gains.

3. Exemption of capital gains from income-tax:

i. LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Act.

ii. Benefit of exemption under Section 54EC shall be available as outlined in Paragraph 1(B) I(v) above.

4. Tax Treaty Benefits:

As per Section 90 of the Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

2.4 Key Benefits available to Mutual Funds

As per the provisions of Section l0 (23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

3. Wealth Tax Act, 1957

Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

4. The Gift Tax Act, 1958

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

5. Tax Deduction at Source

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (other than long-term capital gains exempt under section 10(38) of the IT Act), may be liable to the provisions of with-holding tax, subject to the provisions of the relevant tax treaty. Accordingly, income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee, unless a lower withholding tax certificate is obtained from the tax authorities. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

Notes:

a) All the above benefits are as per the current tax law as enacted and will be available only to the sole/first named holder in case the shares are held by joint holders unless otherwise provided in the Act.

b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement (DTAA), if any between India and the country in which the non-resident has fiscal domicile.

c) Wherever applicable, the benefits mentioned hereinabove are subject to fulfilment of the specified conditions and up to the limits as mentioned in the relevant provisions.

d) 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.

e) Direct Tax Code Bill, 2010 as introduced in Parliament is proposed to be effective from 01-04-2012 which will replace the Income Tax Act, 1961 and Wealth Tax Act, 1957 and highlights as they might differ on enactment related to above may be given, if so desired, for the Draft Red Herring Prospectus.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is derived from "The Indian Entertainment and Media Industry", FICCI KPMG Report 2009 and 2010, Media Partners Asia Limited's report titled "Asia Pacific Pay-TV & Broadband Markets 2010"(the "MPA Report 2010") as well as other industry sources and government publications. None of the Company, the Selling Shareholder, the BRLMs, the CBRLM and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

Media and Entertainment Industry

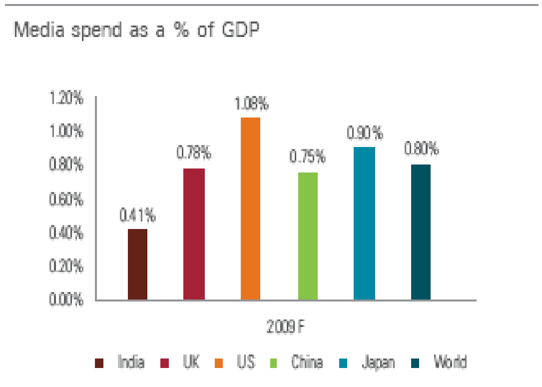
The Indian Media and Entertainment ("M&E") industry, which comprises television, film, radio, print, music, the internet, animation, gaming and outdoor media, has been one of the fastest growing industries in India over the last few years. The overall M&E industry size grew from INR 385 billion in 2005 to INR 587 billion in 2009. The industry grew at CAGR of 11 percent from 2005 to 2009 and is expected to grow at a rate of 13 percent over the next five years. Television and print are the largest sectors of the industry contributing to greater than 70 percent of the revenues. Their dominance is expected to continue going forward. *(Source: FICCI KPMG Report 2010)*

The following table sets forth the historic and projected revenue of India's entertainment and media industry as a whole and for the various segments of this industry for the period 2006 through 2014 in ₹ Billion:

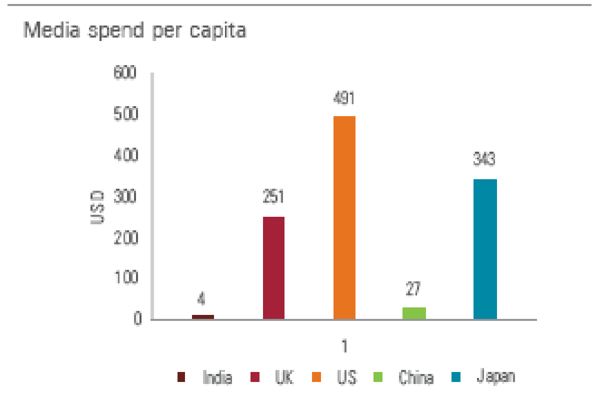
M&E Industry (INR billion)*	2006	2007	2008	2009	CAGR (2006-09)	2010P	2011P	2012P	2013P	2014P	CAGR (2009-14)
Films	78	93	104	89	5%	96	105	115	125	137	9%
Television	183	211	241	257	12%	289	337	382	448	521	15%
Print	139	160	172	175	8%	190	206	225	246	269	9%
Radio	6	7	8	8	9%	9	10	12	14	16	16%
Music	8	7	7	8	2%	9	10	12	14	17	16%
Animation & VFX	12	14	17	20	18%	23	28	33	39	47	19%
Gaming	3	4	7	8	38%	10	14	20	26	32	32%
Internet	2	4	6	8	56%	11	15	18	23	29	30%
Outdoor	12	14	16	14	5%	15	17	19	21	24	12%
Total Size	**443**	**516**	**579**	**587**	**10%**	**652**	**742**	**835**	**956**	**1091**	**13%**

Source: KPMG Analysis, Industry Discussions
*Taken for Calendar Years
Note: Numbers have been rounded to the nearest decimal

Media spend in India as a percent of GDP is 0.41 percent (2009). This ratio is almost half of the world's average of 0.80 percent and is much lower compared to developed countries like US and Japan. This indicates the potential for growth in spends as the industry in India matures.



Source: Worldwide Media & marketing forecasts, Group M, Summer 2009



Source: Worldwide Media & marketing forecasts, Group M, Summer 2009

Similarly, the current media spend per capita for India is very low at USD 4 compared to the other countries. Even though it is challenging to reach the levels of countries like US, Japan and UK, due to a very large population base and lower spending power per capita, there is scope to follow China and enhance this ratio. *(Source: FICCI KPMG Report 2010)*

Rising disposable incomes of the working population and increased spend on discretionary items, not only in Tier 1 but also Tier 2 and 3 cities is expected to favourably impact the M&E industry. Also, growth of newer delivery platforms with superior technology and functionality are likely to expand horizons for the M&E business.

India's Television Industry

Television is the largest segment of the Indian M&E industry with a size of INR 257 billion in 2009. The industry has transformed itself in the last few years with a reach of almost 500 million television viewers. The overall penetration of the television households has increased from ~50 percent five years back to ~60 percent now. Hence, television remains an attractive medium due to its large reach and potential for increase in penetration. *(Source: FICCI KPMG Report 2010)*

The Indian television industry comprises of:

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

The number of channels has increased from 120 in 2003 to over 460 in 2009. The genres and niches have expanded significantly, with launch of new channels catering to specific customer preferences (e.g. news, kids, infotainment and lifestyle). The industry also saw significant growth in the number of regional channels. In addition to broadcasting, television distribution evolved greatly with the growth of digital mediums and associated offerings to viewers like Digital cable, DTH and IPTV.

As per MPA Report 2010, the number of television households grew at a rate of ~6 percent to reach 133.6 million in 2009 compared to 99.5 million in 2004. The penetration of television in the country grew from 52 percent in 2004 to 60 percent in 2009. The penetration for Cable & Satellite ("C&S") households increased from 57 percent of total television households in 2004 to 78 percent in 2009. The overall number of C&S households reached 105 million registering a growth of ~13 percent over the last five years. A large part of this growth came from the terrestrial homes subscribing to analog cable television, also in the recent past digital subscribers have contributed significantly to this growth. Television and C&S penetrations are likely to continue to increase at a steady rate going forward.

Indian Television Industry: Key Statistics

		2004	2009	2014	2020	% CAGR 2009-14	% CAGR 2010-20
TV Homes	**(000)**	**99,511**	**133,654**	**164,810**	**190,086**	**4.3%**	**3.1%**
% Pen./Total HH	(%)	51.9%	59.8%	62.4%	65.2%		
PAY-TV							
Pay-TV Subs	**(000)**	**57,190**	**104,687**	**148,846**	**172,557**	**7.3%**	**4.1%**
Cable	(000)	57,090	87,501	102,789	110,381	3.3%	1.9%
Analog	(000)	57,050	84,417	86,281	81,486		
Digital	(000)	40	3,084	16,508	28,895		
DTH	(000)	100	17,129	44,852	58,471	21.2%	9.2%
IPTV	(000)	-	57	1,205	3,705	84.1%	37.0%
% Pay-TV Pen./TVHH	**(%)**	**57%**	**78%**	**90%**	**91%**		
% Analog/TVHH	(%)	57.5%	78.3%	90.3%	90.8%		
% Digital/TVHH	(%)	0.1%	15.2%	38.0%	47.9%		
% HD Digital	(%)	-	0.00	3.2%	7.5%		
Pay-TV ARPU/Mo.	**(US$)**	**3.0**	**3.5**	**4.6**	**5.9**	**5.5%**	**5.0%**
BROADBAND							
Total Broadband Internet Subs	**(000)**	**114**	**8,042**	**21,728**	**36,533**	**22.0%**	**12.6%**
Fixed (Cable, ADSL, FTTx)	(000)	114	7,992	18,685	22,550		
Wireless	(000)	-	50	3,043	13,983		
% BB Pen./Total HH (excl. wireless)	(%)	0.06%	3.6%	7.1%	7.7%		
% BB Pen./Pop (incl. wireless)	**(%)**	**0.01%**	**0.7%**	**1.8%**	**2.8%**		
Broadband ARPU/Mo.	**(US$)**	**20.5**	**12.0**	**10.3**	**9.1**	**-3.0%**	**-2.3%**
INDUSTRY REVENUE SUMMARY							
Total Pay-TV Industry Revenue	**(US$ mil.)**	**2,768**	**5,806.9**	**11,203**	**17,254**	**14.0%**	**10.0%**
Subscription	(US$ mil.)	1,943	4,158.5	7,988	12,207	13.9%	9.7%
Analog	(US$ mil.)	1,942	3,530	4,563	5,244		
SD	(US$ mil.)	1.1	615.8	2,883.6	5,442.1		
HD	(US$ mil.)	-	0.9	437.1	1,226.6		
VAS (PVR, VOD, NVOD/PPV)	(US$ mil.)	-	11.6	104.5	294.2		
Advertising	(US$ mil.)	825	1,648.4	3,215	5,047	14.3%	10.5%
Broadband Sub Revenue	**(US$ mil.)**	**20**	**959.3**	**2,510**	**3,897**	**21.2%**	**11.3%**
Total Broadband Pay-TV Industry Revenue	**(US$ mil.)**	**2,788**	**6,766.2**	**13,713**	**21,151**	**15.2%**	**10.2%**

Source: MPA research estimates

As per MPA Research Estimates, the television industry is expected to reach a size of USD 11.2 billion (₹ 544 billion) over the next 5 years i.e. by 2014, growing at a CAGR of 14 percent. Growth in the industry is expected to be driven by growth in both subscription and advertising revenues. The subscription market is likely to be driven by enhanced penetration and expansion of digital delivery infrastructure.

Television Broadcast Industry

The Indian television broadcast industry began in 1959 when Doordarshan, a Government-owned channel, commenced operations. In 1992, the Government authorized the licensing of privately-owned cable and satellite television channels. The number of channels has grown from two in 1992 to approximately 120 in 2003 and to over 460 as of the end of 2009. The major private television networks in India include Star TV, Zee, Multi Screen Media (previously known as the Sony Entertainment Television), Network18, NDTV and SUN TV (a regional language operator).

The share of broadcasters in the total subscription pie is expected to go up from the current levels primarily driven by digitization which brings about more transparency in the declaration process. *(Source: FICCI KPMG Report 2010)*

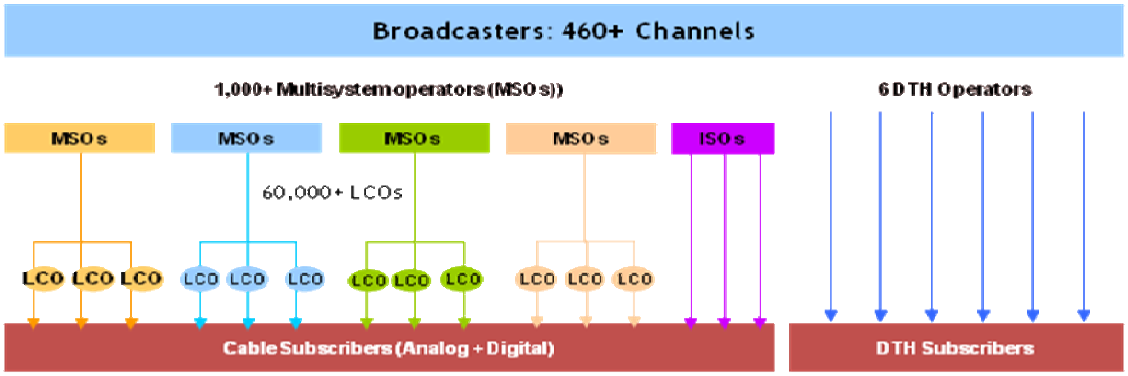
Television Distribution Industry

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

- Terrestrial television
- Cable television
- DTH

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

Television Distribution in India



Indian television distribution is dominated by cable television. However, Indian cable television industry is extremely fragmented with 1,000+ independent Multi System Operators ("MSOs") and 60,000+ Local Cable Operators ("LCOs"). DTH industry has six players vying for market share.

Analog cable is the dominant delivery platform currently and addressability is a concern on such cable platform. The lack of a proper subscriber management system has resulted in massive under-reporting of subscriber numbers by LCOs and the subscription value chain is currently skewed in favour of LCOs. MPA Report 2010 estimates that ~65% of the net revenues generated are retained by LCOs. The anticipated growth of digital cable is expected to result in a shift in the balance of power in the cable distribution segment with a higher percentage of subscription revenues being payable to MSOs and broadcasters.

Cable Television

India's cable television industry has grown rapidly since its inception almost twenty years ago, spurred by entrepreneurship and innovation from distribution platforms and content providers. Cable television is now established as a mass medium for entertainment and information, available in more than 87 million consumer households across India. This represents 64 per cent of television-owning homes in the country. India remains the second largest market for cable television in the world, trailing only China in terms of subscriber mass, and is amongst the highest in the world in terms of subscriber penetration. According to the MPA Report 2010, Cable television will continue to be India's dominant platform for pay television distribution.

Operation of Cable Television

Cable television broadcasting operates by uplinking a broadcaster's channel to a satellite which then provides a downlink signal to a particular region. The downlink signal is received by MSOs at their network operating center through dish antennas and other equipment such as modulators, decoders, encoders and amplifiers. This signal is then distributed to end-user/subscribers, generally by LCOs who provide the 'last mile' cable link to a subscriber's home. Cable television signals can be transmitted in either analog or digital form. Most of the cable television distribution networks currently deliver television channels in analog mode to subscribers.

The cable distribution business worldwide is dominated by MSOs. These are companies that operate cable networks end-to-end, including the 'last mile', which represents 70% or more of each network. In contrast, the cable television distribution business in India comprises large number of LCOs and MSOs. While the MSO's largely operate the backbone networks/network operating centers, the LCOs operate and control the 'last mile'. MSOs and LCOs typically operate in small demarcated areas/cities. Generally, LCOs do not own head-ends but receive signal from MSOs and provide the 'last mile' connection to the end-user. Each LCO typically manages around 1,000 to 2,000 subscribers.

Market Structure

The dominant business model in the cable industry in India involves MSOs providing signal to the LCOs. MSOs form a partnership or JV with an LCO, serving as its "franchisee". This is referred to as secondary model or franchise model. Most MSOs are dependent on the secondary point strategy. Cable MSOs are the corporate links of the cable distribution chain, with backbone networks and head-ends that aggregate satellite channels and pass the signals on to LCOs for a fee. The biggest risks in this strategy are execution, dependence on LCOs, revenue leakage due to under-reporting by LCOs, and over-dependence on placement fees. LCOs often under-declare or under-report secondary subscribers to MSOs. This is where revenue leakage begins, and culminates in MSOs and broadcasters getting less than their fair share of revenues, and LCOs retaining most of the value in the distribution chain.

The alternate model called the primary model, involves the operator owning the network end-to-end and providing 'last mile' connection or signals directly to the end-users. However this model is adopted by very few operators in India. The benefits of the primary point are significant however, as the MSO retains 100% of analog subscription revenues as opposed to 10%. Primary point acquisition also means that the MSO can upgrade the 'last mile' to digital and broadband and up-sell multiple services, including digital pay- television and broadband internet access, to maximize long-term value and prevent churn to DTH. The Primary model while materially profitable, requires: (1) significant capital and scale; (2) strong discipline, and; (3) great execution. *(Source: MPA Report 2010)*

Multi System Operator/Local Cable Operator

There are approximately 1,000 MSOs in India, including 10 that are considered major MSOs. Of these 10 major MSOs, five have emerged as national MSOs in India: Hathway; DEN; InCable; Wire and Wireless (India); and Digicable and some strong regional players like Ortel, Asianet etc.

The lack of direct control over the 'last mile' networks by MSOs and proper subscriber management systems has resulted in under-reporting of subscriber numbers by LCOs. Consequently, most MSOs access their customers through LCOs, who retain a significant portion of the subscription revenues. MPA analysis indicates that MSOs retained only 9.1% of the US$3.9 billion cable television distribution in 2009; broadcasters 14.3%; and LCOs, 76.6%. 'Last mile' consolidation and digitization are solutions to revenue leakage and clear drivers of long-term MSO value.

The anticipated growth of digital cable, wherein such underreporting is not possible, is expected to result in a higher percentage of subscription revenues being payable to MSOs and broadcasters. 'Last mile' consolidation (through acquisition/partnership/JV with LCO) and digitization is expected to reduce revenue leakage and give higher percentage of subscription revenue to MSOs and broadcasters.

Digital Cable

In digital cable television, the MSO downlinks the broadcasters' data and transmits it to the set-top box of the ultimate subscriber through the 'last mile' connection of the LCOs. The set-top boxes decrypt the encrypted data allowing the subscriber to view the channels and allowing the MSO to understand accurately the exact number of customers. Set-top boxes are provided by cable operators typically as a purchase or on a lease rent basis.

Benefits of Digitisation

Digital distribution comprises of services which are being provided by the digital cable, DTH or IPTV platforms as opposed to the traditional analog cable which still dominates the Indian market. Digitisation has added value to the industry as it provides better quality transmission with the possibility of interactive, and value added services and a verifiable customer database. It also releases bandwidth which can be used to broadcast more channels in the same space. This can enable more niche content being available in the future using the same network. Some of the advantages of Digital cable television over Analog Cable television are:

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

Digital cable can either be voluntary or mandatory. In 2003, the Government introduced Conditional Access System ("CAS") as a measure of implementing compulsory digital cable television service. Apart from the government's attempt to gradually shift towards digital by making it mandatory to adopt CAS in certain areas, voluntary CAS adoption has also grown as consumers are realising the benefits of going digital. MSOs have also seen an opportunity to pursue voluntary CAS in urban areas in which they operate and are encouraging digitisation of their cable services. The number of digital cable subscribers reached an approximate size of 3 million in 2009 (*Source: MPA Report 2010*).

Conditional Access System

CAS essentially refers to digital set-top boxes with conditional access software that permits the cable operator to distribute content in an encrypted form, thereby enabling the broadcaster to identify the precise number of subscribers of each pay channel or group of pay channels. The TRAI also implemented a series of additional measures primarily aimed at minimising revenue leakages through increased transparency in reporting of subscriber numbers and promoting digitisation in the distribution industry.

Government-mandated CAS has been implemented over various stages since 2003. In January 2007, TRAI mandated deployment in prescribed zones in Mumbai, Delhi and Kolkata. As of September 2010, there were 775,876 set top boxes installed in the mandatory CAS regions of Delhi, Mumbai, Kolkata and Chennai (CAS was introduced in Chennai earlier in September 2003) *(Source: TRAI, Indian Telecom Services Performance Indicators (July-Sep 2010)).*

In a major positive development for the Indian Cable television distribution space, in August 2010 the TRAI has announced key recommendations for the sector including a sunset date of December 31, 2013 for complete migration from analogue to digital cable services. The key highlights of TRAI recommendations are as follows:

- December 31, 2013 has been contemplated as a sunset date for achieving complete migration from analog cable television services to "digital addressable cable systems"
  - Phase I: In four metros – Delhi, Mumbai, Kolkata and Chennai, by March 31, 2011.
  - Phase II: In all cities having a population of over one million, by December 31, 2011.
  - Phase III: In all other urban areas (municipal corporations/ municipalities), by December 31, 2012.
  - Phase IV: In the remaining parts of India, by December 31, 2013.
- All service providers achieving digital addressability before the sunset date will be eligible for income tax holiday from the date of setting up of the network, or April 1, 2011, whichever is later, till March 31, 2019.
- The basic custom duty on digital head-end equipments and STBs be reduced to zero for the next three years
- MSO/LCOs eligible for seeking "Right of Way" ("**ROW"**) on a non-exclusive basis for laying cable infrastructure. As MSO/LCOs become eligible for seeking ROW, process of laying intra-city cable infrastructure would become relatively simpler for the cable operators

The Ministry of Information and Broadcasting, Government of India, has generally given its approval for the TRAI recommendations announced earlier. However, it has proposed a revised schedule for achieving complete digitization in the country - indicating a sunset date of March 31, 2015 for the entire country:

- Phase I: In four metros – Delhi, Mumbai, Kolkata and Chennai, by March 31, 2012
- Phase II: In all cities having a population of over one million, by March 31, 2013
- Phase III: November 30, 2014; and
- Phase IV: By March 31, 2015

The Cabinet approval is the final step for these proposals to get implemented.

DTH Satellite Television

DTH satellite television, which was introduced in India in 2003, utilizes a small dish antenna and a set-top box that is installed at the viewer's premises and is capable of directly receiving and unscrambling television signals from the satellite. The advantages of DTH as a platform include a user-friendly interface and a large number of channels compared to the analog platform. The DTH industry is currently looking very competitive with six players already in the market, excluding state-owned Doordarshan's Apana DTH, which is a free platform.

Competition from emerging digital direct-to-home or "DTH" satellite pay- television networks, which have grown in scale over the past five years and had more than 26 million subscribers at September 30, 2010 *(Source:*

TRAI, Indian Telecom Services Performance Indicators (July-Sep 2010)), is a key development in the Indian cable television industry.

Despite the strong growth of DTH in last few years, cable is expected to remain dominant in the future as cable television, particularly digital cable, has the certain inherent advantages over DTH which include:

- The biggest advantage that cable has is the reverse path that does not exist in the satellite based DTH which enables bundling of services such as analog/digital cable with data and voice;
- Digital cable television network can carry more number of channels than DTH and the incremental expenses for adding more channels is lower in cable television networks;
- The set-up and operating costs are lower for cable; and
- Adverse weather conditions may affect the quality of DTH services, whereas cable television services remain largely unaffected by adverse weather

Other Emerging Pay- television Technologies

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

HITS is similar to DTH; in both these platforms of digital cable, channels are distributed at one go through a satellite. But unlike DTH, where the end-user is the consumer, the HITS end-user is a cable operator, who then delivers the signals to the end consumers. As a result, successful rollout of HITS will be an added advantage to last-mile cable networks, which can save on head end costs.

IPTV delivers television channels to subscribers using high speed internet protocol over copper cable networks. IPTV is capable of providing voice, video and data transmission (referred to in the industry as triple-play services) and can support video on demand, live video and gaming. IPTV was introduced in India in 2007. IPTV in India is currently being offered by MTNL, BSNL and Bharti Airtel. IPTV remains nascent because of limited fixed broadband penetration, and is likely to appeal to a premium consumer segment, unless prices fall.

Revenue Drivers for the Cable television Industry

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

Subscription Revenues

Subscription fee is the revenue earned by MSOs and LCOs for cable television services. Primary operators including LCOs and those few MSOs who operate 'last mile' networks receive the subscription from the subscribers. However, in secondary network, the subscription fee is shared between the LCOs and the MSOs and ultimately the broadcaster, whereas in the primary model the entire subscription income is retained by the MSO/Operator.

The average pay television ARPU per month in India, at approximately US$3.8 in 2009, remains low by global standards *(Source: MPA Report 2010)*. The FICCI KPMG Report 2009 states that pay television ARPUs are likely to start increasing from 2010 onwards, largely on account of increased usage of add-on services associated with digital distribution (e.g., pay-per- view).

Channel Carriage fees

Channel Carriage fees are paid by broadcasters to MSOs to carry their channels on their preferred signal and frequency band. Channel carriage fees consist of (a) Carriage fees whereby the fee is paid by the broadcaster to the operator to carry the broadcaster's channel; and (b) Placement fees, whereby the operator places the channel at a certain frequency. The bargaining power of broadcasters is limited due to the shortage of bandwidth. However, it is expected that the onset of digitisation will make more bandwidth available to distributors.

Advertisement Revenues

Further, MSOs may have access to channel bandwidth on head ends that they operate and may use these channels to transmit an "own brand" channels and other value added services. MSOs may earn revenues from advertising by selling commercial spots that are interspersed in an own brand channel's regular programmes and by selling sponsorship rights to certain programs.

Broadband

Operators who follow a primary model and have a "two-way" enabled network provide high speed internet access to their subscribers. For further details please refer below – *"Internet Broadband Industry"* in this section.

Key Industry Trends

The existing cable distribution industry in India is highly fragmented. However, there are some structural changes under way that would drive consolidation of 'last mile' networks by MSOs and a digitization boom on the cable platform. Digitisation will be driven by market forces and regulatory changes. The advent of DTH has increased the churn for cable distributors, and MSOs are now working to 'secure' their subscriber base by actively digitizing the network. And in order to compete, the cable operators are upgrading their two-way network to provide triple play services i.e. a bundle offering cable television, broadband and voice services. As digitisation picks up pace, smaller LCOs and independent operators lacking the wherewithal to digitise and upgrade their network would be the potential acquisition targets for larger MSOs.

The larger MSOs have all announced their intention to consolidate 'last mile' networks and are first investing to upgrade existing distribution infrastructure and technology by quickening the deployment of digital set-top boxes ("STBs"). They will subsequently need to consolidate and upgrade 'last mile' networks in order to offer broadband and interactive services. The deployment of digital cable television provides an addressable distribution framework for the industry, leading to better average revenue per customer or ARPU, more equitable revenue sharing arrangements within the industry value chain, less piracy and a platform for the growth of pay channel services and value added interactive services, including video-on-demand ("NVoD"), and digital video recorders ("DVRs").

Internet Broadband Industry

Pursuant to recommendations of TRAI, Government formulated Broadband Policy of 2004. In this policy, broadband was defined as an "always on" connection with downloads speeds of 256 kbps or more. There were 0.18 million broadband connections at the end of March 2005. These broadband connections have grown to 10.30 million by the end of September 2010. Considering the growth during the 5 year period from 1st April 2005 to 31st March 2010, the Cumulative Annual Growth Rate (CAGR) is about 117%. Non broadband internet connections consist of dial up connections working upto 56.6 kbps and other connections with speeds less than 256 kbps.

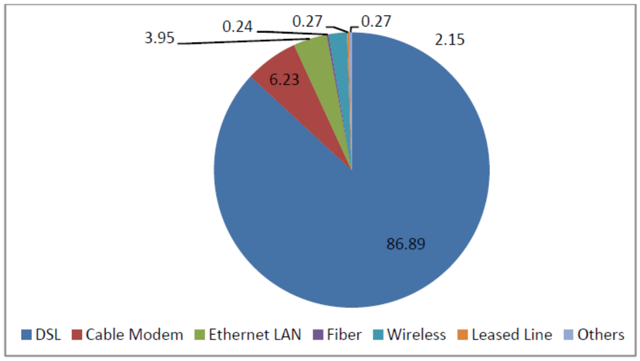
Growth of broadband subscribers

Quarter ending	Broadband subscribers (in Millions)	Increase in broadband subscribers in the qtr (in Millions)
Sep'08	4.90	-
Dec'08	5.52	0.62
March'09	6.22	0.70
June'09	6.62	0.40
Sep'09	7.23	0.59
Dec'09	7.83	0.60
March'10	8.77	0.94
June'10	9.47	0.70
Sep'10	10.30	0.83
	Average	0.70

Source: TRAI

As a percentage of total households, broadband internet subscription has a relatively low penetration, with only 3.6% of total households in India accessing the internet as on December 2009. This percentage is projected to grow to 7.1% of total Indian households by 2014. *(Source: MPA Report 2010).*While broadband has been deployed using Cable Modems, xDSL technologies, fibre and wireless, in India xDSL has been predominantly used. As per TRAI data as on 30th September 2010, 86.89% of total broadband connections were on DSL.

Technology wise broadband connections
(In percentage – September 2010)



Source: TRAI

DSL/ADSL

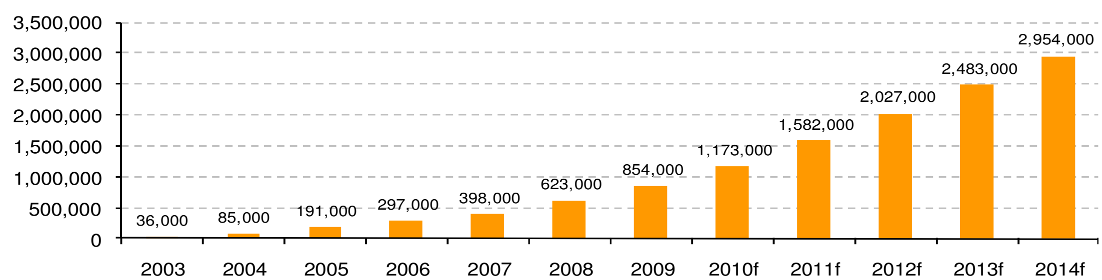
xDSL can be easily deployed on existing copper pairs going to subscriber's premises (largely owned by incumbent fixed line operators BSNL, MTNL). The most common DSL technology deployed is ADSL2 and ADSL 2+. These technologies typically support download speed upto 2 Mbps for copper loop length of less than 3 Km from the exchange. ADSL works alongside the frequencies used for voice telephone calling using a single connection. It allows users to download data and make voice calls at the same time.

Cable Internet Broadband

As per MPA Report 2010, there were 854,000 cable broadband internet subscribers, in India in 2009. This is a much smaller part of the pie than is the norm worldwide, but can grow sharply with the consolidation and upgradation of the 'last mile' networks. Subscribers with a cable modem can receive data that has been sent over the cable television network Cable broadband connection speeds in India range between 1 Mbps up to 20 Mbps, which is faster than ADSL or dial up internet. Cable broadband internet is generally considered as the most consistent and reliable of internet connections, resulting from transmission through fibre-optic material rather than ordinary copper wires.

Because of historically limited availability of two-way infrastructure, cable broadband deployment has proved less than optimal. In recent years, the rollout of broadband has proved more attractive, as operators can provide internet access at competitive price points and still generate relatively high margins, and leading MSOs have begun to speed up infrastructure upgrades. Additionally, there is often a cost saving for cable broadband internet subscribers as cable broadband can be tied into television and telephone deals as part of a bundled service from a cable service provider. Broadband with digital cable television, especially at the primary point, is an attractive proposition and significant differentiator from DTH. It is estimated that these benefits of cable broadband internet will drive its growth in India, with MPA Report 2010 predicting that the number of cable broadband internet subscribers will increase to approximately 2.90 million by 2014. *(Source: MPA Report 2010)* .

Cable Broadband Internet Subscribers in India



Source: MPA Report, 2010

The fees are based on the speed and data usage of the cable broadband service. According to the MPA Report 2010, in 2009 the total revenue from cable broadband subscriptions in India was US$45.3 million, up from US$6.5 million in 2003. The MPA Report 2010 estimates that cable broadband subscription revenues will reach US$ 205.9 million by 2014.

Wireless Broadband

There were about 1.8 million data card subscribers at the end of September 2010, whose advertised speed is upto 3.1 Mbps. There are also 274.05 million wireless data subscribers who are able to use the internet from their mobile device at the end of September 2010. However, most of these are on 2G mobile networks with limited data capabilities. The spectrum for 3G and BWA technologies for provision of high speed data services has been allocated recently. With the launch of 3G services, the stage is set for rapid spread of Broadband. It is expected to boost the demand for wireless broadband significantly *(Source: TRAI).*

OUR BUSINESS

Overview

We are a regional cable television service provider engaged in the distribution of analog and digital cable television services, high speed broadband services and Voice over Internet Protocol ("**VoIP**") services. Our business is currently focused in the states of Orissa, Chhattisgarh, Andhra Pradesh and West Bengal, in India. Our services provided under the brand names "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known names in the regions in which we operate. We focus on building a two-way state-of-the-art communication network enabled for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. We are among the ten major Multi System Operators in India ("**MSOs**"). (*Source: MPA Report, 2009).*

Our business comprises of (a) analog cable television services; (b) digital cable television services; (c) broadband services; (d) voice over internet protocol services; (e) leasing of fibre infrastructure; (f) signal uplinking services; and (g) other value added services including Video on Demand ("**NVoD**"), Electronic Program Guide ("**EPG**"), gaming, local content. We are one of the first private sector companies in India to be granted an ISP license by the Government of India (*Source: http://www.dot.gov.in/isp/ISPlicences (FINAL).doc*). As a value addition, we have started providing free intra network voice services to our subscribers.

Our business model is focused on the control over the 'last mile' connection. This allows us to directly interface with the subscribers helping us capture the entire subscription revenues paid by the subscribers, with no loss of revenues to intermediaries such as local cable operators ("**LCOs**"). Owning the end connection also enables us to provide multiple offerings to our subscribers directly. As on January 31, 2011, 90.73% of our subscriber base is on our own 'last mile' network.

As we primarily operate on the 'last mile' model and have restricted franchisees, the loss of business due to shifting of LCOs from us to any other MSO is limited. We believe our business model results in higher PBDIT margins. Our business is driven by revenues from subscription due to control on the 'last mile. We have low reliance on channel carriage fees which we receive from broadcasters for placing their channels on our network. With digitization, we believe that the channel carriage fees would be reduced over time. Our revenues from subscription fees are comparatively stable. For the period six month ended September 30, 2010, our total revenues from cable television services excluding connection fees, comprise of 80.75% from cable television subscription fees and 19.25% from channel carriage fees. The total revenue from cable television services includes subscription fees from analog cable television sevices, digital cable television services, franchisee cable television services and channel carriage fees and does not include connection fees.

Our network is spread over 33 locations with more than 15,000 kilometers of cables as of January 31, 2011 supported by 29 analog head-ends and six digital head-ends. We have legal 'rights of way' for laying our network on utility poles as well as for underground cabling. We use Hybrid Fibre Coaxial ("**HFC**") topology to build our network. We are capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. We currently provide data services at speeds of up to 2 mbps to retail customers and as per the requirements for our corporate customers.

We have grown organically through sale of our services directly to subscribers and through acquisition of other MSOs and LCOs. This consolidation has enabled us to increase our presence in the cable television sector and acquire a large subscriber base. We convert the acquired LCOs' analog subscribers to primary subscribers and improve the quality of the services by upgrading or rebuilding the network with the 'last mile' connection. We service both retail and corporate customers. As of January 31, 2011, we had 304,783 retail subscribers for our analog cable television services, 48,915 digital cable television retail subscribers and 50,739 broadband retail subscribers adding up to a total of 404,437 revenue generating units ("**RGUs**") and 184.14 mbs to the broadband corporate customers.

We often convert our analog subscribers into digital cable subscribers. As a result, we are able to provide higher number of channels and better quality services to our subscribers. This reduces customer attrition to competing service platforms such as DTH providers. Leveraging our network, we also offer for broadband services.

For the year ended March 31, 2010, our total income was ₹ 785.30 million and our PBDIT was ₹ 205.94 million. In the six months ended September 30, 2010 our total income was ₹ 475.45 million and our PBDIT was ₹ 118.22 million.

Our Strengths

We control the 'last mile' connection

We have invested in and have control over the 'last mile' connection. In India the franchise model is predominant in the cable distribution industry and majority of the cable companies are dependent on the secondary point strategy. As of December 2009, six major national MSOs operating primarily through the franchisee model, reaching almost 50 million homes would have approximately one million 'last mile' connections. Comparatively, as on January 31, 2011, 90.73% of our subscriber base is on our own 'last mile' network. Only 9.27% of our subscriber base is connected through LCOs.

The major MSOs operating through the franchisee model reach 50 million homes but get remunerated for less than seven million homes. (*Source: MPA Report, 2010*). This revenue leakage is due to under reporting of subscription collections by LCOs. Our control over the 'last mile' minimizes any such revenue loss as we directly collect subscription revenues from our customers without operating through LCOs. We further leverage on a loyal customer base to understand their needs and offer a bouquet of services, helping in cross selling our services and increasing revenues.

In a franchise model, the LCOs can shift from one MSO to another thereby causing large scale customer churn from the MSOs. In a 'last mile' model like ours, a customer may only shift individually. Hence the 'last mile' control reduces risk of large scale loss of subscribers and thereby helps in better customer retention.

In a franchise model, the 'last mile' network is built and maintained by individual LCOs where there is a possibility of the network being of inferior quality. In a 'last mile' network like ours, since the entire network is built and maintained by us, the quality of the network is uniformly maintained.

We generate a steady revenue stream

Our 'last mile' model results in a reduced churn of subscribers and facilitates collections of fees directly. Our revenues are driven largely by sale of cable and broadband services which includes subscription and connection fees, with limited reliance on channel carriage fees. For the six month ended September 30, 2010 our total income was ₹ 475.45 million, out of which subscription fees and internet income accounted for ₹ 346.29 million i.e., 72.83% of the total income of the Company. Our total income during the Fiscal 2010 was ₹ 785.30 million against ₹ 538.63 million, ₹ 431.50 million, ₹ 360.39 million and ₹ 260.11 million respectively during the Fiscals 2009, 2008, 2007 and 2006. Consequently, the growth rate of total income over the previous year is 45.80%, 24.83%, 19.73% and 38.55% during the Fiscals 2010, 2009, 2008 and 2007, respectively.

Our business model also helps us control debtors and reduce bad debts resulting in better margins and cash flows. Our debtors as on March 31, 2010 were at ₹ 52.14 million, i.e. 6.64% of total income. In contrast, the average receivables of our listed peers stood at 29.26% and 30.17% for Hathway Cable & Datacom Limited and Den Networks Limited, respectively, on the same date. (*Source: March 31, 2010 results of Den Networks Limited and Hathway Cable & Datacom Limited*). We had positive operating cash flows of ₹ 113.95 million and ₹ 234.18 million, during the six months ended September 30, 2010 and Fiscal 2010, respectively.

Our customer base (RGUs) have grown by 26.49% as on January 31, 2011 as compared to March 31, 2010. The growth rates as of Fiscal 2010, 2009, 2008 and 2007 over the corresponding previous year has been 15.73%, 50.29%, 9.31% and 19.29% respectively.

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

We have built a two-way enabled communication network which can provide data and voice services, supported by network operating centers for analog, digital and broadband services. Our network is spread over 33 locations with more than 15,000 kilometers of cables as of January 31, 2011 supported by 29 analog head-ends and six digital head-ends. We follow stringent network design parameters and upgrade the technology relating to our network to maintain a high quality of service. We have predefined network designs for providing each of our services. The network backbone is built with high capacity fibre cable. Our downstream network is built using co-axial cable which supports the high capacity to carry signals. We also install digital set top boxes ("**STBs**") and cable modems at customer locations for providing digital television and broadband services. We procure the equipment from reputed vendors such as Cisco Systems International B.V., Motorola Mobility India Private Limited, Sumavision Technologies Company Limited, Irdeto B.V., PPC and Skyworth.

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

We offer 'Triple Play' services to our customers

Our ability to offer 'Triple Play' services (i.e., video, data and voice capabilities) on one network differentiates us from other competing platforms such as DTH and other cable competitors. This helps us earn from multiple streams of revenues with marginal additional capital expenditure.

Our subscribers have choice of multiple services over the same cable leading to customer convenience and satisfaction. Our range of services enables us to cross sell our products, including our cable broadband services, VoIP, NVoD, EPG and other interactive video content. As of January 31, 2011, our broadband, digital television and analog subscribers were 12.55%, 12.09% and 75.36%, respectively, of our total subscriber base. These subscribers respectively contributed 21.28%, 6.87% and 48.52% of our total income during the half year ended September 30, 2010. We have also completed a pilot project of 'voice services' within our network and have recently launched international calling through VoIP.

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

As of September 30, 2010, more than 90.46% of our subscribers are based in Orissa. We have in the recent past expanded into the adjoining states of Andhra Pradesh, West Bengal and Chhattisgarh. Being a regional player allows us to cater to the local and regional interests of our subscribers such as regional language channels, films, general entertainment, local events and news programming. With our network typically providing up to 200 channels in digital and 80 channels in analog services, we have an advantage over DTH providers. We have head-ends located in 31 locations which provides us the ability to tailor content in each of these locations in contrast to the DTH providers who have a uniform pan-India platform which constraints them in providing regional channels. For example, in the state of Orissa, we typically provide 14 Oriya language channels whereas the DTH service providers typically provide five to six numbers of Oriya channels. Similarly, in other markets we are able to provide higher number of local language channels or content as compared to DTH providers.

We have strong execution skills and an experienced management team

Our business is highly specialized. Our management team is trained and experienced in building and managing the 'last mile' business over 15 years. Our promoters, Ms. Jagi Mangat Panda, who is also our Managing Director, and Mr. Baijayant Panda have extensive experience in the cable television distribution industry and have provided strategic direction to the Company since inception. Our key management personnel have been with the Company at an average of seven years. Our technical personnel include engineers and information technology experts who have significant experience in this area. As of January 31, 2011, we have 51 degree engineers, 30 diploma engineers and 403 technicians on the rolls of our Company. For details of the experience of our key management personnel, see section titled "*History and Corporate Structure*" on page 104.

Our Strategy

Expansion and retention of customers

We have in the past successfully expanded our operations and increased our subscriber base. Our strategy is to continue to invest in the expansion of our existing network. We have expanded from 13 locations as of March 31, 2008 to 33 locations as of January 31, 2011. We intend to expand further to new locations in the states of Orissa, Andhra Pradesh, Chhattisgarh and West Bengal. We also intend to roll out our network in the uncovered areas of the existing 33 locations and bring more subscribers into our network.

We intend to continue increasing our customer penetration and income from sales of cable and broadband services in the areas in which our cable network is laid. Our cable penetration ratio (cable television subscriber base as a percentage of estimated homes passed) in individual locations varies between 6.20% and 100.00% as of January 31, 2011. We intend to improve this ratio in locations with a low penetration, thereby improving the overall connection efficiency across our network. Our strategy to expand such sales and subscriber base and retain our existing customers is through competitive pricing, multiple service offerings, extensive marketing and acquisitions of LCOs in such areas, as the case may be.

Additionally, we continue to explore opportunities to expand our geographical coverage and we have applied for 'rights of way' to lay our network in certain other states.

Increased penetration of digital television services

Digital penetration in India is expected to grow from 3.5% as on December, 2009 to 16% by the end of year 2014. (*Source: MPA Report, 2010*). The TRAI has recommended a proposal to support and promote complete digitization in the near term. (*Source:www.trai.gov.in*).

Our Company commenced offering digital cable services in 2007. Subscribers of digital cable services account for 12.09% of our RGUs as on January 31, 2011, which we intend to expand. We intend to achieve this by acquiring new subscribers on the digital platform in cities where are our digital services are operational, by converting DTH subscribers to our digital subscribers by competitive pricing, converting our analog subscribers to digital subscribers and by rolling out digital services in more locations. As part of our digital strategy, we plan to provide more regional content to make our services more attractive than competing platforms such as DTH.

Increase our broadband subscriber base

Broadband penetration as a percentage of total households in India is 3.6% and is expected to grow to 7.1% over the next five years. (*Source: MPA Report, 2010*) The GoI has announced its 'National Broadband Policy' providing emphasis on broadband penetration. The personal computer penetration pegged at 4% at the end of 2009 is expected to reach 17% by 2015. (*Source: TRAI Recommendations on National Broadband Plans dated December 8, 2010*). We intend to tap this potential and substantially increase our broadband penetration.

We hold a pan India ISP license which enables us to provide broadband services in all our locations. Our broadband subscriber base has grown from 19,329 in April 2008 to 50,739 as of January 31, 2011 which constitutes 12.55% of our RGUs. We also provide high bandwidth service to our corporate subscribers. As on January 31, 2011, we have 122 corporate customers with a bandwidth provision of 42.88 mbps. We intend to cross sell our broadband services to our existing customers and attract new customers through competitive pricing, better customer support service, providing higher data transfer speed and other features such as home wireless.

Expansion through acquisition of MSOs and LCOs

Acquisitions and integration of MSOs and LCOs, especially in the newer markets in which we have expanded, have contributed to our growth. We have acquired 330 MSOs/ LCOs between April 1, 2008 and September 30, 2010, resulting in an acquisition of 102,651 subscribers. We intend to continue to selectively acquire MSOs and LCOs if such acquisition contributes to our strategic growth. We have successfully managed to acquire such MSOs and LCOs through long term deferred payments and/or revenue share models. This helps in staggered capital outflows and reduces the risk of re entry of the LCOs into the same market as our competitors.

Leasing of fibre infrastructure to corporates.

Being a 'last mile' operator, we have extensive presence of our network in various cities in the areas we operate. We leverage our network infrastructure by leasing out spare capacity on our network to corporates for their communication requirements. As on January 31, 2011, we lease out around 471.40 km of optical fibre cable network to various corporates. With rapid industrialization in our target markets, we expect continued growth of revenues from providing these services and we have a dedicated sales, projects and service team concentrating on expanding such business.

History and Background

Our Company was incorporated on June 2, 1995 as 'Ortel Communications Limited', a public limited company under the Companies Act. It received the certificate for commencement of business on July 19, 1995.

Our Company was incorporated in order to undertake the business of operating satellite television network, cable television network, telephone, telegraph, cabletronic mail, telenewspaper, conferencing, video conferencing, mobile text, mobile videotext, radio paging and any other system of communication. At the time of incorporation, the registered office of our Company was located at B-4/147, Safdarjang Enclave, New Delhi 100 029. Subsequently, pursuant to a board resolution dated March 23, 1999, our registered office was shifted to B-7/122A, Safdarjang Enclave, New Delhi 100 029.

Key awards and milestones

Year	Events
1995	• Incorporation of our company • Rights of ways granted to start the cable business in Orissa
1998	• First private sector player to obtain ISP license and started its high speed internet services
1999	• Investment of ₹ 85 million by ACTIS Advisers Private Limited (Commonwealth Development Corporation Group).
2004	Best IT User Award by Intel Corporation and Cybermedia India Online Limited
2005	• Achieved one lakh RGUs
2008	• Investment of ₹600 million by NSR. • Services launched outside Orissa in states including West Bengal, Andhra Pradesh and Chattisgarh.
2009	• Achieved 303,435 RGUs
2010	• Best Small and Medium Enterprise by Orissa Computer and Application Centre, Government of Orissa
2011	• Achieved 404,437 RGUs

Our Service Offerings

Our business is broadly divided into (i) analog cable television services; (ii) digital cable television services; (iii) broadband services; (iv) Voice over Internet Protocol; (v) leasing of fibre infrastructure; and (vi) signal uplinking services.

Cable Television Services

We provide both analog and digital cable services for the residential market in the states of Orissa, Chhatisgarh, Andhra Pradesh and West Bengal. Our analog cable services are provided over our HFC network, while our digital cable services are based on IRDETO and Sumavision Technologies digital compression and encryption technologies which enables us to substantially increase the number of channels our cable network can carry. Digital compression expands channel capacity over analog and encryption allows better protection of television signal and providing different bouquets for different target signals.

Our cable television services reached approximately 633,238 homes as at January 31, 2011. For the financial year ended March 31, 2010, our subscription fees was ₹ 465.43 million, which grew by 43.42% from ₹ 324.53 million in the previous financial year. Our revenue comprises of subscription fees and channel carriage fee. The following table sets forth operation information relating to our cable television services business as at the dates indicated:

	As at and for the financial year ended March 31			As at and for the six months ended September 30, 2010	As at and for the ten months ended January 31, 2011
	2008	2009	2010		
No. of locations	13	15	18	25	33
No. of Estimated Homes Reached	26,5491	426,643	521,757	581,606	633,238
No. of Analog subscribers	161,164	241,427	258,600	291,594	304,783
No. of Digital Subscribers	3,348	7,790	20,305	37,434	48,915
Total No. of Cable Subscribers	164,512	249,217	278,905	329,028	353,698

Total Subscription Income *(In ₹ Million)*	286.11	324.53	465.43	255.71	440.57
ARPU cable television (₹ per month)*	149	131	147	140	139

* *ARPU per unit per month is derived by dividing cable television subscription income by average of the opening and closing subscribers during the period. This result is then divided by number of months in the period.*

Analog Cable Television Services

We provide analog cable services in 33 locations connecting 304,783 subscribers, through our 29 analog head-ends. We provide up to 80 channels to our analog cable television subscribers. The channel mix in each market is driven by factors including customer's preference, demand of regional languages and the competitor's packages.

For providing this service, satellite signals are received through multiple dish antennas, located at various analog head-ends, and are connected to receivers for free-to-air ("**FTA**") channels and to the integrated receiver cum decoder ("**IRD**") for the encrypted/pay channels. The output of the receiver or the decoders is connected to modulators to set carrier frequency for channels. The channels are combined before feeding to HFC network.

The HFC network has an optical system followed by the radio frequency network ("**RF**"). The cable television signal is converted to optical signal and sent to optical receivers/nodes. The optical receiver/node converts the optical signal into RF signal which is then carried through co-axial cable network till customer premises. Amplifiers are used to boost the RF signal level wherever required and for delivery distribution of signals to customer premise.

Our network topology is established based on the density of homes, types of services to be provided and expected penetration of services. Based on our assessment of these factors, various network designs are standardized for different requirements.

Digital Cable Television services

We provide digital cable services in eight locations connecting 48,915 subscribers, through our six digital head-ends. We currently offer up to 200 video and up to 35 radio channels. A digital platform enables us to offer content with superior picture quality, sound and value added services and additional channels of different genres. The additional features associated with digital service include electronic program guide ("**EPG**") with program schedules, reminders, favorite settings, audio selection and games. We also provide train and flight timings, live temple visuals and traffic visuals of selective places.

In digital television head-end, similar to analog, channels are received from satellite through dish antenna. Encrypted channels are connected to respective IRDs. The IRD or decoder output is encoded using MPEG-2 Encoder. FTA channels are received through the receiver and the output is multiplexed with encoders to get a group of channels. The channels are encrypted through scramblers.

The delivery of digital signal is same as that of analog signal except for the customer's premise. At the customer's premises, STBs are provided to decrypt and receive the video signal. Every STB has a smart card to enable activation, deactivation and special service provisions.

Our digital video system allows us to provide selected offerings on regional languages more in content compared to DTH catering to the pan-India market requirement. We are also planning to launch different product lines in terms of personal video recorder ("**PVR**"), high definition and other value added services to cater to the digital market.

Broadband services

We provide both retail and corporate broadband services in 14 locations. Our network is capable of delivering data speed of up to 42.88 mbps. We have 50,739 retail subscribers and 184.14 mbps to the broadband corporate customers for our broadband services, as at January 31, 2011.

For the financial year ended March 31, 2010, our internet income was ₹ 133.86 million, which grew by 46.57% from ₹ 91.33 million in the previous financial year. The following table sets forth operation information relating to our broadband services business as at the dates indicated:

	As at and for the financial year ended March 31			As at and for the six months ended September 30, 2010	As at and for the ten months ended January 31, 2011
	2008	2009	2010		
No. of locations	12	13	14	14	14
No. of Broadband Subscribers	19,329	27,073	408,44	47,797	50,739
Broadband Subscription Income *(In ₹ Million)*	72.77	91.33	133.86	90.58	159.60
ARPU Broadband *(₹ per month)*[*]	378	328	328	341	349

[*] *ARPU per unit per month is derived by dividing broadband subscription income by average of the opening and closing subscribers during this period. This result is then divided by number of months in the period*

We provide our broadband services through our HFC network. Our subscribers are able to access the broadband services by using a DOCSIS 2.0 cable modem. Our fibre backbone and the 'last mile' network enable our customers to access high speed services. We offer various packages to customers with speed ranging from 512 kbps to 2 mbps with various monthly plans.

For corporate broadband services we use optical media converter at both ends which connects the customer and internet point of presence through dedicated fibre. We offer packages to corporate customers catering to their specific speed requirements.

The presence of our analog, digital and broadband services in the states of Orissa, Chhattisgarh, Andhra Pradesh and West Bengal are as illustrated below:

LOCATION SERVICE DETAILS

SL No	Locations	Analog	Digital	Data
1	Bhubaneswar	✔	✔	✔
2	Cuttack	✔	✔	✔
3	Rourkela	✔	✔	✔
4	Sambalpur	✔		✔
5	Balasore	✔		✔
6	Paradeep	✔		✔
7	Khurda	✔	✔	✔
8	Angul	✔		✔
9	Puri	✔		✔
10	Berhampur	✔	✔	✔
11	Rayagada	✔		
12	Jharsuguda	✔	✔	✔
13	Chhatarpur	✔	✔	
14	Rambha	✔	✔	
15	Balugaon	✔		
16	Nayagarh	✔		
17	Ichhapuram	✔		
18	Banki	✔		
19	Nimapada	✔		
20	Keonjhar	✔		
21	Anandpur	✔		
22	Soro	✔		
23	Bhadrak	✔		
24	Jaleswar	✔		
25	Baripada	✔		
26	Jeypore	✔		
27	Damanjodi	✔		
28	Nabarangpur	✔		
29	Vizag	✔		✔
30	Raipur	✔	✔	✔
31	Bhillai		✔	✔
32	Kawardha	✔		
33	Kolkata		✔	✔

Voice over Internet Protocol

We provide VoIP services to our broadband customers whereby they can make international calls at competitive prices. We have a tie up with international vendors including Packet Shaper Technologies Private Limited for providing us bulk international call minutes and route our calls.

Leasing of Fibre Infrastructure

We provide point-to-point fibre connectivity to corporates for their communication services by leasing our network. As on January 31, 2011, we have leased approximately 471.40 kms of optical fibre cable network to five corporates and our customers include telecommunication and IT companies such as S Tel Private Limited, India Infoline Limited, Hydrosult Inc., Apollo Hospitals Enterprise Limited, Central Tool Room and Training Centre, RailTel Corporation of India Limited, Kalinga Institute of Industrial Technology and Tulip Telecom Limited. For the six month period ending September 30, 2010, our revenue from these services was ₹ 3.91 million.

Signal Uplinking Services

We have a commercial teleport providing uplink services to television channels, with 9 MHz transponders space from ISRO and we currently uplink four channels from the teleport. We also have facility for uplinking through DSNG for live telecast. Teleport and DSNG services are anciliary to our business. For the six month period ending September 30, 2010, our revenue from these services was ₹ 12.46 million, which accounted for 2.62% of our total income.

BUSINESS PROCESSES

Quality Management System

We have been certified for compliance to the quality management system ("**QMS**") practices under the ISO 9001:2008. Our present certificate is valid until August 18, 2013. We have defined parameters for key processes affecting our business, quality and monitoring systems with key performance indicators for each process.

The QMS department carries out the regular internal/external audits, process alignment study and recertification compliance. Detailed gap analysis is regularly carried out to understand the current level of compliance and gaps in the systems with respect to ISO 9001 standards. On the basis of gap analysis and findings of audit reports, corrective measures are taken to ensure future adherence of quality standard.

Programming

We currently offer up to 80 channels of regional and national programming on our analog cable television platform and up to 200 channels on our digital cable television platform to meet the diverse needs of the markets.

The number of channels offered is dependent on the location, demographics and other relevant market data in the target market. To meet the diverse needs of the market, we offer a broad range of content. Over the years we have developed strong relationships with broadcasters and content providers across various genres.

Our content offering, in each of the analog and digital platforms is structured with an objective to maximize the preferred channels in each genre and we ensure we cover all genres including general entertainment, news, sports, movies, music, infotainment, regional, religious, kids, lifestyle and other bouquets. The offering of these channels may vary from location to location across India.

An indicative channel list in the analog and digital platform that we currently provide, is given below:

SL.NO	CATEGORY	ANALOG	DIGITAL	
1	GENERAL ENTERTAINMENT			
		COLOURS	COLOURS	9X
		IMAGINE TV	IMAGINE TV	ARIRANG
		SAB TV	SAB TV	AUSTRALIA NETWORK
		SAHARA ONE	SAHARA ONE	SILVER SCREEN
		SONY	SONY	STAR ONE
		STAR ONE	STAR ONE	STAR UTSAV

SL.NO	CATEGORY	ANALOG	DIGITAL		
		STAR PLUS	STAR PLUS		STAR WORLD
		UTV BINDASS	UTV BINDASS		ZEE SMILE
		ZEE TV	ZEE TV		
2	**NEWS**				
		AAJ TAK	AAJ TAK		ARY NEWS
		BLOOMBERG UTV	BLOOMBERG UTV		AZAD NEWS
		CNN IBN	CNN IBN		BBC WORLD
		DD LOKHASABHA	DD LOKHASABHA		CNBC AWAZ
		DD RAJYA SABHA	DD RAJYA SABHA		CNBC TV18
		DD-NEWS	DD-NEWS		CNEB
		HEADLINES TODAY	HEADLINES TODAY		CNN
		INDIA TV	INDIA TV		ET NOW
		LIVE INDIA	LIVE INDIA		IBN LOKMAT
		NDTV 24X7	NDTV 24X7		INDIA NEWS
		NDTV India	NDTV India		NEWS 9
		NDTV Profit	NDTV Profit		NEWS 9X
		NEWS 24	NEWS 24		NEWS LIVE
		P-7 News	P-7 News		PTC NEWS
		SAHARA SAMAY	SAHARA SAMAY		ZEE BUSINESS
		STAR NEWS	STAR NEWS		ZEE NEWS
		TIMES NOW	TIMES NOW		
3	**SPORTS**				
		DDSPORTS	DDSPORTS		NEO SPORTS
		ESPN	ESPN		
		NEO CRICKET	NEO CRICKET		
		STAR CRICKET	STAR CRICKET		
		STAR SPORTS	STAR SPORTS		
4	**MOVIES**				
		B4U MOVIES	B4U MOVIES		ENTER 10 MOVIES
		HBO	HBO		FILMAZIA
		SAHARA FILMY	SAHARA FILMY		LUMIERE MOVIES
		SET MAX	SET MAX		MANORANJAN TV
		STAR GOLD	STAR GOLD		SONY PIX
		STAR MOVIES	STAR MOVIES		WORLD MOVIES
		UTV ACTION	UTV ACTION		ZEE STUDIO
		UTV MOVIES	UTV MOVIES		
		ZEE CINEMA	ZEE CINEMA		
5	**MUSIC**				
		9X MUSIC	9X MUSIC		ARY MUSIC
		B4U MUSIC	B4U MUSIC		CHANNEL V
		MASTII TV	MASTII TV		E 24
		MTV	MTV		ENTER 10
		MUSIC INDIA	MUSIC INDIA		ETC
					JOO MUSIC
					MH ONE
					VH1
6	**INFOTAINMENT**				
		DD NATIONAL	DD NATIONAL		AXN
		ANIMAL PLANET	ANIMAL PLANET		FOX HISTORY
		DISCOVERY Science	DISCOVERY Science		GYAN DARSAN
		DISCOVERY	DISCOVERY		NGC
		DISCOVERY Turbo	DISCOVERY Turbo		NOW
			DD INDIA		RUSSIA TODAY
					TLC
7	**REGIONAL**				
		A One Television	A One Television	AKASH BANGLA	KOLKATA TV
		AB TV	AB TV	AMRITA TV	MAHUA BANGLA
		ASIANET MIDDLE EAST	ASIANET MIDDLE EAST	ATN BANGALA	MAHUA TV
		DD Bangla	DD Bangla	DD BHARATI	MAKKAL TV
		DD Urdhu	DD Urdhu	DD	MI MARATHI

SL.NO	CATEGORY	ANALOG		DIGITAL	
				CHANDANA	
		DD-6	DD-6	DD GIRNAR	MIC TV
		Dreams Chamatkar	Dreams Chamatkar	DD KASHIR	R PLUS
		EKAMRA NILACHAKRA	EKAMRA NILACHAKRA	DD PODHIGAI	RAJ MUSIC
		GEMINI	GEMINI	DD PUNJABI	SAGARMATHA
		JAYA TV	JAYA TV	DD SAHYADRI	SAHARA BIHAR
		KAMYAB	KAMYAB	DD URDU	SAHARA NCR
		KANAK TV	KANAK TV	DD SAPTAGIRI	SAHARA MUM
		LAKSHYA ENTERTAINMENT	LAKSHYA ENTERTAINMENT	EKAMRA BISCOPE	SANGEET BANGLA
		MAA TV	MAA TV	HUM TV	SARGAM
		NAXATRA NEWS	NAXATRA NEWS	JAIHIND TV	SHALOM TV
		OLLYWOOD TV	OLLYWOOD TV	JAYA MAX	SARVODAYA TV
		OTV	OTV	JAYA PLUS	SOUBHAGYA TV
		PTC Punjabi	PTC Punjabi	KAIRALI TV	STAR ANAND
		TARANGA Music	TARANGA Music	KALAINGAR TV	STAR LITE
		TARANGA	TARANGA	KIRAN TV	STAR MAJHA
				TV1	SUDARSHAN TV
				TV5	SUN MUSIC
				TV9	SUN TV
				TV9 GUJRATI	SURYA
				TV9 MUMBAI	TEJA
				ZEE 24 TASS	TIME TV
				ZEE BANGALA	TOTAL TV
8	**RELIGIOUS**				
		AASTHA	AASTHA	ASTHA BHAJAN	ZEE JAGRAN
		GOD TV	GOD TV	BHAKTI	ZEE SALAM
		PRAGYAN	PRAGYAN	SANSKAR	
		PRATHANA	PRATHANA	SATSANG TV	
		SADHNA	SADHNA	SVBC	
9	**KIDS**				
		CARTOON NETWORK	CARTOON NETWORK	ANIMAX	HUNGAMA
		NICK	NICK	DISNEY	POGO
				DISNEY XD	SPACE TOON
10	**LIFE STYLE**				
		HOME SHOP 18	HOME SHOP 18	CARE WORLD	SHAKTI
				F TV	ZEE CAFÉ
				IMAGINE SHOWBIZ	ZEE TRENDZ
				NDTV GOOD TIMES	ZOOM

Content and Placement Negotiation:

Availability of the right mix of channels at any given point of time is critical for customer satisfaction and retention. Since there are a large number of channels available we have to provide channels in different markets depending on the competitor's offers and customer expectation. Once the desired channel list is decided, we negotiate the commercial aspects with the respective broadcasters in respect of pay channels whereas the free to air channels are directly received without any commercial implication.

Similarly, for gaining better viewership, broadcasters also negotiate and offer carriage or placement fee to run their services in the desired frequency/band. Depending on our capacity to carry the channels and keeping in mind the customers demands, we negotiate such fee with some of the broadcasters and place their channels on the agreed frequency/ band.

Marketing and Sales

Marketing

We promote our brand and services through extensive media planning and network. We use satellite television, radio and out-of-home media at locations with comparatively high footfalls including malls, shopping complexes, stores and airports.

Looking at the growing demand of regional television viewership, our media plan remains focused on satellite television channels and spots for running commercials are booked for programs/time band during which the viewership matches the target profile.

We also do road shows, participate in trade fairs and run different direct campaign in multi dwelling units and in different places/locations for subscribers. We have participated in many local events and trade fairs for promoting our brand and highlighting our products and features to prospective subscribers. We have a dedicated team which undertakes these activities.

Sales and Pricing

Analog Cable television

There are two aspects of our product pricing- connection fee and monthly subscription. In both categories, pricing varies with each location. The connection fee which is charged at the time of installation is driven by the competition in that specific market. Monthly subscription within a location usually follows different pricing strategies to cater to the different income groups. The subscription is usually reviewed by us and if required revised every year based on market conditions and guidelines issued by TRAI.

With a direct sales team in place, schemes are introduced in locations where we are yet to consolidate our market share and we design the schemes accordingly. Since we provide all three services (cable (analog & digital), broadband and VoiP) in the markets where we operate, it helps us churn subscribers from competitors.

Digital Cable television

Our pricing is set keeping in mind the services provided by other cable service providers as well as the DTH operators. We have adopted a strategy of differential installation fee to suit the requirement of each market. Our monthly subscription plans are competitively priced. We also offer localized regional content and various choices in terms of add-on packages at competitive prices. Our decentralized operation gives us the advantage of choosing channels based on the requirement of locations. Digital sales are driven by conversions of DTH subscribers and our analog subscribers to digital subscribers.

Prospective subscribers are identified through various activities including tele-calling, road shows and door-to-door visits. We have also appointed direct sales agents ("**DSAs**") to boost sales.

Broadband services

The ability to offer 'triple play' services helps us to sell our broadband services along with our cable television services. While acquiring cable subscribers, the data pertaining to computer ownership and other details including requirement of broadband is identified. The prospective list is also generated through customer referral programs, tele-calling and IT vendors. Customer acquisition is made by us directly as well as through DSAs.

Over the last couple of years the connection fee for the subscribers has been brought down significantly. The product mix has packages at different monthly subscription prices, speed, download limits and complimentary offerings, aimed at different market segments.

Customer service and call centers

One of our key strategic objectives is to build subscriber loyalty and to promote subscriber retention. As on January 31, 2011, we have 15 local customer help centers and a centralized call centre with a dedicated 24x7 help line. We have a network monitoring system through which subscribers are informed about major network failures and restoration time to avoid call rush.

Our 24x7 call centre in Bhubaneswar is well equipped with high quality and capacity servers with trained customer service agents. We also have a grievance rederessal system in place. Network complaints pertaining to our broadband services are referred to our highly skilled engineering team which resolves the complaints.

Retention

A dedicated retention team is in place to minimize and control likely churn. All churn is routed through a disconnection tracking system ("**DTS**") which is being tracked on a regular basis. Our retention executives reach out to subscribers regularly to understand the reasons for discontinuing with our services. Our customer service efforts aids in customer retention.

Billing & Collections

The sales department submits 'customer acquisition forms' with all details to the billing system after the receipt of accounts. Sales are recorded in the enterprise resource planning system ("**ERP**") and a 'connection card' is issued. For digital or data customers, the STB or modem is allocated and installed at the customer's premises. After connection and activation, the card is handed over to the billing department to activate the billing system.

Many of our subscribers also change the internet or digital plans they initially opted for. The billing department updates this information into the system on getting such a request and a bill is automatically generated. Disconnections and reconnections are also addressed whenever such request or demand is received.

The collection process is semi-automatic. Hand Held Terminals ("**HHTs**") are used by collection agents and these machines can be uploaded and downloaded with data base and also can generate bills, receipts, disconnection advices etc. These HHTs are uploaded into the computer system by the collection department and then updated into the ERP system. Each location has a billing department which updates all the above relevant information into the centralized ERP system regularly. The I.T. department processes the bills centrally for all locations.

We have a strong collection mechanism and dedicated collection representatives which ensures smooth and timely collection and helps in collating feedback from subscribers on regular basis on our customer service, product pricing and competitor action on ground.

Acquisition of LCOs and MSOs

We identify suitable MSOs and LCOs as targets for acquisition in line with our strategic objectives based on the following factors:

Revenue: The size of their subscriber base and projected growth, expected ARPU of market, current and potential channel carriage fees.

Expenses: One of our key considerations is the payments made by the target to the broadcasters on account of content fee. We also assess other operating expenses such as rent, electricity, repairs and maintenance, and other operating expenses, that may apply.

Fixed assets:-We assess the value of the target's head-end and network equipment.

When acquiring a MSO/ LCO, our strategy is to acquire the entire business operations. Once the commercial terms of the transaction are agreed, we execute the agreements after conducting a thorough verification. On execution of the agreement a portion of the payout is made upfront and the balance payment is made as deferred payments and/or revenue shares over a period of time. The non-compete fees payable to LCOs pursuant to the agreements are recognised as intangible assets, is amortised over the period of agreement with the LCOs in equal installments.

Upon acquisition of LCOs, their subscribers are converted as our ‘last mile’ subscribers. We upgrade/ replace the ‘last mile’ network in order to provide better quality cable services and offer other services.

NETWORK AND INFRASTRUCTURE

Our network system has three major hierarchies: Head-end or network operating centre (“**NOC**”), optic fibre cable network (“**OFC**”) and coaxial cable network. At our head-ends, channel signals are received, processed, amplified and then sent through our distribution network, which consists of fibre optic cables and coaxial cables.

We deliver our services through the HFC network, which is a combination of optic fibre cable network and coaxial cable network. Fibre optic cable is used as a network backbone which is a communication medium that uses hair-thin glass fibres to transmit signals over long distances with less signal loss and zero distortion than coaxial cable. Tri-shield coaxial cable is used in the downstream for broadband data and cable systems and has high-quality broadband frequency characteristics, noise immunity and physical durability.

A coaxial cable is laid over head following all safety precaution on electricity poles with legal right of way from the concerned/competent authorities. Our fibre is partially laid under-ground. We build the standardized HFC networks based on households and penetration strategy. The HFC networks deployed are of different versions and each design version has different loading capacity of video and data depending upon the location, geography, density and expected penetration. There is also clearly defined migration/ upgradation plan in case the same is required.

Engineering & Technology

Engineering

Our engineering team is responsible for projects, maintaining the NOC and HFC system and for servicing customer requests. The team consists of three groups:

- The *projects team* is responsible for onsite study and preparation of map layout and subsequent installation of cable and accessories as per defined design versions. They certify completion of the projects and report ‘passing’ to the management information systems.

- The *group dealing with ‘Drop’* is responsible for connection to the customer’s premises including installation and activation of customer premise equipment (“**CPEs**”) which includes STBs and modems.

- *Maintenance team*: Each location is usually divided into multiple zones and each zone is taken care of by a team of technicians. Optical fibre is maintained by a centralized team and the coaxial network issues are addressed by zonal technicians. The complaints received at call centers are passed onto technicians to resolve and report.

Technology

Our technology department is responsible for introducing new technology devices and methods in the Company which can be deployed to upgrade the service delivery or offer new services. It also provides internal solutions to critical operational failures faced from time to time. Before adoption of any new technology, study and test is done in-house with pilot projects. We are currently piloting Metro Ethernet Network (“**MEN**”) project in West Bengal, which engages different network topology capable of providing only broadband services currently and can provide IP television services in the future.

Intellectual Property

For conducting our business, we own the trademarks for the logos “ ” and “Ortel.net” and we have filed applications for registration of certain trademarks. We believe that trademarks are important assets to our business. For further details, see section titled “*Government and Other Approvals*” beginning on page 194.

Suppliers

We purchase all our equipment from reputed manufacturers. Some of our equipments are indigenous and some are imported. We procure equipments from reputed vendors like Cisco Systems International B.V., Motorola Mobility India Private Limited, Sumavision Technologies Company Limited, Irdeto B.V., PPC and Skyworth.

Other Corporate Functions

Insurance

We maintain comprehensive insurance coverage for our electronic equipment, vehicles, network assets and buildings. We have various insurance policies to protect our property including electronic equipment insurance, special contingency insurance, standard fire insurance, fidelity insurance, machinery breakdown insurance, vehicle insurance and director's liability insurance, arranged by companies including the United India Insurance Company Limited, the Oriental Insurance Company Limited and Universal Sompo General Insurance Company Limited. We have obtained group insurance policies for all our employees.

Corporate Social Responsibility

We undertake various social works as part of our corporate social responsibility. We invest in programmes for the underprivileged girl child, contribute towards their overall learning and personal growth, open employment avenues and we attempt to bring about significant and sustainable improvements in their standard of living. Our flagship CSR activity known as 'Ortel Dayitwa' provides financial support to the girl child for college education. Ortel Dayitwa encourages girls to pursue education after secondary education with an objective to reduce dropouts after secondary education.

Health and Safety

We place considerable emphasis on health and safety throughout our operations and we are committed to ensuring that high standards are maintained in compliance with applicable laws and regulations. We try hard to eliminate/minimize the accidents due to unsafe work practices resulting out of negligence by the technicians.

Training programmes have been implemented for our staff and employees, and we carry out regular safety audits in relation to our operations. We sensitize our employees regarding workplace safety and health issues through regular internal communications including trainings, team meetings and memorandums. All field employees are provided with safety equipment. A safety committee is formed at each location to monitor the implementation of the safety guidelines issued by our Company, and a compliance report is prepared every month by the committee. A 'safety week' is observed annually for creating awareness. Various programs and seminars are organized during the week.

We provide a safe work environment to our technicians who are engaged in maintenance, project and complaint management and often work with electrical poles for cable network rectifications. They are regularly sensitized, supervised and checked for adherence with safety practices.

Employees and Employee Relations

We employ a number of well-qualified and skilled employees. As of January 31, 2011, we had a total permanent full-time work force of about 1,038 employees and 241 temporary employees. Our senior management, including the heads of each department, is professionally qualified. Our staff includes engineers, technicians, service representatives and sales and marketing executives.

Our success depends to a great extent on our ability to recruit, train and retain high quality professionals. Accordingly, we place special emphasis on the human resources function in our Company. We believe that our relations with our employees are satisfactory.

Competition

We face competition for our cable television services from regional and national MSOs and other competing alternative technology platforms including DTH satellite television.

We believe that our primary competitors are:

Orissa: DTH service providers, local MSOs and LCOs operating in our markets.

Chhatisgarh: DTH service providers, LCOs and national MSOs in joint ventures with local MSOs.

West Bengal: DTH service providers, national and local MSOs and LCOs.

Andhra Pradesh: DTH service providers, national and local MSOs and LCOs.

For our broadband services, we face competition from national telecom operators including BSNL, Reliance and Bharti.

Property

Our corporate office is situated at C-1, Chandrasekharpur, Behind RMRC, Near BDA Colony, Bhubaneswar-751016, Orissa, and is owned by the Company. The registered office of our Company is situated at B-7/122A, Safdarjung Enclave, New Delhi-110029, India which has been leased by us. We have entered into a lease deed dated October 1, 2010 with Calorx India Limited, for a period of 11 months till August 31, 2011. In addition, the following table sets out the details of our material owned and leased property:

Property	Owned/ Leased	Area
Buildings in Cuttack	Owned	2,586 sq. ft.
Flats in Bhubaneshwar	Owned	2,040 sq. ft.
Land in Bhubaneswar	Leased for 90 years	1.153 acres
Land in Rourkela	Leased for 90 years	18,294 sq. ft.
Land in Raipur	Owned	20,020 sq. ft.

REGULATIONS AND POLICIES

Central Laws

Foreign Direct Investment ("FDI")

The Department of Industrial Policy and Promotion ("**DIPP**") has issued 'Circular 2 of 2010' ("**FDI Circular**") which consolidates the policy framework on FDI, with effect from October 1, 2010. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP as on September 30, 2010. All the press notes, press releases, clarifications on FDI issued by DIPP as on September 30, 2010 stand rescinded as on September 30, 2010.

FDI in activities pertaining to cable television network is permitted up to 49% of the paid up equity capital of the Company and is subject to prior government approval.

Further, FDI up to 49% of the paid up equity capital is permitted under the automatic route for Internet Service Provider ("**ISP**") with or without gateways, radio-paging and end-to-end bandwidth. The FDI limit may be increased to 74% of the paid up equity capital with the prior government approval. However, such investment shall be subject to the licensing and security requirements prescribed by the Department of Telecommunications ("**DoT**").

Cable Television

The following acts, rules and regulations govern our cable television business:

1. *The Cable Television Networks (Regulation) Act, 1995, as amended* ("**Cable Television Act**")

Cable television services are governed by Cable Television Act and the guidelines and notifications issued by TRAI and the MIB from time to time. The Cable Television Act regulates the operation of cable television networks in India. Section 3 of the Cable Television Act makes the registration of a person as a cable operator compulsory for operation of cable network. Under the Cable Television Act and the rules therein, companies wherein minimum 51% of the paid up share capital is held by Indian citizens are eligible to provide cable television services. The Cable Television Act further stipulates that no programme or advertisement shall be transmitted or re-transmitted unless it is in conformity with the prescribed programme and advertisement code provided in the Cable Television Rules. The Cable Television Act also mandates that the equipment to be used by a cable operator has to be in conformity with the standards prescribed by the Bureau of Indian Standards ("**BIS**"). Further, the Cable Television Act requires re-transmission of at least two Doordarshan terrestrial channels, and one regional language channel of a state in the prime band, in satellite mode on frequencies other than those carrying terrestrial frequencies. In addition to above, it is mandatory for the cable operator to retransmit DD-Sports, DD-Urdu, DD-Lok Sabha, DD-Rajya Sabha, Gyan Darshan and DD Bharti (in 23 non Hindi speaking states or union territories) in the non prime band.

By an amendment to the Cable Television Act in 2002, the Central Government has been empowered to notify areas in which every cable operator must transmit or retransmit programme of any pay channel through an addressable system. The amendment also provides that every such cable operator is required to submit a report to the Government of India in a prescribed form regarding (i) the total number of subscribers, (ii) the subscription rates, and (iii) the number of subscribers receiving programmes transmitted in the basic service tier or a particular programme or set of programmes transmitted on pay channels. Further, every such cable operator is also required to publicise, in a prescribed manner, to the subscribers, the subscription rates and the periodic intervals at which such subscriptions are payable for receiving each pay channel provided by such cable operator.

2. *Regulations governing Conditional Access System*

Conditional Access System ("**CAS**") refers to the hardware devices and connected software (including a set top box) used at different stages of distribution of a television channel through which pay channels are transmitted in encrypted form. The subscriber is given an authorization depending upon his or her request to view one or more such Pay Channels on payment of a fee. The authorization is given and controlled by a "Multi System Operator" ("**MSO**") CAS (also termed "Addressable System") is being implemented by notification of different areas in India under the Cable Television Network (Regulation) Act, 1995. In exercise of the powers conferred by sub-section (1) of Section 4A, read with Section 9 of the Cable Television Act, the MIB through the notification S.O. 39(E) in 2003 as amended, made it obligatory for every cable operator to transmit/re-transmit programmes of every pay channel through an addressable system in the areas specified below, namely:

- Chennai metropolitan area;
- Municipal Corporation of Greater Mumbai area;
- Kolkata metropolitan area; and
- National Capital Territory of Delhi.

Further, through a notification S.O. 503(E) in 2003, MIB specified the minimum number of free-to-air channels to be included in the package of channels forming the basic service tier as thirty, in the areas specified. The package of channels forming the basic service tier must include the compulsory transmission of three Doordarshan channels notified under section 8 of Cable Television Act and the genres of entertainment, news, sports, children's programmes and music must be in English, Hindi and the regional language, depending on the availability of such channels in the areas aforementioned.

*3. The Cable Television Network Rules, 1994, as amended ("**Cable Television Rules**")*

The Cable Television Rules stipulate that any cable television network operator must be registered with the head post master of the head post office in which the cable television network is proposed to be set up. Further, such registration should be renewed every 12 months. Rule 11 of the Cable Television Rules stipulates that no MSO shall provide cable television network services with addressable systems in any one or more of the notified areas ("**CAS Areas**") without the prior permission of the MIB. Every subscriber who seeks to recover one or more pay channels is required to apply to the MSO to supply and install a set-top box. Upon the installation of such set-top box, every MSO shall start transmitting the pay channel in encrypted as well as unencrypted form for a period of not less than fifteen days and in the event of a successful completion of the same, the MSO shall transmit the pay channels only through an encrypted form. Further, a cable operator has to obtain license of programmes carried out in respect of which, the copyright vests in some other person.

The Cable Television Rules stipulates that no programme or advertisement shall be carried in a cable service which offends public morality, decency and religious susceptibilities of subscribers.

*4. The Indian Telegraph Act, 1885, as amended ("**Telegraph Act**")*

The Telegraph Act governs all forms of the usage of 'telegraph' which expression has been defined to mean any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, visual or other electro-mangnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. Under Section 4 of the Telegraph Act, the Director-General of Posts and Telegraphs may grant a license to any person to establish, maintain or work a telegraph within any part of India with such conditions as it may think fit. In addition, the Telegraph Act provides that if the holder of a license granted under Section 4 contravenes any condition contained in the license, such person shall be punished with fine which may extend to ₹ 1,000, and with a further fine that may extend up to ₹ 500 for every week during which the breach of the condition continues.

*5. The Indian Wireless Telegraphy Act, 1933, as amended ("**Wireless Telegraphy Act**")*

In addition to a telegraph license under Section 4 of the Telegraph Act, land –based wireless providers and users also require an additional license under the Wireless Telegraphy Act. Section 3 of the Wireless Telegraphy Act forbids any person from possessing a wireless telegraphy apparatus without a license. Under Section 5 of the Wireless Telegraphy Act, the license to possess the wireless and radio equipment and to use it for wireless services is issued by the telegraph authority designated under the Telegraph Act, i.e. the Director-General of Posts and Telegraphs. Section 11 of the Wireless Telegraphy Act states that a license under the Wireless Telegraphy Act does not authorize the licensee to do anything that is prohibited under the Telegraph Act and that such license shall not authorize any person to do anything for which a license or permission under the Telegraph Act is required.

6. Headend in the sky Policy Guidelines 2009

The Ministry of Information and Broadcasting, GoI has passed an order dated November 26, 2009 setting out guidelines for providing Headend in the sky ("**HITS**") broadcasting services from India ("**Guidelines**"). The

Guidelines provides for a framework within which the HITS service providers have to provide such services in India. The Guidelines does not mandate for either the cable operators or subscribers to necessarily obtain signals from a HITS platform/network, the subscribers and cable operators can continue with the existing system. Hence the cable operators have liberty to switch over to HITS provider network if so desired. The salient features of the Guidelines are:-

- It provides for an enabling regulatory environment for HITS operators.
- HITS operators should have a minimum net worth of ₹ 100 million, and must be a company incorporated under the Companies Act.
- HITS operators are not permitted to provide signals directly to the subscribers. However, if HITS operator is also an MSO / LCO, he can do so through his distribution network.
- Total direct and indirect foreign investment including FDI is allowed up to 74%. FDI upto 49% will be on automatic route. Foreign Investment Promotion Board's approval will be required for FDI in the company / Indian promoters / investment company, including their holding companies, if it has a bearing on the overall ceiling of 74%.
- There is no restriction on number of permissions. All those found to be eligible and following the terms and conditions may apply for license to the Ministry of Information & Broadcasting, GoI.
- Existing permission holders of HITS will have to comply and migrate to new policy regime within three months failing which their permission shall be cancelled.

7. Tax regulations

In majority of states in India, the payment of entertainment tax is a liability of the cable operators. Cable operators are required to register themselves under the respective state entertainment laws and to deposit the entertainment tax with the concerned department on a monthly basis. Cable operators are also required to file returns from time to time.

In the States of West Bengal, Karnataka and Andhra Pradesh, the respective State Governments have amended the entertainment tax laws and rules such that the payment of entertainment tax is the liability of the MSOs.

*8. The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007, ("**Mandatory Signal Sharing Act**")*

The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007 (provides for access to the largest number of listeners and viewers, on a free to air basis, of sporting events of national importance through mandatory sharing of sports broadcasting signals with Prasar Bharati. Under this enactment, no content rights owner or holder and no television or radio broadcasting service provider can carry a live television broadcast on any cable or Direct-to-Home network or radio commentary broadcast in India of "sporting events of national importance", unless it simultaneously shares the live broadcasting signal, without advertisements, with Prasar Bharati, to enable Prasar Bharati to re-transmit the signal on its terrestrial networks and Direct-to-Home networks. "Sporting events of national importance" are defined in the Mandatory Signal Sharing Act as any national or international sporting event, whether held in India or abroad, as may be notified by the central government to be one of national importance.

The Mandatory Signal Sharing Act further provides that Prasar Bharati's advertisement revenues from the broadcast of the shared signals shall be shared with the content rights owner or holder in the ratio of not less than 75:25 in case of television coverage and not less than 50:50 in case of radio coverage

*9. The Telecom Regulatory Authority of India Act, 1997, as amended ("**TRAI Act**")*

The Telecom Regulatory Authority of India was established in 1997 by the TRAI Act, to regulate telecommunication services in India, including broadcasting and cable services. The TRAI is vested with recommendatory, regulatory and tariff setting functions, including (a) making recommendations on the need and timing for introduction of new service providers, (b) making recommendations on the terms and conditions of license to a service provider, (c) ensuring compliance of terms and conditions of license, (d) ensuring technical capability and effective inter-connection between service providers, (e) specifying standards of quality of service to be provided by the service provider and ensuring the quality of service, and conducting a periodical survey of such service provided by the service providers, (f) protecting the interest of consumers of telecommunication services, (g) levying fees and other charges at such rates and in respect of such services as may be determined by regulations. In addition, the TRAI Act contains penalty provisions for offences committed by a company under the TRAI Act.

The following regulations and tariff orders have been notified by the TRAI:

1. The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, as amended ("**Interconnection Regulations**"): The Interconnection Regulations apply to all arrangements among service providers, including MSOs, and LCO's for interconnection and revenue sharing for all telecommunication services, including cable services in India. Interconnection means the commercial and technical arrangements under which the service providers connect, including through electro-magnetic signals, their equipment networks and services to enable their customers to have access to the customers, services/and or networks of other service providers. The Interconnection Regulations issued by TRAI specify, *inter alia*, the following:

   (a) *Must Provide Clause*: Broadcasters are required to provide signals on non-discriminatory terms to all distributors of television channels. Similarly, MSOs are required to re-transmit signals received from a broadcaster on a non-discriminatory basis to LCOs. Broadcasters are not allowed to engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts with any distributor of television channels, which prevents any other distributor of television channels from obtaining such television channels for distribution. However, these provisions do not apply in the event that a distributor of television channels has defaulted in payments.

   (b) *Disconnection with respect to any of television Channel Signals*: No Broadcaster/MSO shall disconnect the television channel signals with respect to any distributor of television channels without giving three weeks' prior written notice and public notices in two newspapers briefly indicating the reasons for the proposed action.

   (c) *Interconnection Agreements*: In areas where CAS has not been notified, the interconnection agreements between broadcasters and MSOs are required to be based on the standard terms in the Reference Interconnection Offer (the "**RIO**") published by the broadcasters, which, *inter alia*, describes the technical and commercial conditions for interconnection.

   (d) In CAS notified areas, all broadcasters, MSOs and LCOs are required to mutually negotiate and finalise their interconnection agreements, and in case they are not able to arrive at a mutually acceptable interconnection agreement within a time-period of 60 days, then they are required to enter into interconnection agreements based on a standard form prescribed by the TRAI.

   (e) The abovementioned standard agreement provides, *inter alia*, that the subscription amounts will be shared between the broadcasters, MSOs and LCOs in the ratio of 45%, 30% and 25%, respectively (excluding free to air charges which will be retained by the LCO's and channel carriage fees, which will be retained by the MSO). The standard agreement also provides for the duties, responsibilities, obligations and rights of an MSO.

   (f) *Minimum Guarantee*: The Interconnection Regulations provide that in CAS notified areas, the broadcasters/MSOs are not allowed to demand any minimum guaranteed amount from the MSOs/LCOs, respectively, as subscription fee for the services provided.

2. The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – CAS Areas) Regulation, 2006, as amended ("**QOS Regulations**"): The QOS Regulations contains provisions relating to connection, disconnection, transfer and complaint handling and redressal in respect of cable services in CAS areas. The QOS Regulations specify the billing procedures for cable services in CAS areas, set-top boxes, filing of complaints in respect of cable services in CAS areas and change in positioning of channels and taking channels off air. Further, MSOs are required to match the technical standards set by the BIS.

3. The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – Non CAS Areas) Regulation, 2009, as amended ("**QOS Non-CAS Regulations**"): The QOS Non CAS Regulations contain provisions relating to connection/disconnection or shifting of cable services, the billing procedure and billing related complaints, the mechanism for the handling of complaints and additional standards of quality of service relating to digital decoders and set-top boxes for digital cable service in non-CAS areas.

4. The Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004, as amended: In areas where CAS has not been notified, TRAI has imposed a ceiling on tariffs of bouquets being offered by (i) broadcasters to MSOs, (ii) MSOs to LCOs, and (iii) MSOs/LCOs directly to subscribers. By an amendment in 2007, tariffs applicable were fixed at rates prevalent as of December 1, 2007 plus 4%. This was further increased by an amount not exceeding 7% of the prevailing tariff by an amendment in 2008. However, there are no price caps on channels being provided to subscribers through addressable platforms in such areas where CAS has not been notified. MSOs are permitted to subscribe to pay channels from broadcasters on an *a la carte* basis and retransmit such pay channels to LCOs in a bouquet format.

5. The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006, as amended ("**Cable Tariff Order 2006**"): The charges payable by subscribers to LCOs/MSOs in the CAS areas are determined by the provisions of the Cable Tariff Order, 2006. In CAS areas, it is mandatory to offer pay channels to the subscribers on an *a la carte* basis. The maximum retail price payable by a subscriber for each pay channel is ₹ 5.35 per month (exclusive of taxes). The maximum retail price for a pay channel within this ceiling can be fixed by the broadcaster. The maximum amount payable by each subscriber for receiving a basic service tier offered in CAS areas, comprising a minimum of 30 free- to- air channels is ₹ 82 per month (exclusive of taxes). MSOs are required to compulsorily offer to the subscribers certain standard tariff package contained in the Cable Tariff Order 2006. In addition, MSOs are permitted to offer alternative tariff packages and the subscribers are free to choose from among such tariff packages including the standard tariff package specified by the TRAI.

No levy or charge may be collected separately from subscribers for the following:

(a) Installation of set-top box;
(b) Activation or reactivation of set-top box;
I Smart card/viewing card; and
(d) Repair, maintenance or any other charges (for the first five years).

All MSOs in CAS areas are required to report to TRAI the tariff packages, including the terms and conditions associated with the supply of set-top boxes to the subscribers. The charges payable by LCOs to MSOs and MSOs to broadcasters in areas where CAS has been notified is determined by the provisions of the Interconnection Regulations and the Cable Tariff Order 2006.

10. Draft Recommendations on Restructuring of Cable Television Services:

In July 2008, TRAI submitted recommendations to the MIB relating to the restructuring of the regulatory framework for cable television services in India. TRAI has recommended, *inter alia*, the introduction of a separate licensing framework for MSOs and LCOs, pursuant to which licenses will be granted by the MIB either directly or through any other administrative unit under its direct control. The duration of such licenses shall be five years. TRAI has recommended that all existing MSOs and LCOs obtain the new prescribed license, within a period of 12 months from March 31 of the year in which the revised procedure is notified or from the date of expiry of their respective existing registration, whichever is earlier. The non-refundable entry fee for MSO and LCO licenses, based on the recommendations, was stipulated as follows:

Type of License	LCO	MSO
District Level	` 10,000	` 100,000
State Level	` 100,000	` 1,000,000
National Level	N/A	` 2,500,000

Further, all cable television service providers, including MSOs, will be required to comply with Bureau of Indian Standard IS-13420 (revised) relating to system performance and ensure the delivery of proper signals at subscriber premises. TRAI has made a provision for existing cable operators to digitise their transmission within five years from the date of notification of the new licensing regime. TRAI has also recommended that the Indian Broadcasting Federation maintain an indicative list of accepted encryption and subscriber management softwares which can be deployed by MSOs.

11. Guidelines for Uplinking from India

The MIB notified the 'Guidelines for uplinking from India' in July 2000. This was followed by the 'Guidelines for uplinking for news and current affairs television channels from India' in March 2003, which were amended in August 2003, the 'Guidelines for use of SNG/DSNGs' in May 2003 and addendum dated April 1, 2005 to the uplinking guidelines. The Government of India notified the consolidated uplinking guidelines on December 2, 2005. The applicant seeking permission to set up an uplinking hub/teleport or uplink a television channel or uplink facility by a news agency must be a company registered in India under the Companies Act. These guidelines outline the framework for grant of a number of permissions:

- Permission for setting up of uplinking hub/teleports;
- Permission for uplinking a non-news and current affairs television channel;
- Permission for uplinking a news and current affairs television channel;
- Permission for uplinking by Indian news agency;
- Permission for use of SNG/DSNG equipments in C band and KU band; and
- Permisision for temporary uplinking.

While the specific requirements perataining to aforementioned permission may vary, the following general terms and conditions are prescribed under the guidelines:

- The company shall comply with the Programme & Advertising Codes, as laid down in the Cable Television Networks (Regulation) Act, 1995 and the rules framed there under;
- The company shall keep record of the content uplinked for a period of 90 days and produce the same before any agency of the Government, as and when required;
- The company shall furnish such information, as may be required by the MIB, 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 MIB or any other Government agency as and when so required;
- The company shall permit the Government agencies to inspect the facilities as and when required;
- The company shall comply with the terms and conditions of 'Wireless Operational Licence' to be issued by the Ministry of Communications & IT;
- The company shall ensure its continued eligibility as applicable through out the period of permission and adhere to all the terms and conditions of the permission, failing which the company shall be liable for penalty as mentioned under these guidelines;
- The MIB shall have the right to suspend the permission of the company for a specified period in public interest or in the interest of national security to prevent its misuse. The company shall immediately comply with any directives issued in this regard
- It will be obligatory on the part of the company to take prior permission from the MIB before effecting any change in the board of directors or the chief executive officer.

The guidelines also provide for offences and penalties. In case a channel/teleport/SNG/DSNG is found to have been/being used for transmitting/uplinking any objectionable unauthorized content, messages, or communication inconsistent with public interest or national security or fails to abide by directives issued as aforementioned, the permission granted will be revoked and the company shall be disqualified to hold any such permission for a period of five years. In case any term or condition under the permission is violated, MIB shall have the right to impose the following penalties:

- In the event of first violation, suspension of the permission and prohibition of telecast for a period up to 30 days;
- In the event of second violation, suspension of the permission and prohibition of telecast for a period up to 90 days; and
- In the event of third violation, suspension of the permission and prohibition of telecast for a period up to the remaining period of permission.

Internet Services

The following acts, rules, regulations and guidelines govern our internet business:

1. *Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("**ISP License Guidelines**")*

The DoT issued the ISP License Guidelines for grant of license to provide Internet Services, as per provisions of theTelegraph Act, on a nonexclusive basis. The ISP License Guidelines provide for *inter alia*, the following

(a) *Service area*: Licenses are awarded in categories, namely, Category A and B depending on the territory covered by the License.

(b) *Foreign direct investment*: Foreign direct investment in the licensee company is restricted to 74% of the paid up capital of the company of which up to 49% is permitted under the automatic route.

(c) *Security conditions*: The licensee company is required to take adequate and timely measures to ensure that the information transacted through a network by subscribers is secure and protected. In addition, a majority of the board of directors of the licensee company is required to be Indian citizens.

(d) *Fees payable*: A one-time entry fee of ₹ 2 million is required to be paid for a Category A Internet Service Licence before signing the license agreement. An annual license fee at the rate of 6% of adjusted gross revenue, subject to a minimum of ₹ 50,000 and ₹ 10,000 for Category A and Category B respectively is charged per annum. Further, a financial bank guarantee of ₹ 1 million for Category A and ₹ 0.1 million for Category B each valid for one year, and a performance bank guarantee of ₹ 20 million for Category A, and ₹ 2 million for Category B, each valid for two years, are to be provided in favour of DoT before signing the license agreement.

The licensee company is required to provide service within 24 months from the date of signing the license agreement. The license is valid for a period of 15 years and access to the internet through an authorized cable operator is permitted to ISPs without additional licensing subject to the provisions of the Cable Television Act. In addition, the license is governed by the provisions of the Telegraph Act, the Wireless Telegraphy Act and the TRAI Act.

2. License Agreement for Provision of Internet Service

An internet service provider is required to obtain a license and enter into a standard agreement (the "ISP License Agreement") with the DoT before starting operations as an ISP. In addition to the conditions required to be followed by a licensee company under the ISP License Guidelines, the ISP License Agreement provides for further requirements to be adhered to by the licensee. The licensee is required to make its own arrangements for the infrastructure involved in providing the service and is solely responsible for the installation, networking and operation of the necessary equipment and systems, treatment of subscriber complaints, issue of bills to subscribers, collection of revenue, and attending to claims and damages arising out of its operations. In the process of operating the internet service, the licensee is responsible for the installation of the internet nodes, i.e., routers/servers, and the proper operation and maintenance of its network infrastructure.

The licensee is required to adhere to such quality of service standards and to provide timely information as required by DoT. The licensee is responsible for:

(a) maintaining performance and quality of service standards;

(b) maintaining the mean time to restore (MTTR) within the specified limits of the quality of service; and

(c) keeping a record of number of faults and rectification reports in respect of the service, which is required to be produced before the DoT or the TRAI as and when and in whatever form desired.

In addition, the licensee is required to ensure that objectionable, obscene, unauthorized or any other content, messages or communications infringing copyright, intellectual property rights or international and domestic cyber laws, in any form, or inconsistent with the laws of India, are not carried in its network.

In particular the licensee is obliged to provide, without delay, all tracing facilities with respect to nuisance or malicious messages or communications transported through its equipment and network, to authorized officers of Government of India and the relevant state government, when such information is required for investigations of crimes or in the interest of national security. The licensee company must also comply with the provisions of the Telegraph Act and the TRAI Act.

The DoT may, without prejudice to any other remedy available for the breach of any conditions of the licence agreement, by written notice of 60 days, terminate the licence agreement if the licensee company:

(a) fails to perform any obligation(s) under the licence agreement including timely payments of fee due to the DoT;
(b) fails to commission or deliver internet services within the time period specified in the license or in any extension thereof granted by the DoT;
(c) goes into liquidation or is ordered to be wound up;
(d) is recommended for termination by the TRAI for non-compliance of the terms and conditions of the licence agreement; or
(e) fails to rectify, within the time prescribed, any defect/deficiency/correction in service/equipment as may be pointed out by the DoT.

The DoT reserves the right to impose any penalty as it may deem fit for violations of terms and conditions of the license agreement.

3. TRAI Press Release – No. 73/2005: TRAI, by a press release dated September 12, 2005, issued a direction to all ISPs making it mandatory for ISPs to obtain explicit consent of the subscribers before making value-added services chargeable.

4. *The Telecommunication Tariff Order, 1999, as amended ("**Tariff Order 1999**")*

The Tariff Order 1999 issued by TRAI, provides the terms and conditions under which telecommunication services within India and outside India may be provided, including rates and related conditions under which messages shall be transmitted to any country outside India, deposits, installation fees, rentals, free calls, usage charges and any other related fees or service charge. Reporting requirements are not applicable for service provided to bulk customers, provided that all ISPs providing dialing internet services shall, within seven days after the close of every quarter, furnish brief details about the number of plans and the bulk customers availing of them along, with a certification for information and record.

A tariff plan once offered by an ISP is available to a subscriber for a minimum period of six months from the date of enrolment of the subscriber to that tariff plan. However, any tariff plan presented, marketed or offered as valid for any prescribed period exceeding six months or as having lifetime or unlimited validity in lieu of an upfront payment shall continue to be available to the subscriber for the duration of the period as prescribed in the plan and in the case of lifetime or unlimited validity plans, as long as the ISP is permitted to provide such telecom service under the current license or renewed license. In the case of plans with lifetime validity or unlimited validity, the service provider shall also inform the subscribers of the month and year of expiry of his current license. ISPs are free to reduce tariffs under any tariff plan at any time. However, no tariff item in a tariff plan can be increased by ISPs:

(a) In respect of tariff plans with prescribed periods of validity of more than six months, including tariff plans with lifetime or unlimited validity and also involving an upfront payment to be made by the subscriber towards such validity period, during the entire period of validity specified in the tariff plan;
(b) In respect of other tariff plans, within six months from the date of enrolment of the subscriber; and
(c) In the case of recharge coupons with a validity of more than six months under any tariff plan, during the entire period of validity of such recharge coupon.

5. *Broadband Policy, 2004 ("**Broadband Policy**")*

The Broadband Policy issued by the DoT provides a framework for the creation of infrastructure through various access technologies which can contribute to the growth of broadband services in India. The Broadband Policy states that a cable television network can be used as a franchisee network of the service provider for providing broadband services. However, all responsibilities for ensuring compliance with the terms and conditions of the license vest with the licensee company. The terms of the franchise agreement between the licensee company and its franchisee are to be settled mutually by negotiation between the two parties involved. Further, the licensee company must comply with the quality of service parameters for broadband services by the TRAI.

6. *Guidelines for obtaining License for providing Direct-to-Home ("**DTH**") Broadcasting Service in India) ("**DTH Guidelines**")*

DTH service providers are licensed under the DTH Guidelines and are subject to the mandatory preliminary requirements stipulated thereunder. A DTH licensee is additionally required to execute a separate license with the MIB.

7. *Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002 ("**Internet Telephony Guidelines**")*

As per the Internet Telephony Guidelines, only ISP licensees are permitted to offer internet telephony services within their service area. ISPs desirous of offering internet telephony services are required to sign an amendment to their ISP license to such effect. The Internet Telephony Guidelines also mandate security monitoring requirements.

8. *Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004 ("**VPN Guidelines**")*

The VPN Guidelines provide for the provision of VPN services by ISPs in addition to the services envisaged by their respective licenses. ISPs desirous of offering VPN services are required to sign an amendment to their ISP license to such effect. Such amendment to the ISP license agreement is issued and governed by the provisions of the Telegraph Act, the Wireless Telegraphy Act and the TRAI Act. The VPN Guidelines also mandate security monitoring requirements.

*Information Technology Act, 2000 as amended ("**IT Act**")*

The Information Technology Act regulates and governs the communications made and services provided in the electronic form. The provisions of the IT Act are applicable to an internet service provider who is a third party and does not actually host any of the content. The IT Act prescribes punishment for publication of *inter alia* obscene, offensive materials through electronic means The IT Act has been amended by the Information Technology Amendment Act, 2008.

As per Section 66A of the IT Act any person who sends information which is grossly offensive or has menacing character, or any information which he knows to be false for *inter alia* causing annoyance, or danger by making use of computer resource is punishable with imprisonment which may extend to three years and fine. Under section 67 of the IT Act, the publication of or causing to publish in electronic form, lascivious material or material which is likely to corrupt the persons who read, see or hear the matter is punishable with on a first conviction with imprisonment of which may extend to three years and with fine which may extend to ₹ 5,00,000 and in the event of a second or subsequent conviction with imprisonment of for a term which may extend to five years and also with fine which may extend to ₹ 10,00,000.

Further, Section 67A of the IT Act provides that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which contains sexually explicit act or conduct will be punished on the first conviction with imprisonment for a term which may extend to five years and with a fine which may extend to ₹ 10,00,000 and in the event of a second or subsequent conviction, with imprisonment which may extend to seven years and a similar fine, unless it can be proved that the publication is justified for religious purposes or for public good on the ground that it is in the interest of science, literature, art or learning or other objects of general concern. Similarly Section 67B of the IT Act provides that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which (a) depicts children engaged in sexually explicit act or conduct or (b) creates text or digital images, collects, seeks, browses, downloads, advertises, promotes, exchanges or distributes material which depicts children in obscene or indecent or sexually explicit manner, (c) cultivates, entices or induces children to online relationships for sexually explicit acts or in any manner which is offensive, (d) facilitates the abuse of children online, or (e) records in any electronic form any sexually explicit acts with children, shall be liable to the similar penalties as that provided in Section 67A of the IT Act.

*Competition Act, 2002, as amended ("**Competition Act**")*

The Competition Act 2002 has been enacted to prevent anti-competitive practices, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in markets in India.

As per the notified sections of the Competition Act, entering into agreements between enterprises which *inter alia* affect the prices, supply, distribution or other such collusive arrangements are anti-competitive in nature and are prohibited under Section 3 of the Competition Act. Section 4 of the Competition Act, prohibits an enterprise that is in a dominant position from abusing its dominant position. Further, Section 5 of the Competition Act provides that assets / turnover thresholds applicable to acquisitions, merger and amalgamations in order to determine whether the transaction would be regarded as a combination for the purposes of the Competition Act. Section 6 (1) of the Competition Act provides that no person or enterprise shall enter into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void.

HISTORY AND CORPORATE STRUCTURE

Brief History of our Company

Our Company was incorporated as "Ortel Communications Limited", a public limited company under the Companies Act on June 2, 1995. It received the certificate for commencement of business on July 19, 1995.

Our Company was incorporated in order to undertake the business of operating satellite television network, cable television network, telephone, telegraph, cableronic mail, telenewspaper, conferencing, video conferencing, mobile text, mobile videotext, radio paging and any other system of communications.

Changes in the Registered Office

At the time of incorporation, the registered office of our Company was located at B-4/147, Safdarjang Enclave, New Delhi-100 029. Subsequently, pursuant to a board resolution dated March 23, 1999, our registered office was shifted to B-7/122A, Safdarjang Enclave, New Delhi – 100 029, for administrative convenience.

Shareholders

The total number of members of our Company as on the date of filing this Draft Red Herring Prospectus is 94.

Major Events and Milestones

Year	Events
1995	• Incorporation of our company • Rights of ways granted to start the cable business in Orissa[(2)]
1996	• Analog cable network started in Bhubaneswar and Cuttack.
1998	• First private sector player to obtain ISP license and started its high speed internet services[(2)]
1999	• Investment of ₹ 85 million by ACTIS Advisers Private Limited (Commonwealth Development Corporation Group).
2000	• Operation expanded to other parts of Orissa.
2004	• ISO 9001 : 2000 certified
2005	• Achieved 0.10 million RGUs
2006	• RoW granted outside Orissa in states including West Bengal, Andhra Pradesh and Chattisgarh.[(2)]
2008	• Investment of ₹600 million by NSR. [(1)] • Mass acquisition of LCOs and achieved 0.20 million RGUs • Services launched outside Orissa in states including West Bengal, Andhra Pradesh and Chattisgarh.
2009	• Achieved 303,435 RGUs
2010	• Started Voice over Internet Protocol ("**VOIP**") [(2)]
	• Pilot project of internet telephony successfully launched.
2011	• Crossed 404,437 RGUs.

[(1)] For further details, see section titled "*History and Corporate Structure – Shareholders' Agreements*" on page 106.
[(2)] For further details, see section titled "*Government and Other Approvals*" on page 194.

Awards and Accreditations

(a) Awards

Year	Awards
2004	Best IT User Award by Intel Corporation and Cybermedia India Online Limited
2010	Best Small and Medium Enterprise by Orissa Computer and Application Centre, Government of Orissa

(b) Accreditations

Certifying Authority	Certification Details	Certificate Number	Facility	Validity
Bureau Veritas Certification (India) Private Limited	ISO 9001	IND10.1376	Bhubaneswar	August 18, 2013
Quality of service auditing division of Broadcast Engineering Consultants India Limited	Digital SMS	200901	Digital Encryption and Subscriber Management System	--

Pre-IPO Placement

Our Company and the Selling Shareholder are exploring the possibility of a Pre-IPO Placement. We intend to complete the issuance/transfer of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post-Issue paid-up Equity Share capital being offered to the public. Presently, no definite arrangements have been entered into by our Company and the Selling Shareholder for the Pre-IPO Placement. All details in relation to the Pre-IPO Placement shall be provided in the Red Herring Prospectus.

Time and Cost Overrun

In respect of projects undertaken by our Company since its incorporation, there have been no time and cost overruns.

Defaults or rescheduling of borrowing

We have not defaulted or rescheduled our borrowings. Furthermore, none of our loans taken from banks and financial institutions have been converted into equity in the past.

Main Objects

The main objects of our Company as contained in our Memorandum are:

1. To carry on the business of operating satellite television network, cable television network, anywhere in the world and to establish studies, processing laboratories and all such arrangements which are required to make telefilms, serial and other programmes and printings thereof.
2. To carry on business of telephone, telegraph, cableronic mail, telenewspaper, telephone, conferencing, video conferencing, video telephone, mobile text, mobile video telephone, mobile fascimile, mobile videotext, radio paging and any other systems for communications whether consisting of sounds, visual images, electrical impulses or otherwise.
3. To carry on the business of Manufacturers, installers, maintainers, repairers and dealers in electrical and appliances, apparatus of every description, equipment, stores and spares required by the tele-communication industry.
4. To carry on the business of providing internet services, wireless communications, basic telephone services, multimedia, content creation and other value added services and also to provide research and know-how in these areas.
5. To carry on the business of leasing and hire purchase of the equipments relating to above mentioned business.

Amendments to our Memorandum

Since incorporation, the following changes have been made to the Memorandum:

Date of Shareholders' Approval	Amendment
October 18, 1995	The initial authorised share capital of our Company of ₹ 10 million comprising 1,000,000 Equity

Date of Shareholders' Approval	Amendment
	Shares was increased to ₹ 10.70 million divided into 1,070,000 Equity Shares.
December 25, 1995	The authorised share capital of our Company was increased to ₹ 20 million divided into 2,000,000 Equity Shares.
March 22, 1996	The authorised share capital of our Company was increased to ₹ 30 million divided into divided into 3,000,000 Equity Shares.
September 18, 1996	The authorised share capital of our Company was increased to ₹ 80 million divided into 8,000,000 Equity Shares.
September 16, 1998	The authorised share capital of our Company was increased to ₹ 100 million divided into 10,000,000 Equity Shares.
September 30, 1999	The authorised share capital of our Company was increased to ₹ 140 million divided into 14,000,000 Equity Shares.
September 30, 1999	Alteration of the Objects clause by addition of the following sub-clause (4) and (5) after sub-clause 3 of Clause IIIA. "4. To carry on the business of providing internet services, wireless communications, basic telephone services, multimedia, content creation and other value added services and also to provide research and know-how in these areas. 5. To carry on the business of leasing and hire purchase of the equipments relating to above mentioned business."
September 27, 2001	The authorised share capital of our Company was increased to ₹ 150 million divided into 15,000,000 Equity Shares.
May 3, 2005	The authorised share capital of our Company was increased to ₹ 200 million divided into 15,000,000 Equity Shares and 5,000,000 Preference Shares.
April 30, 2007	The authorised share capital of our Company was increased to ₹ 210 million divided into 15,000,000 Equity Shares and 6,000,000 Preference Shares.
July 23, 2007	The authorised share capital of our Company was increased to ₹ 230 million divided into 17,000,000 Equity Shares and 6,000,000 Preference Shares.
February 27, 2008	The authorised share capital of our Company was increased to ₹ 235 million divided into 17,500,000 Equity Shares and 6,000,000 Preference Shares.
March 7, 2008	The authorised share capital of our Company was increased to ₹ 897 million divided into 23,700,000 Equity Shares and 66,000,000 Preference Shares.
January 22, 2011	The authorised share capital of our Company was increased to ₹ 960 million divided into 30,000,000 Equity Shares and 66,000,000 Preference Shares.

Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company.

Joint Ventures

As on the date of this Draft Red Herring Prospectus, there are no joint ventures of our Company.

Other Confirmations

Our Company is not operating under any injunction or restraining order**.**

Strategic and Financial Partners

Our Company currently does not have any strategic or financial partners.

Shareholders Agreements

1. Share Purchase Agreement dated February 12, 2008 among South Asia Regional Fund, NSR –PE Mauritius LLC and our Company

South Asia Regional Fund (the "**Seller**"), NSR –PE Mauritius LLC (the "**Purchaser**") and our Company have entered into a share purchase agreement dated February 12, 2008 pursuant to which on September 1, 2008 the Seller has sold 2,361,100 Equity Shares representing 14.57% of the total issued, subscribed and paid-up equity share capital of our Company, to the Purchaser for a consideration of ₹ 93.45 per Equity Share aggregating to ₹ 221 million.

2. Subscription Agreement dated February 12, 2008 among NSR –PE Mauritius LLC, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, formerly known as Orissa Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited and our Company, as amended by a Supplement to the Subscription Agreement dated September 18, 2010.

NSR –PE Mauritius LLC (the "**Investor**"), Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited (the "**Promoters**") and our Company have entered into a subscription agreement dated February 12, 2008 ("**Subscription Agreement**") pursuant to which the Investor was allotted 45,000,000 and 15,000,000 compulsorily convertible preference shares of ₹ 10 each bearing a coupon rate of 0.001% p.a. ("**Preference Shares**") on April 20, 2008 and September 1, 2008, respectively for a subscription price of ₹ 10 per Preference Share aggregating to ₹ 600 million. The Subscription Agreement was amended by a supplement to the subscription agreement dated September 18, 2010 ("**Supplement Agreement**") between the Investor, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, Odisha Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited, our Company and Metro Skynet Limited. Since on May 28, 2010, MS Telecom Investments Private Limited and Calorx (India) Limited, which were parties to the Subscription Agreement and Shareholders Agreement, transferred 2,254,001 Equity Shares and 393,520 Equity Shares, respectively, to Metro Skynet Limited, they ceased to be shareholders of our Company and were therefore not a party to the Supplement Agreement. On September 29, 2010 NSR was allotted 5,821,498 Equity Shares pursuant to conversion of the Preference Shares.

The following are certain important terms of the Subscription Agreement:

- The Promoters, Finlay Corporation Limited, Pikika Limited and Orissa Stevedores Limited will not transfer any Equity Shares or Preference Shares until the occurrence of the Issue without the prior written approval of the Investor.

- Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and Odisha Television Limited shall at all times directly hold in aggregate at least 25.1% of the share capital or at least 51% of the voting rights in our Company.

3. Shareholders Agreement dated February 12, 2008 among NSR, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, formerly known as Orissa Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited and our Company and Inter-se Promoters Agreement dated March 21, 2008 between our Company and Finlay Corporation Limited, Pikika Limited, Ms. Jagi Mangat Panda, Panda Investments Limited, MS Telecom Investments Private Limited, Calorex India Limited, Odisha Television Limited, Orissa Stevedores Limited and Utkal Manufacturing & Services Limited, as amended by an amendment agreement dated February 24, 2011.

Pursuant to the Subscription Agreement and NSR –PE Mauritius LLC's ("**NSR**") investment in our Company, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited (together, the "**Promoters**"), NSR and our Company entered into a shareholders agreement dated February 12, 2008 (the "**Shareholders Agreement**") for regulating the relationship between the parties in relation to the functioning of our Company. Subsequently, our Company and Finlay Corporation Limited, Pikika Limited, Ms. Jagi Mangat Panda, Panda Investments Limited, MS Telecom Investments Private Limited, Calorex India Limited, Odisha Television Limited, Orissa Stevedores Limited and

Utkal Manufacturing & Services Limited entered into an inter-se promoters' agreement dated March 21, 2008, as amended by an amendment agreement dated February 24, 2011 (the "**Inter-Se Promoters' Agreement**").

The important terms of the Shareholders Agreement and the Inter-Se Promoters' Agreement, as set forth in our Articles and which would survive on completion of the Issue are as follows:

Nominee Director: After the listing of the Equity Shares on a recognized stock exchange, NSR shall have the right to appoint one Director so long as it holds 5% or more Equity Shares.

Directors' and Officers' Liability Insurance: Till such time as NSR is a shareholder of our Company, our Company will obtain and maintain, at its own cost, a directors' and officers' liability insurance for each Director for an amount of ₹ 5 million from a reputable insurance company in respect of losses, liabilities, damages, deficiencies, demands, claims and actions arising out of or resulting from any act of omission or commission of the nominee directors. Further, the nominee directors shall not be identified as officers in default of the Company or employers under applicable laws.

Confidentiality: All parties will keep confidential any information relating to the negotiations and contents of the Shareholders Agreement, the Subscription Agreement and the Inter-Se Promoters' Agreement] or the business and affairs of the other parties to the Shareholders Agreement ("**Confidential Information**"). However, Confidential Information can be disclosed, among others, pursuant to legal requirements. This clause on confidentiality will survive for two years following the termination of the Shareholders Agreement and the Inter-Se Promoters' Agreement, as the case may be.

Termination: The Shareholders Agreement and the Inter-Se Promoters' Agreement will terminate on the earlier of completion of the Issue or till such time that NSR holds at least 1,000,000 Equity Shares.

Other Agreements

1. Memorandum of Agreement dated March 31, 2005 between our Company and Ortel Metronet Limited (presently known as Odisha Television Limited)

Our Company had entered into a memorandum of agreement dated March 31, 2005 ("**MOU**") with Ortel Metronet Limited ("**OML**"), presently known as Odisha Television Limited, pursuant to which our Company in the process of restructuring its business has sold/ transferred its local television channel "OTV" to OML on a going concern basis, with effect from April 1, 2005 for a consideration of ₹ 5.50 million. Under the terms of the MOU, our Company will carry the existing two channels of OML, "OTV" and "OTV Chamatkar" in prime band through its cable network and shall also carry any other additional channels launched by OML in future through its cable network.

2. Grant of Permission Agreement entered into between the Ministry of Information and Broadcasting, GoI and our Company dated June 27, 2007

Our Company has entered into a grant of permission agreement with the MIB to establish, maintain and operate up linking hub (teleport) at Bhubaneswar in compliance with the 'Guidelines for Up linking from India' notified on December 2, 2005. The permission shall be governed by the TRAI, the Telegraph Act and the Wireless Telegraph Act.

Under the agreement, our Company shall not uplink television channels which have not been approved or permitted by the MIB for up linking. Further, all foreign personnel likely to be deployed by our Company for installation, maintenance and operation of its services shall be required to obtain security clearance from the MIB prior to their deployment. Any change in the Board of Directors of our Company would also be subject to the prior approval of the MIB. The permission is not transferable.

The permission is valid for a period of ten years from the date of operationalization of the teleport, unless terminated earlier. In the event of a teleport which is used for transmitting or up linking any objectionable unauthorized content, messages or communication inconsistent with public interest or national security, the permission would be revoked and our Company would be disqualified from holding any such permission for a period of five years, apart from liability for punishment.

OUR MANAGEMENT

Under our Articles, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has 12 Directors on its Board.

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

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
Mr. Baijayant Panda S/o Dr. Banshidhar Panda Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Orissa, India. Non Executive Director cum Chairman *Occupation*: Industrialist *Term:* Liable to retire by rotation	47	00297862	Indian	1. Indian Metal & Carbide Limited; 2. B.Panda & Co. Private Limited; 3. Madhuban Investment Private Limited; 4. K.B. Investment Private Limited; 5. Paramita Investment & Trading Company Private Limited; 6. Barabati Investment & Trading Co. Private Limited; 7. Indian Metals & Ferro Alloys Limited; 8. Panda Investments Private Limited; 9. Metro Skynet Limited; 10. Quippo Telecom Infrastructure Limited; and 11. KEDA Enterprises Private Limited.
Ms. Jagi Mangat Panda D/o Mr. Randhir Singh Mangat Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Orissa, India. Executive Director Managing Director *Occupation:* Business *Term:* For a period of five years commencing from December 22, 2007 to December 22, 2012.	44	00304690	Indian	1. Panda Investments Private Limited; 2. Metro Skynet Limited; 3. Odisha Television Limited; 4. Kishangarh Environment Development Action Private Limited; 5. Pagoda Enterprises Private Limited.; 6. KEDA Enterprise Private Limited; 7. Tarang Broadcasting Company Limited; and 8. Orissa Telefilms Private Limited.
Mr. Subhrakant Panda S/o Dr. Banshidhar Panda 30, Green Avenue, Vasant Kunj, New Delhi-110 070. . Non Executive Director *Occupation:* Business *Term*: Liable to retire by rotation	40	00171845	Indian	1. Indian Metals & Ferro Alloys Limited; 2. Utkal Coal Limited; 3. IMFA Alloys Limited; 4. Indmet (Mauritius) Limited; 5. Utkal Real Estate Private Limited; 6. Indmet Mining Private Limited; 7. Utkal Power Limited; and 8. Rajrae Realtors Private Limited.

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
Mr. Shantanu Yeshwant Nalavadi S/o Mr. Yeshwant Fakirappa Nalavadi Yeshwant, Plot No 399 Sri Ahobila Mutt Road, Chembur, Mumbai- 400 074, Maharashtra India. Non Executive Director Investor/ Nominee Director *Occupation:* Service *Term:* Not liable to retire by rotation	40	02104220	Indian	1. Destimoney India Services Private Limited; 2. Destimoney Enterprise Private Limited; 3. Destimoney Commodities Private Limited; 4. Destimoney Financial Services Private Limited; and 5. Destimoney Securities Private Limited.*
Mr. Jyoti Bhusan Pany S/o Mr. R B Pany 212, Kharwela Nagar Bhubaneswar- 751 003 Orissa, India. Non Executive Director Independent Director *Occupation:* Business *Term:* Liable to retire by rotation	57	0020453	Indian	1. Radiant Telesystems Limited.
Dr. Gautam Sehgal S/o Dr. A. O. Sehgal B-29, Kailash Colony, New Delhi-110 048, India. Non Executive Director *Occupation:* Professional *Term:* Liable to retire by rotation	46	0034243	Indian	1. ADS Diagnostic Limited; 2. Cardiovas Medical Private Limited; and 3. Ved Med Software & Trading Private Limited.
Ms. Manjula Shroff D/o Mr. Kirti Chandra Deo Y-89, Hauz Khas, New Delhi-110 016, India. Non Executive Director *Occupation:* Business *Term:* Liable to retire by rotation	47	0297159	Indian	1. Calorx (India) Limited; 2. MS Telecom Investments Private Limited; 3. Odisha Television Limited; 4. Neelanchal Aqua Farms Private Limited; 5. Kishangarh Environmental Development Action Private Limited; 6. e-Infochips Limited; 7. e-Infochips Bangalore Limited; 8. Calorx Education Company Private Limited; 9. Yali Education Company Private Limited;

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
				10. Allen Enterprises Private Limited; and 11. Smart Guard Systems Private Limited.
Mr. K. V. Seshasayee S/o Mr. K S Varadarajan 2 B Century Habitat No. 9, 4th Main Road, Gandhi Nagar, Adyar Chennai - 600 020, India Non Executive Director Independent Director *Occupation:* Service *Term:* Liable to retire by rotation	67	00659784	Indian	1. Quippo Telecom Infrastructure Limited; 2. Win Broadband Services Private Limited; 3. Echo Telesystems Private Limited; 4. Fuel Automation Private Limited; 5. Indhan Innovations Private Limited; and 6. mPraxis Private Limited.
Mr. R.R.N. Prasad S/o Mr. R K N Prasad 302, PC-II, Essel Tower, M G Road, Gurgaon Non Executive Director Independent Director *Occupation:* Retired from service *Term:* Liable to retire by rotation	70	03433128	Indian	Nil
Major (Retd.) R.N. Misra S/o Mr. Lingaraj Mishra 6-D, 'Regency Park', Endenwood, Pokhran 2, Thane (West) - 400 601 Non Executive Director Independent Director *Occupation:* Retired from service *Term:* Liable to retire by rotation	72	00146138	Indian	Indian Metal and Ferro Alloys Limited
Dr. P.T. Joseph S/o Mr. Puliparambil Thomas 6-XLRI, PB 222, C H Area (East) Jamshedpur- 831 001 Non Executive Director Independent Director *Occupation:* Service *Term:* Liable to retire by rotation	58	03396028	Indian	Nil
Mr. Debaraj Biswal	61	01318134	Indian	1. Bhubaneswar Stock Exchange

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
S/o Mr. Gangadharbaraj Biswal Unit -9, Sahidnagar, Bhubaneswar-751 022 Orissa, India Non Executive Director Independent Director *Occupation:* Service *Term:* Liable to retire by rotation				Limited, Bhubaneswar ; and 2. Inter-connected Stock Exchange of India Limited.

* *9X Media Private Limited has made an application dated May 3, 2010 to the MIB for seeking approval for the directorship of Mr. Shantanu Yeshwant Nalavadi on the board of directors of the company. The application is currently pending.*

Brief Profile of our Directors:

Mr. Baijayant Panda, aged 47 years, is our Chairman and co-founder and was appointed as the Director of our Company on September 30, 1999. Mr. Panda holds a combined degree in engineering and management from the University of Michigan, USA. He has experience in media sector operations, strategic and financial planning, capital structuring, mergers and acquisitions. Mr. Panda also serves as the vice chairman of Indian Metals and Ferro Alloys Limited, one of our Promoter Group companies. He is also a Member of Parliament (Lok Sabha) from the state of Orissa. Mr. Panda is a member of the Department related Parliamentary Standing Committee on Coal, Steel and Mines and of the Parliamentary Consultative Committee for the Ministry of Finance.

Mr. Panda has also been associated with industry organizations like the Confederation of Indian Industry ("**CII**"), the Federation of Indian Chambers of Commerce and Industry ("**FICCI**") and the International Chromium Development Association. He has also been associated with the Government of Orissa's Industrial Advisory Committee and been a director on the Industrial Promotion & Investment Corporation of Orissa. Further, Mr. Panda has been awarded the prestigious 'Bharat Asmita National Award', the award for best parliamentary practices by the Chief Justice of India in 2008.

Ms. Jagi Mangat Panda, aged 44 years, was appointed as the Director of our Company on October 5, 1995. Ms. Panda is the co-founder of our Company. She was appointed as the managing director of our Company on December 1, 1999. She holds a bachelor's degree in biology and chemistry from Osmania University, Hyderabad. She also holds a master's degree in business administration from the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 15 years of experience in the media and broadcasting industry.

Mr. Subhrakant Panda, aged 40 years, was appointed as the Director of our Company on May 13, 2006. He holds a bachelor's degree in business administration from the School of Management, Boston University, United States of America. He is presently the managing director of Indian Metals and Ferro Alloys Limited, one of our Promoter Group companies. Mr. Panda is also a member of the National Management Council of All India Management Association, Indian Institute of Metal & Managing Committee of Federation of Indian Minerals Industries, International Chromium Development Association, which is the international body of chrome products based in Paris. He has been the chairman of the CII, Orissa State Council and a member of the CII Development Council. He is also a member of the executive committee of FICCI. He has also presented a paper titled "Ferro Alloys Industries: Is India the right place?" at the 150 year celebrations of the Bengal Chamber of Commerce and Industry in 2003 He has been named to the "Beta Gamma Sigma Honour Society for Collegiate School of Business", "Golden Key National Honour Society" and "Who's Who Among Students in American Universities and Colleges".

Mr. Shantanu Yeshwant Nalavadi, aged 40 years, is a chartered accountant and was appointed as the nominee Director of our Company on February 29, 2008. Mr. Nalavadi is working with New Silk Route Advisors Private Limited, Mumbai as a partner. He focuses on private equity opportunities in the Indian sub-continent on behalf of NSR. Mr. Nalavadi has previously worked with Walt Disney Inc. and Star TV. Mr. Nalavadi has also been associated with ANZ Grindlays Bank and has worked across project finance (financial advisory and debt placement) and corporate finance (acquisitions, divestitures, mergers and JV advisory) businesses. Mr. Nalavadi has a combined work experience of more than 17 years in corporate finance, investment and general management.

Mr. Jyoti Bhusan Pany, aged 57 years, was appointed as an independent Director of our Company on December 21, 2001. He holds a bachelor's degree in chemical engineering from Laxminarayan Institute of Technology, Nagpur University. Mr. Pany is heading the Radiant Group of Companies, Orissa and has more than 25 years of experience in various industries including telecom manufacturing, information technology, mechanical engineering.

Dr. Gautam Sehgal, aged 46 years, was appointed as a non-executive Director of our Company on March 31, 2000. He holds a bachelor's degree in medicine and in surgery from Mysore University and owns the Sehgal Neurological Research Institute in New Delhi. He has more than 20 years of experience in the medical profession.

Ms. Manjula Shroff, aged 47 years, was appointed as a non-executive Director of our Company on January 12, 1998. She holds a master's degree in political science from Utkal University. She holds a degree in 'management education programme' from the Indian Institute of Management, Ahmedabad. She also holds an honorary fellowship from the Australian-Asian Institute of Civil Leadership. She is currently a director at the Delhi Public School, Ahmedabad. She is also the co-founder and chairperson of Calorx Foundation and the Calorx Public School. For the year 2002-03, Ms. Shroff was awarded honorary memberships of the Research Advisory Board, American Biographical Society and of the Lok Adalat, Legal Advisory Cell, High Court of Gujarat. She is also a member of the Ahmedebad Management Association and is on the advisory committee at the Kokilaben Dhirubhai Ambani School, Jamnagar, Gujarat, since 1999.

Ms. Shroff has number of awards to her credit including the 'Secular India Harmony Award (United Children's Movement) by the President of India in 1996; the 'Bharat Vikas Award' from International Business Council in 1997, the 'Eminent Citizen of India Award' by the National & International Compendium in 1998, the 21st century millennium award by the International Institute of Education & Management in 2000, the 'Education Excellence Award' by the Management Studies Promotion Institute in 2001, the 'Vidya Rattan Award' by the Management Studies Promotion Institute in 2002 and the 'Contemporary Who's Who' and 'Women of the Year' by the American Biographical Society, North Carolina in 2002.

Mr. K V Seshasayee, aged 67 years, was appointed as an independent Director of our Company on February 2, 2011. He holds a bachelor's degree in mechanical engineering from Madras Institute of Technonolgy. He obtained his master's degree in computer sciences from Indian Institute of Technology, Madras. Prior to joining our Company, he was the group chief (technology) for the Hinduja Group, responsible for the telecommunication, cable, information technology and information technology enabled services operations. Mr. Seshasayee has also worked with Quippo Telecom Infrastructure Limited and helped the network in becoming the independent neutral host provider for cellular companies. He has been on the board of various companies engaged in software, products and support in the telecom, media and information techonology areas. He was also the chairman of Cellular Operators Association of India. He was elected twice to the national council of CII. He has also been providing consultancy on various projects in digital video, cellular value added service, multimedia, broadband wireless for companies and governments in South Asia and the Middle East. Mr. Seshasayee has over 35 years of experience in the telecom and media industry.

Mr. R.R.N. Prasad, aged 70 years, was appointed as an independent Director of our Company on February 2, 2011. He holds a bachelor's degree in electrical engineering with specialization in telecommunications from the Bihar Institute of Technology, Sindri. He also holds a post graduate diploma in management from the All India Management Association with specialization in information technology. He is a fellow of the Institution of Electronics and Telecommunication Engineers. He has over four decades of experience in the telecommunications sector. He has held important positions in the Department of Telecommunications, GoI including as chief general manager, Calcutta Telephones, senior deputy director general, Telecom Engineering Centre and advisor (operations), DoT. He was the chief general manager at Advance Level Telecom Training Centre, Ghaziabad. He was also deputed to the International Telecommunication Union for a two years assignment as the chief technical advisor to the Government of Ghana.

Mr. Prasad has held the post of Member (Production), Telecom Commission and ex-officio secretary to the Government of India during the years 1998 and 1999. In this capacity, he was responsible for grant of licenses to private players for provision of cellular mobile and basic services. He was a member of the Telecom

Regulatory Authority of India from the year 2000 to 2003 and played an important role in developing TRAI's regulatory practices relating to interconnection, quality of service and tariffs. Mr. Prasad has completed a short term assignment on behalf of PricewaterhouseCoopers for upgradation of RailTel's Telecom Network. He has also been advising various educational institutions in the development and running of courses in telecom management and convergence technologies. Mr. Prasad has chaired various international seminars and conferences on telecommunications and has also assisted the group of ministers in formulating the 'National Telecom Policy, 1999'.

Major (Retd.) R.N. Misra, aged 72 years, was appointed as an independent Director of our Company on February 2, 2011. He holds a bachelor's degree in engineering from the College of Millitary Engineering, Pune. He obtained a masters' degree in business administration from the University of Pune. He is a fellow member of the Institution of Engineers, India and is also a certified chartered accountant. Major Misra was commissioned into the Corps of Engineers in 1958. He joined the IMFA group in the year 1982 as the deputy general manager and retired in the year 1993 as the executive vice president. During this period, he was responsible for the over all operations of the group and had detailed experience in project management, operations, maintenance, marketing, finance and public relations. Major Misra is currently a director on the board of IMFA.

Dr. P.T. Joseph, aged 58 years, was appointed as an independent Director of our Company on February 2, 2011. He holds a master's degree in science from Madras University. He also holds a masters' degree in business administration from St. Joseph's University, Philadelphia. He was awarded doctorate of philosophy in electrical and computer engineering from Marquette University. He is currently serving as the director of the Xavier Institute of Management, Bhubaneswar, Orissa ("**XIM**") and has been associated with XLRI and XIM as a professor. He was a visiting scholar at Campion Hall, Oxford University, United Kingdom in 2007. He was also a visiting assistant professor at the Marquette University Business School.

Dr. Joseph has presented and published various papers including 'Transition to e-commerce in India', 'Leadership Styles and Emotional Competencies: An exploratory study', 'Role of Emotional Intelligence in Mentoring and Coaching' in various national/international journals and symposiums. He has also published various books. He received the Winconsin Space Grant Consortium scholarship for the year 1992 and the NASA scholarship for conducting research on 'Holographic Interferometry using a Panoramic Annual Lens' for 1990-1992. Prior to joining our Company, he has served as vice chairman and on the board of governors of XIM. He has also served as a member on board of governors of XLRI, Loyola Hospital, Human Life Center and the Water and Land Management Institute, Maharashtra. He has also been the member, executive committee, Indian Red Cross Society, Orissa.

Mr. Debaraj Biswal, aged 61 years, was appointed as an independent Director of our Company on February 2, 2011. He holds a bachelor's degree in science from the Utkal University. He is a fellow member of the ICWA. He has 30 years of experience in power sector in undertakings like the Orissa State Electricity Board and Grid Corporation of Orissa Limited ("**GRIDCO"**). During this period, he has worked with the Government of India, the government of Orissa and with organisations including the World Bank, government undertakings including the Power Finance Corporation Limited, Rural Electrification Corporation Limited, National Thermal Power Corporation Limited and the National Hydroelectric Corporation Limited. He has also attended several national and international seminars regarding the power sector during his career including a training programme in the United States of America under the energy management training programme of the United States Agency for International Development. He has also served as the chief executive officer and administrator of the CESU. He is currently acting as the chief executive officer of the Bhubaneswar Stock Exchange Limited and as a director of Inter-connected Stock Exchange of India Limited, Mumbai.

As per the provisions of the Grant of Permission Agreement for Teleport dated June 25, 2007 and the Guidelines for Uplinking from India, any change in our Board of Directors requires the prior approval of the MIB. Our Company has made an application dated February 1, 2011 to the MIB for the approval for appointment of the independent Directors, Mr. K. V. Seshasayee, Mr. R.R.N. Prasad, Major (Retd.) R.N. Misra, Dr. P.T. Joseph and Mr. Debaraj Biswal, who have been appointed to the Board of Directors on February 2, 2011. The application is currently pending with the MIB for approval.

Remuneration details of our Directors:

(a) Remuneration details of our Managing Director:

Ms. Jagi Mangat Panda was inducted on our Board pursuant to a resolution of our Board dated October 5, 1995 and was appointed as Managing Director by resolution of our Board dated December 22, 2007, for a period of 5 years, which was subsequently confirmed by the shareholders of our Company at the EGM held on February 27, 2008. The details of remuneration paid to Ms. Panda for the last Fiscal are as follows:

Particulars	Monthly Remuneration (in ₹)	Annual Remuneration (in ₹)
Basic Salary	50,000	600,000
House Rent	10,000	120,000
Conveyance Allowance	1,500	18,000
Special Allowance	2,083.33	25,000
Professional Pursuits	5,000	60,000
Medical	2,083.33	25,000
Entertainment Allowance	4,166.66	50,000
Provident Fund	6,000	72,000
Gratuity	2,500	30,000
Variable Perquisites	-	687,500
Total	**83,333**	**1,687,500**

The remuneration payable to Ms. Panda was revised, pursuant to resolution of the Board dated April 30, 2010. Ms. Panda shall be paid remuneration not exceeding ₹ 4.8 million per annum, for a period of three years with effect from April 1, 2010.

(b) Remuneration details of our Non-executive and Independent Directors

The sitting fees of ₹ 5,000 had been approved by our Borard pursuant to a Board Resolution dated February 22, 2006, to be paid to the non-executive and independent Directors for attending the meetings of the Board and the Audit Committee. Accordingly, the said amount is being paid for each such meeting from Fiscal 2007 till September 30, 2010. In addition, the actual expenses for attending the above meetings were reimbursed under our Articles. The non-executive and independent Directors of our Company do not receive any other remuneration.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

As a whole time Director, Ms. Jagi Mangat Panda is also eligible for deferred payments like gratuity, leave salary etc. as per the Company policy apart from her regular remuneration. Except Ms. Jagi Mangat Panda, no other Director has received or is entitled to any contingent or deferred compensation.

Shareholding of Directors in our Company

For details of shareholding of our Directors in our Company, see section titled "*Capital Structure*" on page 35.

Relationships between Directors

Except as provided below, none of our other Directors are related to each other:

S. No.	Names of Directors	Nature of Relationship
1.	Mr. Baijayant Panda and Ms. Jagi Mangat Panda	Husband-Wife
2.	Mr. Baijayant Panda and Mr. Subhrakant Panda	Brothers
3.	Ms. Jagi Mangat Panda and Mr. Subhrakant Panda	Sister in law- Brother in law

Details of Service Contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, any options that may be granted to them under the OSOP 2000 or OSSOP 2006 as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles. Further, our Directors may also be regarded as interested in the equity shares if any, held by them or by the companies/firms/ventures promoted by them or held by relatives of our Directors or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

All the independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board.

Ms. Jagi Mangat Panda, our Managing Director and Mr. Baijayant Panda, our Chairman are also our Promoters and are responsible for management of the affairs of our Company.

Our Directors have no interest in any property acquired by our Company within two preceeding years from the date of filing of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company as disclosed in this Draft Red Herring Prospectus.

Except as stated in "*Financial Information– Related Party Transactions*" on page F-15, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Except as stated in this section, respectively, no amount or benefits were paid or were intended to be paid to our Directors within two preceeding years from the date of filing of this Draft Red Herring Prospectus.

Directorships of our Directors in Listed Companies

The Directors of our Company are not, and for a period of five years prior to the date of filing the DRHP have not been on the board of any listed company whose shares have been / were suspended from being traded on the Bombay Stock Exchange Limited or the National Stock Exchange of India Limited.

Mr. Baijayant Panda, the Chairman of our Company, Mr. Subhrakant Panda, our Director and Major (Retd.) R.N. Misra, an independent Director on our Board, are presently directors on the board of Indian Metals & Ferro Alloys Limited. Indian Metals & Ferro Alloys Limited ("**IMFA**") was listed on the Bhubaneswar Stock Exchange, the BSE and the Calcutta Stock Exchange and delisted from these stock exchanges on January 17, 2005, March 15, 2005 and April 4, 2005, respectively. IMFA was delisted in compliance with regulation 21(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. IMFA was relisted on the BSE on January 21, 2009 and on the NSE on July 23, 2010. Mr. Baijayant Panda and Major (Retd.) R.N. Misra have been on the board of IMFA since 1993 and Mr. Subhrakant Panda has been on the board of IMFA since October 30, 1999.

Further, Dr. Gautam Sehgal, a Director of our Company, is on the board of directors of ADS Diagnostic Limited which was listed on the Delhi Stock Exchange and was consequently delisted on March 20, 2006. The delisting was voluntary in nature. Listing on only one national stock exchange is mandatory and ADS Diagnostic Limited is currently listed on Bombay Stock Exchange. He has been a director on the board of ADS Diagnostic Limited with effect from March 31, 1986 and his current term will end on May 31, 2013.

Except as mentioned herein, none of our Directors have been or are directors on the board of listed companies which have been/were delisted from any stock exchange(s).

For details of our directors associated with securities market, see section titled "*Other Regulatory and Statutory Disclosures*" on page 200.

Changes in our Board during the last three years

Name	Date of Appointment	Date of Cessation	Reason of appointment/cessation
Mr. N. Srinivasan	September 30, 2004	April 20, 2008	Resignation
Mr. Deepak Bagla	August 17, 2007	September 30, 2009	Resignation
Mr. Shantanu Yeshwant Nalavadi	February 29, 2008	-	Appointment representing NSR as

Name	Date of Appointment	Date of Cessation	Reason of appointment/cessation
			nominee Director as per shareholder agreement dated February 12, 2008
Mr. Jacob Kurian	February 29, 2008	February 2, 2011	Resignation
Ms. Paramita Mahapatra	November 30, 2009	April 15, 2010	Resignation
Mr. K V Seshasayee	February 2, 2011	-	Appointment as Independent Director
Mr. R.R.N. Prasad	February 2, 2011	-	Appointment as Independent Director
Major (Retd.) R.N. Misra	February 2, 2011	-	Appointment as Independent Director
Dr. P.T. Joseph	February 2, 2011	-	Appointment as Independent Director
Mr. Debaraj Biswal	February 2, 2011	-	Appointment as Independent Director

Borrowing Powers of the Directors in our Company

Pursuant to a resolution of the shareholders of our Company passed in the EGM dated January 22, 2011, the Board has been authorized to borrow sums of money for the purpose of our Company with or without security upon such terms and conditions as the Board may think fit which, together with the moneys borrowed by the company (apart from the temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business), may exceed the aggregate paid up capital of our Company and its free reserves provided that the total amount of such borrowing shall not exceed the amount of ₹ 5,000 million at any time.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of such listing agreement, particularly, in relation to appointment of independent Directors to our Board and constitution of the audit committee, the investor grievance committee and the remuneration committee. Our Board functions either as a full board of directors or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has 12 Directors, of which the Chairman of the Board is a non-executive Director, and in compliance with the requirements of Clause 49 of the listing agreement, our Company has one executive Directors and 11 non-executive Directors, on our Board, of whom six are independent Directors.

In terms of the Clause 49 of the listing agreement, our Company has constituted the following committees:

(a) Audit Committee;
(b) Share Transfer and Investor Grievance Committee;
(c) Remuneration Committee; and
(d) IPO Committee.

Audit Committee

The audit committee ("**Audit Committee**") was constituted on November 25, 1999 as per the requirements of Section 292A of the Companies Act and was re-constituted as per the requirements under the Listing Agreement by our Directors at their Board meeting held on February 2, 2011. The Audit Committee currently comprises of:

Name of the Directors	Designation
Mr. Jyoti Bhusan Pany	Chairman
Mr. Debaraj Biswal	Member
Ms. Jagi Mangat Panda	Member
Mr. K.V. Seshasayee	Member
Mr. Shantanu Yeshwant Nalavadi	Permanent Invitee

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Audit Committee.

Scope and terms of reference: The Audit Committee would perform the following functions with regard to accounts and financial management:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    - Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements
    - Disclosure of any related party transactions; and
    - Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. Reviewing our Company's financial and risk management policies; and
14. To monitor the utilisation of funds to be raised pursuant to the Issue.

Shareholders/ Investor Grievance Committee

The shareholders/ investor grievance committee ("**Investor Grievance Committee**") was constituted by our Directors at their Board meeting held on February 2, 2011. This committee is responsible for the smooth functioning of the redressal of shareholder grievances. The Investor Grievance Committee consists of:

Name of the Directors	Designation
Mr. Debaraj Biswal	Chairman
Mr. J. B. Pany	Member
Dr. Gautam Sehgal	Member

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Investor Grievance Committee.

Scope and terms of reference: The Investor Grievance Committee shall specifically look into the redressal of all shareholders and investor complaints and shall have the powers to seek all information from, and inspect all records of our Company relating to shareholders and investor complaints. The Investor Grievance Committee shall have jurisdiction over the matters listed below and for this purpose shall have access to information contained in the records of our Company and external professional advice, if necessary.

Share Transfer Committee

The share transfer committee ("**Share Transfer Committee**") was constituted by our Directors at their Board meeting held on February 2, 2011. This committee is responsible for the smooth and timely compliances of all shares, debentures and securities related matters, transfers, transmissions of shares. The Share Transfer Committee consists of:

Name of the Directors	Designation
Ms. Jagi Mangat Panda	Chairperson
Mr. J. B. Pany	Member
Mr. Debaraj Biswal	Member

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Share Transfer Committee.

Scope and terms of reference:

The matters over which the committee shall have jurisdiction include:

1. to approve the request for transfer, transmission, etc. of shares;
2. to approve the dematerialization of shares and rematerialisation of shares;
3. to consider and approve, split, consolidation and issuance of duplicate shares; and
4. to review from time to time overall working of the secretarial department of our Company relating to the shares of our Company and functioning of the share transfer agent and other related matters.

Remuneration/ Compensation Committee

The remuneration/ compensation committee ("**Remuneration Committee**") was constituted by the Directors at Board meeting held on November 25, 1999 and was re-constituted as per the requirements under the Listing Agreement by our Directors at their Board meeting held on February 2, 2011. The Remuneration Committee shall meet at least once in every quarter of the year. The Remuneration Committee currently consists of:

Name of the Directors	Designation
Dr. P.T. Joseph	Chairperson
Mr. Baijayant Panda	Member
Dr. Gautam Sehgal	Member
Mr. Shantanu Yeshwant Nalavadi	Member

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Remuneration Committee.

Scope and terms of reference:

1. To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances, etc.;
2. Fixed and performance linked incentives along with the performance criteria;
3. Increments and Promotions;
4. Service Contracts, notice period, severance fees;
5. Ex-gratia payments; and
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

IPO Committee

The IPO Committee was constituted by the Directors at Board meeting held on February 2, 2011. The IPO Committee comprises:

Name of the Members	Designation
Ms. Jagi Mangat Panda	Chairperson
Mr. Shantanu Yeshwant Nalavadi	Member- Director
Mr. Bibhu Prasad Rath	Member

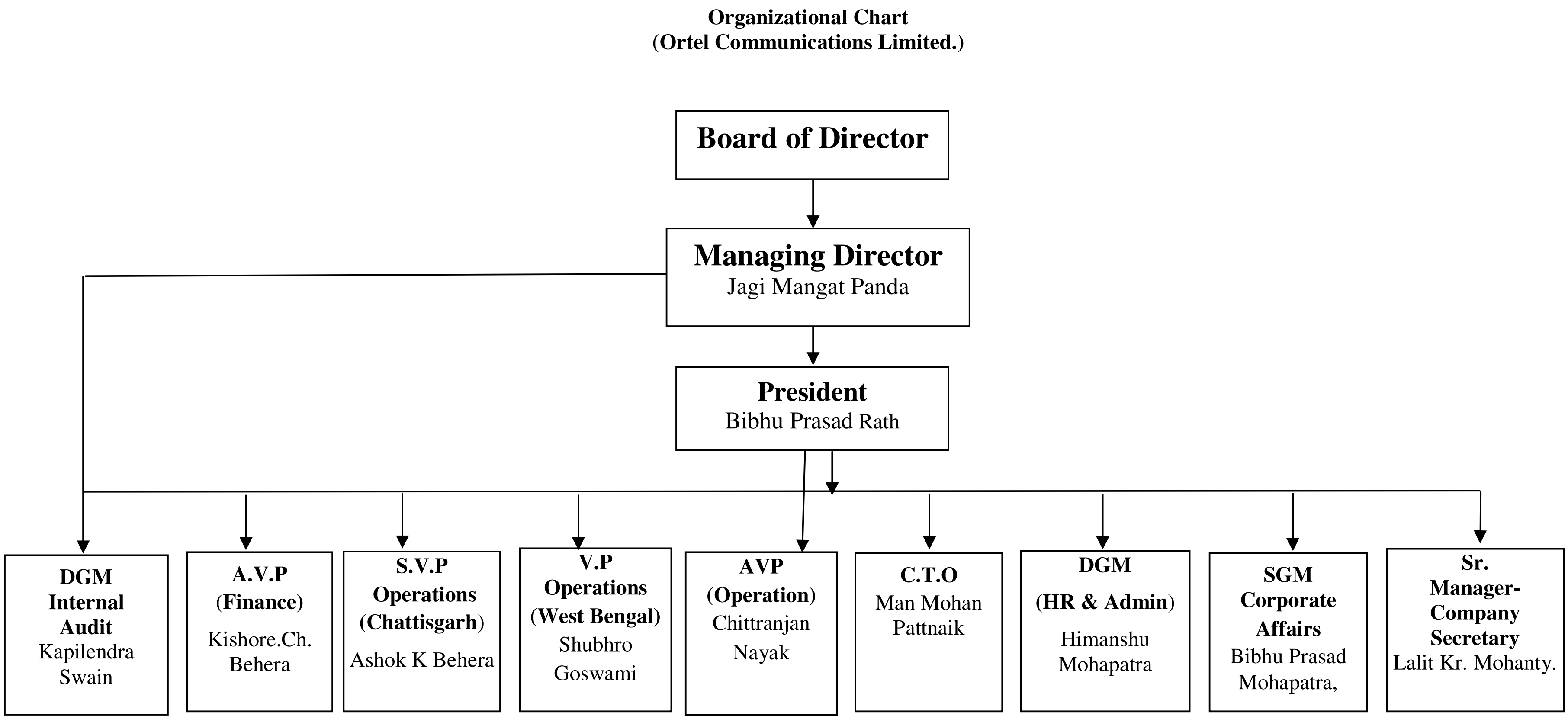
Name of the Members	Designation
Mr. Kishore Chandra Behera	Member

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the IPO Committee.

Scope and terms of reference: The committee shall have powers to:

1. To decide all matters relating to initial public offering and allotment of shares of our Company in consultation with the stock exchanges concerned and SEBI and also for issue of share certificates in accordance with the relevant rules and regulations;
2. To obtain outside legal or other professional advice;
3. To secure the attendance of outsiders with relevant expertise, if it considers necessary;
4. To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the public issue, including the price, price band, issue opening and closing and to accept any amendments, modifications, variations or alterations thereto;
5. To appoint and enter into arrangements with the book running lead managers, underwriters, syndicate members, brokers, escrow collection bankers, registrars, legal advisors and any other agencies or persons or intermediaries to the public issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the book running lead managers mandate letter, negotiation, inalization and execution of the memorandum of understanding with the book running lead managers etc;
6. To finalise, settle, determine timing of filing, execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the final prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments and any amendments, supplements, corrigenda to the foregoing, as may be required or desirable in relation to the Public Issue;
7. To open account with the bankers to the public issue, such accounts as are required by the regulations issued by SEBI;
8. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the 'Basis of Allotment' and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
9. To do all such acts, deeds and things as may be required to dematerialize the equity shares of our company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;
10. To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and
11. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.

Management Organisational Structure



Key Management Personnel

The details of our Key Management Personnel as of the date of this Draft Red Herring prospectus are as follows:

Mr. Bibhu Prasad Rath, aged 44 years, is the President of our Company and has been associated with our Company since October 1, 1999. He holds a bachelor's degree in science from Utkal University. He has undergone an executive management program from Indian Institute of Management, Ahmedabad. He is also a qualified cost and works accountant from Institute of Cost and Works Accountants of India. He has previously worked at Indian Metals & Ferro Alloys Limited in finance, MIS and commercial. He is instrumental in the strategic decision making processes in our Company. The remuneration paid to him for the last Fiscal was ₹ 2.50 million.

Col. Manmohan Pattnaik, aged 52 years, is the chief technical officer in our Company and has been associated with our Company since January 5, 2001. He holds a bachelor's degree in electronics and telecommunications fromInstitute of Electronics and Telcommunications Engineers, Delhi. He holds a master's degree in computer science from Institute of Electronics and Telcommunications Engineers, Delhi. He is responsible for installation, implementation and upgradation of technology for our Company. Previously, he had served in the Indian Army (Corps of Signals) for 30 years and retired as a colonel. The remuneration paid to him for the last Fiscal was ₹ 1.95 million.

Mr. Ashok Behera, aged 47 years, is the Senior Vice President, Operations (Chhattisgarh) in our Company and has been associated with our Company since October 1, 1999. He holds a bachelor's degree in engineering from University College of Engineering, Burla and a post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. He has previously worked at Indian Metals & Ferro Alloys Limited in project and materials management. The remuneration paid to him for the last Fiscal was ₹ 2.11 million.

Mr. Shubhro Goswami, aged 48 years, is the vice president, operations (West Bengal) in our Company and has been associated with our Company since October 5, 2009. He holds a bachelor's degree in science from the University of Calcutta. He has 25 year's of experience in sales and marketing out of which around 10 years have been in the telecommunications industry. Previously, he was associated with Cablecomm Sevices Private Limited. The remuneration paid to him for the last Fiscal was ₹ 0.97 million.

Mr. Kishore Chandra Behera, aged 50 years, is the associate vice president (finance and accounts) of our Company and has been associated with our Company since January 1, 2008. He holds a bachelor's degree in science from Utkal University. He is a fellow member of Institute of Chartered Accountants of India. He is an associate member of Institute of Cost and Works Accountant of India. He has also completed his Intermediate (Company Secretary) from Institute of Company Secretaries of India. Previously, he was associated with Reliance Energy as General Manager (Finance) in one of its subsidiaries. The remuneration paid to him for the last Fiscal was ₹ 2.07 million.

Mr. Chitta Ranjan Nayak, aged 42 years, is the associate vice president (operations) of our Company and has been associated with our Company since March 16, 2004. He holds a bachelor's degree in engineering from the Institute of Engineers India and a post graduate diploma in business management from Institute of Management Technology.He is currently heading the Orissa operations of our Company, apart from heading marketing activities. Previously, he was associated with Intergarted Technology Solutions Private Limited and the K.K Modi Group as a consultant in branding, broadcasting, advertisement and creative. The remuneration paid to him for the last Fiscal was ₹ 1.55 million.

Mr. Bibhu Prasad Mohapatra, aged 49 years, is the senior general manager of our Company and has been associated with our Company since July 31, 2009. He holds a bachelor's degree in law and master's degree in commerce from Utkal University. He also holds a master's degree in business administration from the Xaviers Institute of Management, Bhubaneswar. He was previously associated with JSS Consultancy Services Private Limited as an executive director. He heads the corporate affairs department of our Company. The remuneration paid to him for the last Fiscal was ₹ 0.82 million.

Mr. Himanshu Mohapatra, aged 40 years, is the deputy general manager (human resources) of our Company and has been associated with our Company since June 1, 2006. He holds a bachelore's degree in science from Sambalpur University and a post graduate diploma in personnel management and industrial relations from LN

Mishra Institute of Economic Develoment and Social Change, Patna. He heads the human resources and administration functions at our Company. The remuneration paid to him for the last Fiscal was ₹ 0.72 million.

Mr. Kapilendra Swain, aged 42 years, is the deputy general manager (internal audit) of our Company and has been associated with our Company since March 1, 2007. He holds a bachelor's degree in commerce from Utkal University. He is a fellow member of Institute of Chartered Accountants of India. He was previously associated with Reliance Energy Limited and the Swasti Group of Hotels. He heads the internal audit wing of our Company. The remuneration paid to him for the last Fiscal was ₹ 0.89 million.

Mr. Lalit Kumar Mohanty, aged 32 years, is the Company Secretary of our Company and has been associated with our Company since May 18, 2010. He holds a bachelor's degree in science from Utkal University and a bachelor's degree in law from Utkal University. He is also a qualified cost and works accountant from Institute of Cost and Works Accountants of India. He is an associate member of Institute of Company Secretaries of India. He has more than eight years of experience in metal and refractories and media industries. He was previously associated with Tata Refractory Limited and Raj Television Network Limited.

All the Key Management Personnel are on the rolls of our Company and all the Key Management Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Details of Service Contracts of our Key Management Personnel

Except for terms set forth in the appointment letters, our Key Mangement Personnel have not entered into any other contractual arrangements with our Company.

Contingent and Deferred Compensation payable to Key Management Personnel

As per the service contract, the following contingent and deferred compensation are payable to the Key Management Personnel:

- Accidental benefits tied up with the insurance company;
- Gratuity as per the Payment of Gratuity Act; and
- Leave encashment benefits at the time of cessation/retirement from service.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of remuneration, benefits, stock options and grants as disclosed in the section titled "*Capital Structure*" beginning on page 22, and reimbursement of expenses incurred by them in the ordinary course of business. None of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with our company's major shareholders, customers or suppliers or others.

Shareholding of the Key Management Personnel

For details of shareholding of our Key Management Personnel in our Company, see section titled "*Capital Structure*" on page 35.

Changes in our Key Management Personnel

The changes in our Key Management Personnel during the last three years are as follows:

Sl. No	Name	Date of Joining	Date of Leaving	Reason
1.	Mr. Jogendra Samal	September 25, 2008	October 31, 2008	Resignation
2.	Mr. Mohit Madhok	November 11, 2002	February 25, 2009	Resignation
3.	Mr. Pratap Aditya Mishra	February 7, 2006	March 2, 2009	Resignation
4.	Mr. Deepak Dash	January 19, 2009	March 31, 2010	Resignation
5.	Mr. Shubhro Goswami	October 5, 2009	-	Appointed as Vice President-Operations
6.	Mr. Kishore Chandra Behera	January 1, 2008	-	Appointed as Senior General Manager-Finance

Sl. No	Name	Date of Joining	Date of Leaving	Reason
7.	Mr. Bibhu Mohapatra	July 31, 2009	-	Appointed as General Manager-Corporate Affairs of our Company.
8.	Mr. Lalit Kumar Mohanty	May 18, 2010	-	Appointed as Senior Manager-Company Secretary

Bonus or Profit Sharing Plan for the Key Management Personnel

Pursuant to a Board meeting dated November 30, 2009, the Board approved a bonus plan which would be payable on three slabs of performances during the Fiscal 2010, aggregating to a maximum of ₹ 7.22 million and to a minimum of ₹ 4.12 million, based on the performances of senior executives which includes KMPs.

Scheme of Employee Stock Option or Employee Stock Purchase

For details of scheme of employee stock option or employee stock purchase in our Company, see section titled "*Capital Structure*" on page 36.

Payment of Benefit to Officers of our Company (Non-Salary Related)

No amount of benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment, except reimbursement of mobile telephone bills and free lunch.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon terminationof such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Management Personnel

Following are the details of the loans availed by our Key Management Personnel:

S. No	Name	Loan Amount (In ₹)	Amount Outstanding as on December 31, 2010 (in ₹)
1.	Mr. Ashok Behera	740, 250	616,875
2.	Mr. Bibhu Prasad Rath	1, 345, 000	776,317
3.	Mr. Manmohan Patnaik	669, 375	544,980
4.	Mr. Chitta Ranjan Nayak	219, 000	170,070
5.	Mr. Himanshu Mohapatra	31, 500	26,250
	Total	**2,786,125**	**2,134,492**

Arrangements and Understanding with Major Shareholders

Except for our nominee Director, Mr. Shantanu Yeshwant Nalavadi, none of our Key Management Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details of the shareholder's agreement pursuant to which Mr. Shantanu Yeshwant Nalavadi was appointed on our Board, see section titled "*History and Corporate Structure – Shareholders Agreements*" on page 106.

Nature of Family Relationship between the Key Management Personnel

There is no family relationship between the Key Management Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The following individuals are the Promoters of our Company:

1. Mr. Baijayant Panda; and
2. Ms. Jagi Mangat Panda.

For details of the build-up of our Promoters' shareholding in our Company, see section titled "*Capital Structure – Notes to Capital Structure*" beginning on page 28.

The details of our Promoters who are individuals are as follows:

Identification Particulars	Details
PAN	ADYPP5309A
Passport No.	D1021109
Voter ID Number	OR/09/050/176020
Driving License Number	PO2052005136623
Bank Account Number	167601000000003

Mr. Baijayant Panda, aged 47 years is on our Board. For further details, see section titled "*Our Management*" on page 109.

Identification Particulars	Details
PAN	AARPP3145Q
Passport No.	D1005383
Voter ID Number	KLX2930295
Driving License Number	OR-0220070081319
Bank Account Number	167601000000004

Ms. Jagi Mangat Panda, aged 44 years is on our Board. For further details, see section titled "*Our Management*" on page 109.

The details of our Promoters, which are companies, are as follows:

1. **Panda Investments Private Limited**

Panda Investments Private Limited was incorporated on June 4, 1999 under the Companies Act. Its CIN is U65993DL1999PTC100092. Its registered office is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. Panda Investments Private Limited is engaged in the business of investments and dealing in shares and securities.

The equity shares of Panda Investments Private Limited are not listed and it has not made any public or rights issue in the preceding three years.

It has not become a sick company nor is it subject to a winding-up order or petition under the laws of India. It does not have negative net worth.

Board of Directors

The board of directors of Panda Investments Private Limited currently comprises of:

1. Mr. Baijayant Panda; and
2. Ms. Jagi Mangat Panda.

Financial Performance

The audited financial results of Panda Investments Private Limited for Fiscals 2010, 2009 and 2008 are set forth below:

(In ₹ Million, except per share data)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Sales and other income	0.002	0.02	0.02
Profit/ (Loss) after tax	(0.02)	(0.08)	0
Equity capital	17.87	17.87	11.28
Reserves and Surplus (excluding revaluation reserves) (1)	Nil	Nil	Nil
Earnings/ (Loss) per share (diluted) (2)	(0.01)	(0.05)	Nil
Earnings/ (Loss) per share (basic)	(0.01)	(0.05)	Nil
Net asset value (2)	11.78	9.84	9.87

(1) Net of miscellaneous expenditure not written off.
(2) Face value of each equity share is ₹ 10.

Shareholding Pattern

Set forth below is the shareholding pattern of Panda Investments Private Limited as on February 28, 2011.

Sl. No.	Name of the Shareholder	No. of Equity Shares of ₹ 10 each	Percentage of paid-up capital
1.	Mr. Baijayant Panda	1,992,250	89.05
2.	Ms. Jagi Mangat Panda	185,100	8.27
3.	Metro Skynet Limited	60,000	2.68
	Total	**2,237,350**	**100.00**

Change in capital structure in the last six months

450,000 equity shares of ₹ 10 each were allotted in favour of Mr. Baijayant Panda on November 15, 2010.

Change in management

There has been no change in control or management of Panda Investments Private Limited in the past three years preceding the filing of this Draft Red Herring Prospectus.

Details of Promoters

Mr. Baijayant Panda and Ms. Jagi Mangat Panda are the promoters of Panda Investments Private Limited, holding 97.32% of the paid capital of the company.

2. Utkal Manufacturing & Services Limited

Utkal Manufacturing & Services Limited was incorporated on November 7, 1990 under the Companies Act. Its CIN No. is U27106AP1990PLC018706. Its registered office is situated at Door No. 50-40-19, 2nd Floor, TPT Colony, Visakhapatnam – 530 013, Andhra Pradesh, India. Utkal Manufacturing & Services Limited is engaged in the business of providing logistic services.

The equity shares of Utkal Manufacturing & Services Limited are not listed and it has not made any public or rights issue in the preceding three years.

It has not become a sick company nor is it subject to a winding-up order or petition under the laws of India. It does not have negative net worth.

Board of Directors

The board of directors of Utkal Manufacturing & Services Limited currently comprises of:

1. Mr. Bidyadhar Sahoo;
2. Mr. C.R Ray;
3. Mr. Vinay Kumar Agrawal;
4. Mr. Deepak Kumar Mohanty;
5. Mr. Prem Khandelwal;
6. Mr. T.C Hota; and
7. Ms. Paramita Mahapatra.

Financial Performance

The audited financial results of Utkal Manufacturing & Services Limited for Fiscals 2010, 2009 and 2008 are set forth below:

(In ₹ Million, except per share data)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Sales and other income	1,514.67	1,394.43	1,273.74
Profit/ (Loss) after tax	90.50	167.24	211.19
Equity capital	8.07	8.07	8.07
Reserves and Surplus (excluding revaluation reserves) [(1)]	479.99	729.24	562.00
Earnings/ (Loss) per share (diluted) [(2)]	112.09	207.14	261.60
Earnings/ (Loss) per share (basic)	112.09	207.14	261.60
Net asset value [(2)]	604.53	913.25	697.11

[(1)] *Net of miscellaneous expenditure not written off.*
[(2)] *Face value of each equity share is ₹ 10.*

Shareholding Pattern

Set forth below is the shareholding pattern of Utkal Manufacturing & Services Limited as on February 28, 2011.

Sl. No.	Name of the Shareholder	No. of Equity Shares of ₹ 10 each	Percentage of paid-up capital
1.	B Panda and Company Private Limited	167,370	20.73
2.	Barabati Investment and Trading Company Private Limited	156,820	19.42
3.	K.B. Investments Private Limited	155,220	19.23
4.	Madhuban Investments Private Limited	155,120	19.21
5.	Paramita Investments and Trading Company Private Limited	156,820	19.42
6.	Ms. Paramita Mahapatra	4,000	0.50
7.	Ms. Nivedita Panda	4,000	0.50
8.	Shaisah Foundation	4,000	0.50
9.	Mr. Baijayant Panda	4,000	0.50
	Total	**807,350**	**100.00**

Change in capital structure in the last six months

There has been no change in the capital structure of in the last six months preceding the filing of this Draft Red Herring Prospectus.

Change in management

There has been no change in control or management of Utkal Manufacturing & Services Limited in the past three years preceding the filing of this Draft Red Herring Prospectus.

Details of Promoters

The promoters of Utkal Manufacturing & Services Limited are:

- B Panda and Company Private Limited;

- Barabati Investment and Trading Company Private Limited;
- K.B. Investments Private Limited;
- Madhuban Investments Private Limited; and
- Paramita Investments and Trading Company Private Limited

Other Undertakings and Confirmations

Our Company undertakes that the details of the PAN, passport number, bank account numbers, CIN and the address of the relevant registrar of companies in relation to our Promoters will be submitted to the Stock Exchanges at the time of submission of the Draft Red Herring Prospectus with the Stock Exchanges.

Except as stated below, there are no violations of securities laws committed by our Promoters, any member of our Promoter Group or any Group Company, in the past or are currently pending against them and neither our Promoters, nor the directors of our Promoters or the persons in control of our Promoters have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority nor have they been detained as wilful defaulters by the RBI or any other authority.

Indian Charge Chrome Limited, now merged with Indian Metal and Ferro Alloys Limited ("**IMFA**") vide merger order of High Court of Orissa dated October 13, 2006, one of our Promoter Group entities of which Mr. Baijayant Panda, Mr. Subhrakant Panda and Major (Retd.) R.N. Misra are the directors, has made certain defaults in payments in the past towards Andhra Bank, Canara Bank, Central Bank of India, Union Bank of India, Vijaya Bank and IDBI Bank. Indian Charge Chrome Limited presently appears on the list of defaulters as per the database of the Credit Information Bureau (India) Limited for these past defaults.

With respect to the liabilities pertaining to Central Bank of India and Union Bank of India, the respective banks have granted a no dues certificate to Indian Charge Chrome Limited. With respect to the liabilities pertaining to Andhra Bank, Canara Bank and Vijaya Bank, the company has made payment for settlement of their dues, and the no dues certificate is pending. Further, with respect to the liabilities pertaining to IDBI Bank, the bank has refinanced and rephased the loan and IMFA has since then made payments in accordance with the terms of the restructuring.

Further, none of the Promoters was or is a promoter or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the Board.

Outstanding Litigation

There are no outstanding litigation against our Promoters except as disclosed in the sections titled "Risk Factors" and "Outstanding Litigation and Material Developments" on pages xiii and 172, respectively.

Disassociation by the Promoters in the Last Three Years

Except in the case of Orissa Media Ventures Private Limited, where UMSL has transferred its entire shareholding of 5,510 equity shares of ₹ 10 each on Decemeber 2, 2010 and PIPL has transferred entire shareholding of 5,500 equity shares of ₹ 10 each on June 30, 2007, our Promoters have not disassociated with any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus. These transfers have been due to commercial reasons.

For details of the build-up of our Promoters' shareholding in our Company, see section titled "*Capital Structure – Notes to Capital Structure*" on page 28.

Experience of the Promoters in the business of our Company

Our individual Promoters, Mr. Baijayant Panda and Ms. Jagi Mangat Panda have an experience of over 15 years each, in the business of our Company. Our Promoters are assisted by a team of highly qualified professionals to manage the operations of our Company.

Common Pursuits of our Promoters

Our Promoters do not have any common pursuits and are not engaged in businesses similar to those carried out by our Company, except to the extent of their shareholding in our Group Companies with which our Company transacts business as stated in "Financial Information– Related Party Transactions" on page F-15.

Interest of Promoters in the Promotion of our Company

Our Company is promoted by Mr. Baijayant Panda and Ms. Jagi Mangat Panda in order to carry on its present business. Our Promoters are interested in our Company as mentioned above under "Our Promoters and Promoter Group – Common Pursuits of our Promoters" and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of the Draft Red Herring Prospectus. Further, other than as mentioned in the sections titled "Our Business", our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except as stated in "Financial Information– Related Party Transactions", no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this Draft Red Herring Prospectus.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details see section titled "Our Management" and "Capital Structure" on pages 109 and 22, respectively.

Except as mentioned in this section and the sections titled "Our Business", "*History and Corporate Structure*", "*Financial Indebtedness*" and "*Related Party Transactions*" on pages 79, 104, 164 and F-15, respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in "Related Party Transactions" on page F-15, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of filing of this Draft Red Herring Prospectus see section titled "Capital Structure – Notes to Capital Structure" beginning on page 24.

Other confirmations

Our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company other wise than as stated in the section "Related Party Transactions" on page 141.

Promoter Group

In addition to our Promoters named above, the following natural persons and companies form a part of our Promoter Group.

(a) Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our individual Promoters mentioned above, are as follows:

S. No.	Name	Relation with Promoters
a.	Dr. Bansidhar Panda	Father of Mr. Baijayant Panda
b.	Mr. Subhrakant Panda	Brother of Mr. Baijayant Panda
c.	Ms. Nivedita Panda	Sister of Mr. Baijayant Panda
d.	Ms. Paramita Mahapatra	Sister of Mr. Baijayant Panda
e.	Mr. Randhir Singh Mangat	Father of Ms. Jagi Mangat Panda
f.	Ms. Uma Devi	Mother of Ms. Jagi Mangat Panda
g.	Mr. Bhupender Singh	Brother of Ms. Jagi Mangat Panda
h.	Ms. Manju Corrigan	Sister of Ms. Jagi Mangat Panda

(b) Promoter Group Companies and Entities

The companies that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group company
1.	Indian Metal and Ferro Alloys Limited
2.	Odisha Television Limited
3.	Orissa Telefilms Private Limited
4.	Odisha Infra-tech Private Limited
5.	Metro Skynet Limited
6.	Keda Enterprises Private Limited
7.	Kishangarh Enviornmental Development Action Private Limited
8.	Barunai Farm and Nature Resorts Private Limited
9.	Utkal Housing and Infrastructure Development Limited
10.	Utkal Green Energy Limited
11.	Paramita Realtor Private Limited
12.	B. Panda & Company Private Limited
13.	Barabati Investment & Trading Co. Private Limited
14.	Paramita Investment & Trading Co. Private Limited
15.	K.B. Investment Private Limited
16.	Madhuban Investments Private Limited
17.	Indian Metal & Carbide Limited
18.	Indmet Commodities Private Limited
19.	Utkal Power Limited
20.	Kalinga Airways Private Limited
21.	Utkal Coal Limited
22.	IMFA Alloys Limited
23.	Utkal Real Estate P Limited
24.	Indmet (Mauritius) Limited
25.	Indmet Mining PTE Limited
26.	Orissa Coal and Services Private Limited
27.	B P Solar Private Limited
28.	Tarang Broadcasting Company Limited

OUR GROUP COMPANIES

Besides our Company the following are the companies, firms and ventures promoted by our Promoters, as on the date of this Draft Red Herring Prospectus:

	Name of Group Companies
Five Largest Group Companies (based on turnover- Fiscal 2010)	
1.	Odisha Television Limited
2.	Indmet Commodities Private Limited
3.	Kishangarh Enviornmental Development Action Private Limited
4.	Orissa Coal and Services Private Limited
5.	Orissa Telefilms Private Limited
Other Group Companies	
6.	Metro Skynet Limited
7.	Odisha Infra-tech Private Limited
8.	Barunei Farm and Nature Resorts Private Limited
9.	Keda Enterprises Private Limited
10.	Tarang Broadcasting Company Limited

Five Largest Group Companies (based on turnover- Fiscal 2010)

1. Odisha Television Limited ("OTL")

OTL was incorporated on November 13, 1998 as 'Ortel Metronet Private Limited' under the Companies Act. Its CIN is U74899DL1998PLC097081. Subsequently on August 23, 1999 the word 'Private' was removed from its name. Subsequently, on January 20, 2006, its name was changed to 'Orissa Television Limited'. On February 11, 2011, its name has been changed to its present name. The registered office of OTL is situated at B-7/122A, Safdarjung Enclave, New Delhi – 110 029, India.

OTL is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, telephone, telegraph, teleconferencing and video conferencing and all types of communication whether consisting of sounds, visual images, electrical impulses or otherwise and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry. However, OTL is currently engaged only in the business of broadcasting.

The equity shares of OTL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of OTL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity shares of ₹ 10	Percentage of issued capital
1.	Mr. Ravinder Kumar Gupta	100	*Negligible*
2.	Ms. Jagi Mangat Panda	680,100	10.77
3.	Mr. Baijayant Panda	1,595,100	25.28
4.	Mr. J.K. Pahwa	100	*Negligible*
5.	Our Company	325,500	5.15
6.	Mr. B. P. Rath	100	*Negligible*
7.	Col. Manmohan Pattnaik	100	*Negligible*
8.	Panda Investments Private Limited	1,187,500	18.82
9.	B. Panda Company Private Limited	150,000	2.37
10.	K.B Investments Private Limited	85,714	1.36
11.	Barabati Investment and Trading Company Private Limited	85,714	1.36
12.	Utkal Manufacturing & Services Limited	871,428	13.81
13.	Paramita Investment Private Limited	42,857	0.68
14.	Orissa Telefilms Private Limited	1,200,000	19.01
15.	Calorx India Limited	65,715	1.04
16.	Mr. Subhrakant Panda	10,000	0.16

Sl. No.	Name of shareholder	No of equity shares of ₹ 10	Percentage of issued capital
17.	Ms. Paramita Mahapatra	10,000	0.16
	Total	**6,310,028**	**100.00**

Change in capital structure

Except for allotment of 250,000 equity shares to Mr. Baijayant Panda on January 31, 2011, there have been no changes in the capital structure of OTL in the last six months prior to filing of this Draft Red Herring Prospectus.

Board of Directors

The board of directors of OTL comprises the following persons:

1. Ms. Jagi Mangat Panda
2. Mr. Bibhu Prasad Rath
3. Col. Manmohan Pattnaik
4. Ms. Manjula Shroff; and
5. Ms. Paramita Mahapatra

Financial Performance

The audited financial results of OTL for the Fiscals 2008, 2009 and 2010 are set forth below:

(₹ in million, unless otherwise stated)

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Sales and other income	83.14	144.60	269.69
Profit/ (Loss) after tax	(5.08)	4.65	21.80
Equity capital (par value ₹ 10 per share)	3.84	5.37	6.06
Reserves and Surplus (excluding revaluation reserves) [(1)]	27.14	29.29	37.04
Earnings/ (Loss) per share (basic) (₹) [(2)]	(1.80)	1.09	4.04
Earnings/ (Loss) per share (diluted) (₹) [(2)]	(1.80)	1.09	4.04
Book value per equity share (₹) [(2)]	12.20	12.84	16.11

[(1)] *Net of miscellaneous expenditure not written off.*
[(2)] *Face value of each equity share is ₹ 10.*

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OTL for the last three Fiscals.

2. Indmet Commodities Private Limited ("ICPL")

ICPL was incorporated on June 8, 1993 as "Indmet Commodities Private Limited" under the Companies Act. Its CIN is U74899DL1993PTC053953. The registered office of ICPL is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. The main object of the company is to carry on the business of trading in metals.

The equity shares of ICPL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of ICPL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity shares of ₹ 10	Percentage of issued capital
1.	Mr. Baijayant Panda	5,265	6.75
2.	Ms. Paramita Mahapatra	5,265	6.75
3.	Ms. Nivedita Panda	5,265	6.75
4.	Mr. Subhrakant Panda	5,265	6.75

Sl. No.	Name of shareholder	No of equity shares of ₹ 10	Percentage of issued capital
5.	B. Panda and Company Private Limited	56,940	73.00
Total		**78,000**	**100.00**

Change in capital structure

There has been no change in the capital structure in of ICPL the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of ICPL comprises the following persons:

1. Ms. Saifalika Panda;
2. Mr. Deepak Mohanty; and
3. Mr. Prem Khandelwal.

The audited financial results of ICPL for the Fiscals 2008, 2009 and 2010 are set forth below:

(₹ in million, unless otherwise stated)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total Income	15.52	12.20	3.72
Profit/(Loss) after tax	11.81	9.89	3.23
Equity share capital (paid up)	.78	.78	.78
Reserves and Surplus (excluding revaluation reserves)	33.56	21.75	11.86
Earnings/ (Loss) per share (basic) (₹) (2)	151.41	126.80	41.45
Earnings/(Loss) per share (diluted) (₹)	151.41	126.80	41.45
Book Value per share (₹)	440.30	288.88	162.07

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of ICPL for the last three Fiscals.

3. Kishangarh Enviornmental Development Action Private Limited ("KEDAPL")

KEDAPL was incorporated on March 26, 2001 as Kishangarh Enviornmental Development Action Private Limited under the Companies Act. Its CIN is U73200DL2001PTC110184. The registered office of KEDAPL is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. The main object of the company is to carry the work on environment and environmental issues.

The equity shares of KEDAPL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of KEDAPL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
1.	KEDA Enterprises Private Limited	919	99.89
2.	Mr. Bibhu Prasad Rath	1	0.11
Total		**920**	**100.00**

Change in capital structure

There has been no change in the capital structure of KEDAPL in the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of KEDAPL comprises the following persons:

1. Ms. Jagi Mangat Panda; and
2. Ms. Manjula Shroff.

The financial results of KEDAPL for the last three fiscals are as follows:

(₹ in million, unless otherwise stated)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total Income	1.75	1.73	1.61
Profit after tax	1.24	1.15	1.12
Equity share capital (paid up)	0.92	0.92	0.92
Reserves and Surplus (excluding revaluation reserves)	7.26	6.02	4.87
Earnings/(Loss) per share (basic) (₹)	1,347.96	1,250.25	1,218.23
Earnings/(Loss) per share (diluted) (₹)	1,340.68	1,243.50	1,211.65
Book Value per share (₹)	8,891.93	7,543.96	6,293.71

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of KEDAPL for the last three Fiscals.

4. Orissa Coal and Services Private Limited ("OCSPL")

OCSPL was incorporated on September 6, 2007 as **"**Orissa Coal and Services Private Limited" under the Companies Act. Its CIN is U51102OR2007PTC009516. The registered office of OCSPL is situated at Kalinga Bazar, Kapaleswar, Choudwar, Cuttack – 754 071, Orissa, India. OCSPL is engaged in carrying on the business relating to coal services.

The equity shares of OCSPL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of OCSPL as of February 28, 2011 is as follows:

Sl. No.	Name of share holder	No of equity shares of ₹ 10	Percentage of Issued Capital
1.	Utkal Manufacturing & Services Limited	9,900	99.00
2.	Mr. A.K Dash	100	1.00
	Total	**10,000**	**100.00**

Change in capital structure

There has been no change in the capital structure of OCSPL in the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of OCSPL comprises the following persons:

1. Ms. Paramita Mahapatra; and
2. Mr. B.D Sahoo

Financial Performance

The audited financial results of OCSPL for Fiscals 2008, 2009 and 2010 are set forth below:

(₹ in million, except per share data)

	Fiscal 2008*	Fiscal 2009*	Fiscal 2010
Sales and other income	Nil	Nil	0.60
Profit/ (Loss) after tax	Nil	Nil	0.06
Equity capital (par value ₹ 10 per share)	0.01	0.01	0.10

	Fiscal 2008*	Fiscal 2009*	Fiscal 2010
Reserves and Surplus (excluding revaluation reserves) [1]	Nil	Nil	0.06
Earnings/ (Loss) per share (basic) (₹) [2]	Nil	Nil	6.02
Earnings/ (Loss) per share (diluted) (₹) [2]	Nil	Nil	6.02
Book value per equity share (₹) [2]	10	10	16.02

(1) Net of miscellaneous expenditure not written off.
(2) Face value of each equity share is ₹ 10.
** The Company had not commenced operations/ business.*

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OCSPL for the last three Fiscals.

5. Orissa Telefilms Private Limited ("OTPL")

OTPL was incorporated on August 22, 2007 as Orissa Telefilms Private Limited under the Companies Act. Its CIN is U92132OR2007PTC009487. The registered office of OTPL is situated at C-1, Chandrasekharpur, Bhubaneswar 751 010, Orissa, India. OTPL is presently engaged in the business of production, distribution and marketing of films, serials and ad films.

The equity shares of OTPL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of OTPL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity shares of ₹ 10	Percentage of Issued Capital
1.	Ms. Jagi Mangat Panda	9,900	16.50
2.	Mr. Bibhu Prasad Rath	100	0.17
3.	Mr. Baijayant Panda	50,000	83.33
	Total	**60,000**	**100.00**

Change in capital structure

Except for allotment of 50,000 equity shares to Mr. Baijayant Panda on December 28, 2010, there has been no change in the capital structure of OTPL in the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of OTPL comprises the following persons:

1. Ms. Jagi Mangat Panda
2. Mr. Bibhu Prasad Rath; and
3. Mr. Manoranjan Sarangi.

Financial Performance

OTPL has incurred losses in the last three fiscals. The audited financial results of OTPL for Fiscals 2008, 2009 and 2010 are set forth below:

(₹ in million, except per share data)

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Sales and other income	Nil	6.20	4.90
Profit/ (Loss) after tax	Nil	(0.18)	(0.06)
Equity capital (par value ₹ 10 per share)	0.1	0.1	0.1
Reserves and Surplus (excluding revaluation reserves) [1]	Nil	(0.07)	(0.06)
Earnings/ (Loss) per share (basic) (₹) [2]	N.A.	(18.42)	(5.98)
Earnings/ (Loss) per share (diluted) (₹) [2]	N.A.	(18.42)	(5.98)

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Book value per equity share (₹) [2]	10	(15.68)	(20.85)

[1] *Net of miscellaneous expenditure not written off.*
[2] *Face value of each equity share is ₹ 10.*

Rs 0.50 million has been brought into the company in December 2010 and hence the book value of the equity shares is currently positive, i.e, ₹ 5.93 as on December 31, 2010.

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OTPL for the last three Fiscals.

6. Metro Skynet Limited ("MSL")

MSL was incorporated on November 24, 1999 as Metro Skynet Limited under the Companies Act. Its CIN is U64203DL1999PLC102527. The registered office of MSL is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. MSL is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, wireless communications, basic telephony services, video conferencing, video telephone, radio paging, mobile facsimile, mobile telephone and any other system for communication, establishing studio laboratories and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry.

The equity shares of MSL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of MSL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
1.	Panda Investments Private Limited	190,100	75.53
2.	Ms. Jagi Mangat Panda	61,100	24.27
3.	Brigadier D.K.Obroy	100	0.04
4.	Mr. Shantanu Mishra	100	0.04
5.	Mr. Manoj Kumar Meher	100	0.04
6.	Mr. Harender Swain	100	0.04
7.	Mr. Bibhu Prasad Rath	100	0.04
Total		**251,700**	**100.00**

Change in capital structure

The authorised capital of MSL was increased from 0.65 million to ₹ six million on May 26, 2010. Further, 19,000 equity shares of ₹ 10 each were issued to Panda Investments Private Limited and 1,000 equity shares of ₹ 10 each issued to Ms. Jagi Mangat Panda on June 18, 2010.

Board of Directors

The board of directors of MSL comprises the following persons:

1. Mr. Baijayant Panda;
2. Ms. Jagi Mangat Panda; and
3. Col. Manmohan Pattnaik.

7. Odisha Infra-tech Private Limited ("OITPL")

OITPL was incorporated on September 23, 2008 as "Odisha Infra-tech Private Limited" under the Companies Act. Its CIN is U70101OR2008PTC010334. The registered office of OITPL is situated at C-1, Chandrasekharpur, Bhubaneswar – 751 010, Orissa, India. The main object of OITPL is to carry on the business of real estate.

The equity shares of OITPL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of OITPL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
1.	Mr. Bibhu Prasad Rath	100	0.01
2.	Panda Investments Private Limited	12,000	1.40
3.	Ms. Jagi Mangat Panda	356,218	41.50
4.	Mr. Baijayant Panda	490,000	57.09
	Total	**858,318**	**100.00**

Change in capital structure

The authorized capital of OITPL was increased from ₹ three million to ₹ 10 million on November 3, 2010. Further, 252,000 equity shares of ₹ 10 each were issued to Ms. Jagi Mangat Panda and 400,000 and 90,000 equity shares of ₹ 10 each were issued to Mr. Baijayant Panda on November 8, 2010 & 13th January, 2011 respectively.

Board of Directors

The board of directors of OITPL comprises the following persons:

1. Mr. Bibhu Prasad Rath; and
2. Mr. Manoranjan Sarangi.

8. Barunei Farm and Nature Resorts Private Limited ("BFNR")

BFNR was incorporated on October 6, 2006 as "Barunei Farm and Nature Resorts Private Limited" under the Companies Act. Its CIN is U02001OR2006PTC008966. The registered office of BFNR is situated at C-1, Chandrasekharpur, Bhubaneswar-751016, Orissa, India. The main object of BFNR is to develop, grow, take on lease and acquire farm houses; deal in plantation and process timbers, woods and make products from the same; purchase, sell, develop and take in exchange real or personal estates; and to carry on business of hoteliers, hotel proprietors, hotel managers and operators.

The equity shares of BFNR are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of BFNR as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
1.	Mr. Baijayant Panda	3,500	33.33
2.	Ms. Paramita Mahapatra	3,500	33.33
3.	Mr. Subhrakant Panda	3,500	33.33
	Total	**10,500**	**100.00**

Change in capital structure

There has been no change in the capital structure of BFNR in the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of BFNR comprises the following persons:

1. Ms. Paramita Mahapatra; and
2. Mr. Bibhu Prasad Rath.

9. KEDA Enterprises Private Limited ("KEDA")

KEDA was incorporated on March 12, 2009 as "KEDA Enterprises Private Limited" under the Companies Act. Its CIN is U74120DL2009PTC188353. The registered office of KEDA is situated at B-7/122A, Safdarjung Enclave, New Delhi – 110 029, India.The main object of the company is to carry on business as a buyer, seller and distributor and to deal with all kinds of general goods and merchandise.

The equity shares of KEDA are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of KEDA as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
1.	Mr. Baijayant Panda	99,000	99.90
2.	Ms. Jagi Mangat Panda	100	0.10
	Total	**99,100**	**100.00**

Change in capital structure

There has been no change in the capital structure of KEDA in the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of KEDA comprises the following persons:

1. Mr. Baijayant Panda; and
2. Ms. Jagi Mangat Panda.

10. Tarang Broadcasting Company Limited ("TBCL")

TBCL was incorporated on December 21, 2010 under the Companies Act. Its CIN is U64100DL2010PLC211649. The registered office of TBCL is situated at B-7/122A, Safderjung Enclave, New Delhi 110 029. The main object of TBCL is to carry on business of broadcasting and satellite television network. TBCL is yet to receive its certificate for commencement of business.

The equity shares of TBCL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years.

Shareholding Pattern

The shareholding pattern of TBCL as of February 28, 2011 is as follows:

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
1.	Ms. Jagi Mangat Panda	5,000	10.00
2.	Mr. Baijayant Panda	40,000	80.00
3.	Mr. Bibhu Prasad Rath	125	0.25
4.	Col. Manmohan Pattnaik	125	0.25
5.	Mr. Maoranjan Sarangi	125	0.25
6.	Odisha Television Limited	4,500	9.00
7.	Mr. Chittaranjan Nayak	125	0.25

Sl. No.	Name of shareholder	No of equity share of ₹ 10	Percentage of issued capital
	Total	**50,000**	**100.00**

Change in capital structure

There has been no change in the capital structure of TBCL in the last six months prior to filing this Draft Red Herring Prospectus.

Board of Directors

The board of directors of TBCL comprises the following persons:

1. Ms. Jagi Mangat Panda;
2. Mr. Bibhu Prasad Rath; and
3. Col. Manmohan Pattnaik.

Defunct Group Companies

There are no Group Companies, which had remained defunct or for which application was made to the registrar of companies for striking off its name, during the five years preceding the date of filing of this Draft Red Herring Prospectus.

Other Confirmations

None of our Group Companies have been become sick companies under the meaning of the SICA or are under winding up. One of our Group Companies, Orissa Telefilms Private Limited, has negative net worth. There are no adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the filing of this DRHP.

Interest of our Promoters in our Group Companies

Except to the extent of their shareholding and/or directorship, as detailed above, our Promoters have no other interest in our Group Companies.

Outstanding Litigation

There are no outstanding litigation against our Promoters and Group Companies, except as disclosed in the sections “Risk Factors” and “Outstanding Litigation and Material Developments” on page xiii and 172, respectively.

Companies with negative net worth

One of our Group Companies, Orissa Telefilms Private Limited has negative net worth on date of end of the respective financial years audited and mentioned therein.

Previous Public Issues by Group Companies and Promise v/s Performance

None of our other Group Companies have made any public issue (including any rights issue to the public) during the last three years and the equity shares of such Group Companies are not listed on any stock exchange.

Common Pursuits of our Group Companies

There is no common pursuit among our Company and our Group Companies, other than as follows:

1. Metro Skynet Limited is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, wireless communications, basic telephony services, video conferencing, video telephone, radio paging, mobile facsimile, mobile telephone and any other system for communication, establishing studio laboratories and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every

description, equipment, stores and spares required by the telecommunication industry. However, currently MSL is not is not carrying out any business activities; and

2. Odisha Television Limited is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, telephone, telegraph, tele and video conferencing and all types of communication whether consisting of sounds, visual images, electrical impulses or otherwise and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry. However, currently Odisha Television Limited is not engaged in activities similar to the business of our Company and is engaged in the business of broadcasting.

For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" forming part of the section "Financial Information" on page F-15.

Related Party Transactions

For details of the related party transactions, see "Related Party Transactions" forming part of the "Financial Information" on page F-15.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

Except as stated in "Financial Information – Statement of Related Party Disclosures" on page F-15, there are no sales or purchase between Group Companies exceeding 10% in aggregate in value the total sales or purchases of our Company.

Interest of Group Companies in promotion of our Company

Other than shareholding in our Company, none of our Group Companies have any other interest in the promotion of our Company.

For details of the shareholding of our Group Companies in our Company, see section titled "Capital Structure" on page 33.

Interest of our Group Companies in the property of our Company

None of our Group Companies have any interest in any property acquired by our Company since its incorporation preceding the date of this DRHP or proposed to be acquired by our Company.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page F-15, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Interest of Group Companies in any transaction by our Company

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page F-15, none of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Business interests of our Group Companies in our Company

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page F-15, there are no business interests of our Group Companies in our Company.

Shareholding of our Group Companies in our Company

Except as stated in the section "Capital Structure – Notes to the Capital Structure" on page 33, none of our Group Companies hold any Equity Shares in our Company.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, see Annexure V - Notes to Accounts to the restated financial information, in section titled "*Financial Information*" on page F-15.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividend. Our Company has not declared any dividends since its incorporation.

SECTION V – FINANCIAL INFORMATION

To

The Board of Directors
Ortel Communications Limited
C-1, Chandrasekharpur
Behind R.M.R.C, Near BDA Colony
Bhubaneswar – 751 016.

Re: Initial Public Offering of Ortel Communications Limited

Dear Sirs,

1. We have examined the financial information of Ortel Communications Limited ('the Company'), as attached to this report initialed by us for identification purpose, which has been prepared in accordance with paragraph B (1) of Part II of Schedule II to 'The Companies Act of India', 1956 ('the Act') and the 'Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date' ('SEBI Regulations') issued by the 'Securities and Exchange Board of India' ('SEBI') on August 26, 2009 and in accordance with the terms of our engagement agreed upon with you in connection with the 'Initial Public Offering of Equity Shares of the Company' (referred to as 'the Issue'). This financial information is the responsibility of the management and has been approved by the Board of Directors of the Company.

A. Financial Information extracted from statutory audited financial statements

2. We have examined the attached restated statement of assets and liabilities of the Company as at 30 September 2010, 31 March 2010, 31 March 2009, 31 March 2008, 31 March 2007 and 31 March 2006 (Annexure I), the attached restated statements of Profit and Loss Account, (Annexure II) and the attached restated statements of Cash Flows (Annexure III), for the six months period ended 30 September 2010 and years ended 31 March 2010, 31 March 2009, 31 March 2008, 31 March 2007 and 31 March 2006 together referred to as 'Summary of restated financial information' or 'statements'. These statements have been extracted from the audited financial statements of the Company for the respective six months period ended 30 September 2010, and years ended 31 March 2010, 31 March 2009, 31 March 2008, 31 March 2007 and 31 March 2006.

3. Based on our examination of these statements, we confirm that:

   a. these statements have been restated with retrospective effect to reflect the changes in accounting policies of the Company (as disclosed in Annexure IV to this report) as adopted by the Company.
   b. the material adjustments relating to previous years have been adjusted in the statements in the year to which they relate.
   c. there are no qualifications in the auditors' reports, which require any adjustments to the statements.
   d. there are no extra-ordinary items which need to be disclosed separately in the statements.

B. Other Financial Information

4. We have also examined the following financial information relating to Ortel Communications Limited for the six months period ended 30 September 2010 and for the years ended 31 March 2010, 31 March 2009, 31 March 2008, 31 March 2007 and 31 March 2006, proposed to be included in the Offer Document, as approved by you and annexed to this report:

   (i) Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VI
   (ii) Restated Statement of Investments as enclosed in Annexure VII
   (iii) Restated Statement of Debtors as enclosed in Annexure VIII
   (iv) Restated Statement of Loans and Advances as enclosed in Annexure IX
   (v) Restated Statement of Secured Loans as enclosed in Annexure X

(vi) Restated Statement of Principal Terms of Secured Loans Outstanding as at 30 September 2010 enclosed in Annexure XA
(vii) Restated Statement of Unsecured Loan as enclosed in Annexure XI
(viii) Restated Statement of Other Income as enclosed in Annexure XII
(ix) Restated Statement of Dividend paid / Proposed Dividend on Equity Shares / Preference Shares as enclosed in Annexure XIII
(x) Restated Statement of Accounting Ratios as enclosed in Annexure XIV
(xi) Restated Statement of Capitalisation as enclosed in Annexure XV
(xii) Restated Statement of Tax Shelter as enclosed in Annexure XVI

5. 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 and notes to the restated financial information in Annexure IV and Annexure V respectively, after making re-groupings and adjustments have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.

6. This report is provided solely for the purpose**s** of assisting the Board of Directors of the Company to which it is addressed in discharging their responsibilities under the SEBI Regulations and paragraph B (1) of Part II of Schedule II to the Act. Our work has been carried out in accordance with the auditing standards generally accepted in India and as per the Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 007568S
Chartered Accountants

Partha Mitra
Partner
Membership Number 50553

Place: Kolkata
Date: 4 March 2011

Annexure - I: Restated Statement of Assets and Liabilities

(₹In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
A. Fixed Assets						
Gross Block	2,396.24	2,133.80	1,228.57	739.57	594.20	459.96
Less: Depreciation	496.89	407.58	262.85	205.23	167.01	134.53
Net Block	**1,899.35**	**1,726.22**	**965.72**	**534.34**	**427.19**	**325.43**
Capital Work-in-Progress including Capital Advances	155.52	167.13	373.85	177.12	30.10	31.82
Total	**2,054.87**	**1,893.35**	**1,339.57**	**711.46**	**457.29**	**357.25**
B. Investments	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**
C. Current Assets, Loans and Advances						
Inventories	3.73	4.80	7.20	3.09	0.70	0.92
Sundry Debtors	66.77	52.14	73.10	31.58	13.50	4.07
Cash and Bank Balances	146.24	85.80	179.75	55.82	22.51	24.97
Other Current Assets	5.57	4.07	9.10	1.92	0.80	0.36
Loans and Advances	139.41	147.73	162.41	128.18	52.47	31.31
Total	**361.72**	**294.54**	**431.56**	**220.59**	**89.98**	**61.63**
D. Liabilities and Provisions						
Secured Loans	1,187.60	899.46	661.23	363.10	236.00	179.80
Unsecured Loans	-	1.04	1.51	1.49	3.44	3.44
Current Liabilities	466.15	462.76	222.80	215.83	122.13	75.42
Provisions	10.72	8.85	9.63	5.67	5.23	2.00
Deferred Suppliers' Credit	-	-	-	-	0.05	2.16
Total	**1,664.47**	**1,372.11**	**895.17**	**586.09**	**366.85**	**262.82**
Net Worth (A+B+C-D)	**755.38**	**819.04**	**879.22**	**349.22**	**183.68**	**159.32**
Net Worth Represented By:						
E. Share Capital (Including Preference Capital)	**283.86**	**823.33**	**823.22**	**223.20**	**178.60**	**178.45**
F. Stock Options Outstanding Account	**2.16**	**0.28**	**0.28**	**0.12**	**0.21**	**-**
G. Reserves and Surplus	705.27	157.71	157.49	176.23	54.49	54.22
Less: Profit & Loss Account Debit Balance	235.91	162.28	101.77	50.33	58.04	73.35
Total	**469.36**	**(4.57)**	**55.72**	**125.90**	**(3.55)**	**(19.13)**
H. Advance against Share Capital	**-**	**-**	**-**	**-**	**8.42**	**-**
Net Worth (E+F+G+ H)	**755.38**	**819.04**	**879.22**	**349.22**	**183.68**	**159.32**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Annexure II - Restated Statement of Profit and Loss Account

(₹ In Millions)

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
INCOME						
Sales and Services	425.56	720.49	500.51	418.09	355.81	256.50
Other Income	49.89	64.81	38.12	13.41	4.58	3.61
Total Income	**475.45**	**785.30**	**538.63**	**431.50**	**360.39**	**260.11**
EXPENDITURE						
Programming Cost	110.61	203.24	112.79	91.77	85.66	59.23
Bandwidth Cost	28.75	63.38	56.75	43.72	32.29	25.39
Administrative & Other Expenses	199.52	290.28	244.35	151.40	125.76	93.91
Selling & Distribution Expenses	18.35	22.46	46.92	36.35	31.35	25.86
Total Expenditure	**357.23**	**579.36**	**460.81**	**323.24**	**275.06**	**204.39**
Profit / (Loss) before Interest, Depreciation and Taxation	**118.22**	**205.94**	**77.82**	**108.26**	**85.33**	**55.72**
Interest and Finance Charges	90.47	115.55	71.76	44.20	28.78	18.16
Depreciation/Amortisation	99.70	150.03	62.07	42.62	36.40	26.01
Profit / (Loss) before Taxation	**(71.95)**	**(59.64)**	**(56.01)**	**21.44**	**20.15**	**11.55**
Profit / (Loss) before Taxation - Continuing Operations	**(71.95)**	**(59.64)**	**(56.01)**	**21.44**	**20.15**	**10.10**
Tax Expenses - Continuing Operations						
Current Tax	-	-	-	2.30	2.50	0.33
Fringe Benefit Tax	-	-	1.45	1.50	1.07	0.71
Total	**-**	**-**	**1.45**	**3.80**	**3.57**	**1.04**
Profit / (Loss) after Taxation-Continuing Operations	**(71.95)**	**(59.64)**	**(57.46)**	**17.64**	**16.58**	**9.06**
Profit before Taxation - Discontinuing Operations	-	-	-	-	-	**1.45**
Tax Expenses - Discontinuing Operations						
Current Tax	-	-	-	-	-	0.12
Profit after Taxation-Discontinuing Operations	**-**	**-**	**-**	**-**	**-**	**1.33**
Profit / (Loss) after Taxation before Restatement Adjustments	**(71.95)**	**(59.64)**	**(57.46)**	**17.64**	**16.58**	**10.39**
Restatement Adjustments:						
a. Material adjustments relating to previous years	(1.68)	(0.87)	6.02	(10.19)	(0.42)	1.78
b. Adjustments on account of qualifications	-	-	-	-	-	-
c. Adjustments on account of changes in Accounting Policies	-	-	-	0.26	(0.85)	(0.04)
d. Deferred Tax impact of the above adjustments	-	-	-	-	-	-
Net Profit / (Loss) as Restated	**(73.63)**	**(60.51)**	**(51.44)**	**7.71**	**15.31**	**12.13**
Balance brought forward from previous year, as restated	(162.28)	(101.77)	(50.33)	(58.04)	(73.35)	(85.48)
Balance Carried Forward, as Restated	**(235.91)**	**(162.28)**	**(101.77)**	**(50.33)**	**(58.04)**	**(73.35)**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Annexure III - Restated Statement of Cash Flows

(₹In Millions)

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Restated Net Profit / (Loss) before taxation	(73.63)	(60.51)	(49.99)	11.51	18.88	13.29
Adjustments for:						
Depreciation	99.70	150.03	62.07	42.62	36.40	26.01
Interest Expenses	83.73	95.94	63.23	42.20	27.59	17.15
Interest Income	(3.08)	(12.36)	(24.30)	(2.64)	(1.28)	(0.73)
Fixed Assets written off	4.49	8.71	7.17	6.67	4.46	4.28
Provision for Doubtful Debts	13.70	17.72	0.57	3.34	-	-
Bad Debts Written off	10.32	53.99	23.78	16.58	12.35	5.43
Profit on Sale of Undertaking	-	-	-	-	-	(1.45)
Miscellaneous Expenditure written off	-	-	-	-	-	3.58
Unrealised foreign exchange Loss/(Gain) (Net)	(0.51)	(3.33)	3.88	(0.03)	-	-
Operating Profit before Working Capital Changes	**134.72**	**250.19**	**86.41**	**120.25**	**98.40**	**67.56**
Adjusted for:						
Increase in Sundry Debtors	(38.65)	(50.74)	(65.88)	(37.99)	(21.78)	(2.32)
Increase Other Current Assets	(0.75)	-	-	-	-	-
(Increase) / Decrease in Loans & Advances	10.57	19.14	(27.61)	(75.71)	(21.41)	(14.50)
(Increase) / Decrease in Inventories	1.08	2.39	(4.11)	(2.39)	0.22	(0.40)
Increase in Trade and Other Payables	9.23	17.72	0.64	61.86	32.99	16.50
Cash Generated From Operations	**116.20**	**238.70**	**(10.55)**	**66.02**	**88.42**	**66.84**
Payment of Taxes (Net)	(2.25)	(4.52)	(9.11)	(3.84)	(1.99)	(1.31)
NET CASH FROM / (USED) OPERATING ACTIVITIES (A)	**113.95**	**234.18**	**(19.66)**	**62.18**	**86.43**	**65.53**
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Fixed Assets	(236.13)	(470.59)	(691.20)	(264.89)	(137.93)	(132.09)
Purchase of Investments	-	-	-	-	-	(2.75)
Proceeds from Sale of Fixed Assets	2.64	6.44	5.35	4.19	3.85	7.09
Payment for Non Compete Fee to LCOs	(26.53)	(48.23)	-	-	-	-
Interest Received	2.33	17.39	17.11	1.52	0.84	0.70
Profit on Sale of Undertaking	-	-	-	-	-	1.45
NET CASH USED IN INVESTING ACTIVITIES (B)	**(257.69)**	**(494.99)**	**(668.74)**	**(259.18)**	**(133.24)**	**(125.60)**
C. CASH FLOW FROM FINANCING ACTIVITIES:						
Proceeds from Long Term Borrowings	630.92	376.71	360.15	168.56	90.88	101.60
Repayment of Long Term Borrowings	(392.45)	(138.86)	(91.62)	(62.90)	(27.35)	(4.13)
Proceeds from Short Term Borrowings	50.00	1.04	28.18	20.78	-	-
Repayment of Short Term Borrowings	(1.04)	(0.45)	-	(2.00)	(2.12)	(5.15)
Issue of Share Capital including Security Premium	8.09	0.33	600.02	160.03	0.40	-
Advance against Share Capital	-	-	-	-	0.70	-
Share Issue Expenses	-	-	(18.74)	(2.10)	-	-
Interest Paid	(85.05)	(95.23)	(61.53)	(41.63)	(27.25)	(16.37)

NET CASH FROM FINANCING ACTIVITIES (C)	**210.47**	**143.54**	**816.46**	**240.74**	**35.26**	**75.95**
Net increase/(decrease) in Cash and Cash equivalents (A) + (B) + (C)	**66.73**	**(117.27)**	**128.06**	**43.74**	**(11.55)**	**15.88**
Cash and cash equivalents (Opening Balance)	**62.48**	**179.75**	**51.69**	**7.95**	**19.50**	**3.62**
Cash and cash equivalents (Closing Balance)	**129.21**	**62.48**	**179.75**	**51.69**	**7.95**	**19.50**

Notes:

1.

(₹ In Millions)

Cash and cash equivalents as at comprises:	**30 September 2010**	**31 March 2010**	**31 March 2009**	**31 March 2008**	**31 March 2007**	**31 March 2006**
Cash	8.05	1.15	0.62	1.79	0.71	0.76
Cheques in hand	6.76	0.91	-	2.45	-	0.23
Temporary overdraft from Banks	-17.02	-23.33	-	-4.13	-14.56	-5.47
Balance with Scheduled Banks:						
in Current Accounts	81.71	16.77	11.60	10.02	1.46	5.66
in Deposit Accounts (Note a & b)	49.71	66.98	167.53	41.56	20.34	18.32
	129.21	**62.48**	**179.75**	**51.69**	**7.95**	**19.50**
a) Includes Fixed Deposits pledged with banks against certain loan	31.59	41.59	11.75	23.40	16.00	16.00
b) Includes Margin Money Deposit	18.12	15.39	9.29	9.10	3.05	2.06

2. The above Cash Flow Statement has been prepared under the Indirect Method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.

Six months period ended 30 September 2010

3. The Conversion of 60,000,000, 0.001% Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid into 5,821,498 equity shares on 29 September 2010 at a premium of ₹ 93 each did not involve any cash in the current period, hence excluded from the cash from financing activity.

4. The allotment of 17050 valid options during the period as loyalty bonus at ₹ 35 per option did not involve any cash in the current period, hence excluded from the cash from financing activity.

Financial Year 2007-08

5. During the year advance against share capital amounting to ₹ 8.42 million had been converted to share capital, as there is no cash movement, hence not considered in cash flow statement.

Financial Year 2006-07

6. During the year interest accrued and due from Finlay Corporation Limited amounting to ₹ 7.72 million had been converted to advance against share capital, as there is no cash movement, hence not considered in cash flow statement.

Financial Year 2005-06

7. During the year Loan from Finlay Corporation Limited amounting to ₹ 43.50 million had been converted to 8.5% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each, as there is no cash movement, hence not considered in cash flow statement.

Annexure IV- Significant Accounting Policies

1. Basis of preparation:

The Restated Statement of Assets and Liabilities, of the Company as at 30 September 2010 and 31 March 2010, 2009, 2008, 2007 and 2006 and the Restated Statement of Profit and Loss, and the Restated Statement of Cash Flows, for the period from 1 April 2010 to 30 September 2010 and years ended 31 March 2010, 2009, 2008, 2007 and 2006 and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the corresponding periods.

These statements have been prepared for the proposed Public Offer (referred to as the "Offer"), in accordance with the requirements of:

a. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act"); and
b. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

Other Financial Information has been prepared in accordance with the SEBI Regulations.

These Statements and Other Financial Information have been made, after incorporating:

a. The impact arising on account of changes in accounting policies adopted by the Company from the year ended 31 March 2006 till the period ended 30 September 2010 applied with retrospective effect in the Statements;
b. Adjustments for the material amounts in the respective years/ period to which they relate;
c. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended 30 September 2010 and the requirements of the SEBI Regulations.

2. Significant Accounting Policies

a. Basis of Accounting

The financial information have been prepared under the historical cost convention.

b. Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Fixed Assets and Depreciation

i. Fixed Assets are stated at their purchase cost (net of tax credit), together with any incidental expenses of acquisition/installation including borrowing cost, wherever applicable, directly attributable to the acquisition of qualifying assets. Impairment loss, if any, ascertained and provided for in the accounts.

ii. The Non-Compete Fee payable to LCOs pursuant to agreement is recognised as Intangible assets.

iii. Depreciation on fixed assets other than Freehold and Leasehold Land, including assets acquired under finance lease, is provided on Straight Line Method (SLM) over the estimated useful life of the assets as determined by the management in accordance with Schedule XIV to the Companies Act, 1956. The rates are equal to or higher than the rates specified in the Schedule XIV to the Companies Act, 1956 and where higher are as follows:

Description of Assets	Depreciation
Cable Network	5.28% / 8.33%
Cable Network (acquired from LCOs)	10.56%
Head End Equipments	8.33% / 10%
Vehicle	12.33%
Office Equipments	8.33%
Furniture & Fixtures	8.33%
Leasehold land is amortised over the period of lease.	

iv. Intangible assets comprises of Computer Software related expenses, are amortised in five years in equal installment and those relating to Non-Compete fees over the period of agreement with the LCOs in equal installment.

v. Profit or loss on disposal of fixed assets is recognised in Profit and Loss Account.

d. Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

e. Inventories

Inventories comprise of Stores and Spares are stated at cost or below. Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

f. Foreign Currency Transactions

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Exchange differences arising on the settlement of transactions are recognised as income or as expense in the period in which they arise in the Profit and Loss Account.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resulting difference is also recognised in Profit and Loss Account. Non monetary items at the Balance Sheet date are stated at historical cost.

g. Revenue Recognition

Service revenue comprises income from subscription, channel carriage fee, use of infrastructure facilities and other services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised prorata over the contractual period.

Connection Fee is recognised as revenue at the end of the month of activation service.

h. Employee Benefits

A. Post Retirement Benefits:

i. Provident Fund

The Company operates a defined contribution scheme in the nature of Provident Fund. Contributions to the recognised Provident Fund maintained by the Regional Provident Fund Commissioner are charged to the Profit & Loss Account on accrual basis.

ii. Gratuity

The Company operates a Gratuity Scheme for its employees which is Defined Benefit Scheme. The Company has taken out a policy with Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees. Liabilities under the defined benefit scheme is determined through independent actuarial valuation at the year end in accordance with the method stated in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006 and charge is recognised in the books. As the recognised fund has been set up with LICI, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the Profit & Loss Account.

iii. Leave Encashment

Leave encashment benefit liability on retirement is determined on the basis of independent actuarial valuation, at the end of each year in accordance with the method stated in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Such liability is provided for in the accounts and charge is recognised in the Profit and Loss Account.

iv. Superannuation fund

The Company operates a superannuation scheme for its eligible employees with Life Insurance Corporation of India (LICI) towards which the Company contributes upto a maximum of 15% of the employees' current salary, which is charged to the Profit and Loss Account. The above benefit is in the nature of defined contribution plan.

v. Actuarial gains and losses, where applicable, are recognised in the Profit and Loss Account.

B. Other Employee Benefits

Other Employee Benefits are accounted for on accrual basis.

i. Leases

i. Assets acquired under Leases where all the risks and rewards of ownership have been substantially transferred in favour of the Company are classified as finance leases. Such Leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets acquired as leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Profit and Loss Account on accrual basis.

j. Deferred Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. As at the balance sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to carry forward business loss or unabsorbed depreciation are recognised to the extent that there are deferred tax liabilities offsetting them.

k. Borrowing Costs

Borrowing Costs attributable to acquisition and / or construction of qualifying assets are capitalised as a part of cost of such assets upto the date where such assets are ready for their intended use. Other borrowing costs are charged off to profit and loss accounts.

Annexure V - Notes to the Restated Financial Information:

1. Changes in Accounting Policies:

   a. Employee Benefits (AS 15)

      Financial Year 2007-08
      The revised Accounting Standard- 15 (AS-15) "Employee Benefits" had become applicable with effect from 1 April 2007. The impact arising on adoption of the said AS-15 for the year ended 31 March 2008 on Gratuity has been applied with retrospective effect in the Restated Financial Information.

   b. Financial Year 2008-09

      The Preliminary expenses incurred in connection with issue of shares of the Company in 2007-08 was ₹ 2.10 million which was amortised over a period of five years. Accordingly ₹ 0.26 million was charged to the Profit & Loss Account and the balance amount of ₹ 1.84 million was carried forward in the Balance Sheet as "Miscellaneous Expenses to the extent not written off". In 2008-09, the Company had changed the accounting policy and adjusted such expenses to the Securities Premium Account. Accordingly, unamortised expense of ₹ 1.84 million was adjusted with the Securities Premium Account. The impact arising from aforesaid change in Accounting Policy had been applied with retrospective effect in the Restated Financial Information.

2. The Company had issued 5,121,897 Nos. of 10.5% Cumulative Non Convertible Redeemable Preference Shares (NCRPS) to Finlay Corporation Ltd which were due for redemption on 3 March 2010. The said shares were not redeemed and the Company had applied to the Foreign Investment Promotion Board (FIPB) on 23 July 2010 for extension of redemption period of said NCRPS for a further period of five years w.e.f. 03 March 2010. The FIPB vide its letter dated 20 August 2010 had not extended the redemption period and advised to confirm to ECB Guidelines for any further extension. Subsequently the Company has redeemed the above cumulative Non Convertible Redeemable Preference Shares on 30 December 2010, by fresh issue of 5,121,897 number of 10.5% cumulative Non Convertible Redeemable Preference Shares of ₹ 10 each redeemable at par.

3. The Company ('transferee') had acquired the "cable network business" ('the Business') of various local cable operators ('LCOs' or 'the transferor'). The Company has entered into agreements ('the agreement') with various cable operators, whereby the transferor agrees to sell his entire network alongwith its rights not to compete with the transferee for a specified period. The amount payable for acquisition of the network has been capitalised under Cable Network and the amount payable for non-compete fee has been treated as Intangibles.

4. Advance from customers include 30 September 2010 : ₹ 7.10 million, 31 March 2010: ₹ 7.10 million, 31 March 2009: ₹ 7.10 million, 31 March 2008: ₹ 7.45 million, 31 March 2007: ₹ 5.87 million, being Electricity Inspection Duty collected from the customers levied by the Department of Energy, Government of Orissa vide its notification dated 29 March 2002 under Indian Electricity Rules, 1956 but not deposited with the Appropriate authorities on the ground that neither the rules nor the notification is applicable to the Company and the charging chapter of the Notification does not authorise the electrical Inspector to levy fees on any person other than the owner of the Television connection. The Company has filed a writ petition before Hon'ble High Court of Orissa against the said Notification issued by the Department of Energy, Government of Orissa and obtained an order to the effect that no coercive action can be taken against the Company until the disposal of the case. However, as per the direction of Hon'ble High Court of Orissa vide its order dated 09 February 2007, ₹

2.90 million has been deposited with the said Court.

Subsequently, Hon'ble High Court of Orissa vide its order dated 5 November 2007 directed the Government of Orissa to take a decision as to whether the inspection charges so far as consumer of Television connections are concerned can be waived and/or imposed and also directed the Company not to collect any amount from any individual customer until a decision is taken by the Government of Orissa.

5. 60,000,000, 0.001% Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid issued to NSR PE Mauritius LLC in the year 2008-09, was converted into 5,821,498 Equity Shares on 29 September 2010 at a premium of ₹ 93 each.

6. The Company has adopted the intrinsic value method as permitted in "the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India" in respect of stock options granted as referred to in note 7 and 8 below. The value of the underlying Shares has been determined by an independent valuer. For the Company, by adopting the intrinsic value method, it does not have any impact on the earning per equity share as the exercise price of the equity share of the Company is equal to the fair market value as determined by the independent valuer on the date of grant.

7. a. The Company had granted (net of options lapsed) 14500, 450, and 11000 stock options in 2000-01, 2003-04 and 2005-06 respectively under the Employee Stock Option Scheme. All the options had already vested and allotted in earlier years. The vesting period was for three years. Exercise period for all the above options was one year from the vesting date exercisable at a price of ₹ 30 per option except 14500 options granted in 2000-01 which could be exercised till June 2006. All the exercised options were allotted in form of Equity Shares in earlier years. No options were outstanding at the beginning and at the end of the six months period ended 30 September 2010.

   b. The Company had granted 406050 stock options in 2006-07 under the Employee Stock Option Scheme of which 254550 (net of options lapsed) was outstanding at the beginning of the period. Of the above, 40450 stock options have been forfeited during the period. The vesting period was for three years. All the valid options were vested in 2009-10. Exercise period was one year from the vesting date exercisable at a price of ₹ 35 per option. 214100 exercised options were allotted in form of Equity Shares on the basis of 1:1 on 30 June 2010 at ₹ 35 per option. No valid option is outstanding at the end of the six months period ended 30 September 2010.

   c. The Company had granted 147250 stock options in 2008-09 under the Employee Stock Option Scheme which was outstanding at the beginning of the period. Of the above 45000 stock options have expired/lapsed during the period. No option was forfeited during the period. The vesting period is three years from the grant date. Exercise period is three months from the vesting date, exercisable at a Price of ₹ 105 per option. Valid options will be allotted in form of Equity Shares on the basis of 1:1. 102250 stock options was outstanding at the end of the six months period ended 30 September 2010.

8. a. The Company had granted 29200 (net of grants lapsed) employee grants in 2006-07 as loyalty bonus under the Employee Stock Option Scheme. The vesting periods were in the range of one to two years from the grant date for separate tranches. There was no exercise period attached to these grants. All the valid grants were vested and allotted in earlier years. All the vested grants were allotted in form of Equity Shares on the basis of 1:1 at ₹ 35 per grant. No grant was outstanding at the beginning or at the end of the six months period ended 30 September 2010.

   b. The Company had granted 17750 (net of grants lapsed) employee grants in 2006-07 as loyalty bonus under the Employee Stock Option Scheme which were outstanding at the beginning of the period. Of the above 700 employee grants have been forfeited during the period. No grant was expired during the period. The vesting period was three years from the grant date. There was no exercise period attached to these grants. All the valid grants were vested in 2009-10. 17050 valid grants were allotted in form of Equity Shares on the basis of 1:1 on 30 June 2010 at ₹ 35 per grant. No valid grant is outstanding at the end of the six months period ended 30 September 2010.

c. The Company has granted 19900 (net of grants lapsed) employee grants in 2008-09 as loyalty bonus under the Employee Stock Option Scheme. The vesting period is three years from the grant date. There was no exercise period attached to these grants. No grant was forfeited or expired during the period. Valid employee grants will be allotted in form of Equity Shares on the basis of 1:1. at ₹ 105 per grant. All the above grants were outstanding at the beginning and at the end of the six months period ended 30 September 2010.

9. a. Pursuant to an agreement dated 31 March 2005 between the Company and Orissa Television Limited (Formerly Ortel Metronet Private Limited), the Company had sold its OTV division as on 1 April 2005 as going concern basis alongwith Assets and Liabilities relating to said division to Orissa Television Limited (Formerly Ortel Metronet Private Limited) for ₹ 5.50 million. The Net Assets value of OTV Division as on 1 April 2005 was ₹ 4.05 million. This had resulted in a profit of ₹ 1.45 million on which Income Tax of ₹ 0.12 million was payable, which had been included in other income in the Financial Information of 2005-06.

b. In 2005-06, discontinuing operations contributed ₹ 1.45 million to total income and Profit and Loss before Taxation. The Taxation relating to discontinuing operation was ₹ 0.12 million.

10. a. Claim against the Company not acknowledged as debt:

The Company provides services in Paradeep Port Trust (PPT) area as per contracts and also committed to cover programmes/news of PPT in its news channel as "PARADIP PARIKRAMA". The contents of the programmes would be provided by PPT for coverage and transmission of the programmes. Subsequently PPT has claimed that it has *incurred ₹ 5.27 million for shooting and covering the same. However the said claim has not been accepted* by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they will be adjusting said amount with subscription money payable by PPT to the Company. The Company has filed a writ petition dated 10 July 2006 against the demand of PPT before Hon'ble High Court, Orissa. The demand has been stayed by the Hon'ble High Court vide its interim Order dated 20 July 2006.

b. ***(₹In Millions)***

Contingent Liability not provided for in respect of:	**30 September 2010**	**31 March 2010**	**31 March 2009**	**31 March 2008**	**31 March 2007**	**31 March 2006**
Bank Guarantee	0.50	0.50	27.96	25.18	5.68	1.67
Entry Tax demand under Appeal	0.10	0.10	0.24	0.10	0.10	0.10
Entertainment Tax demand under Appeal	6.98	6.98	6.98	-	-	-
Sales Tax demand under Appeal	-	-	-	1.37	1.37	1.37
Arrear Preference Dividend	23.76	23.76	18.37	13.00	7.74	3.70

c. ***(₹In Millions)***

	30 September 2010	**31 March 2010**	**31 March 2009**	**31 March 2008**	**31 March 2007**	**31 March 2006**
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	39.45	75.94	20.21	35.31	-	-

11. Director's Remuneration:

(₹ *In Millions)*

	30 September 2010	31 March 2010	31 March 2009	31 March 2008	31 March 2007	31 March 2006
Salary and Bonus	2.05	1.66	1.18	1.28	1.23	0.97
Retirement Benefits	0.12	0.03	0.03	0.03	0.03	0.03
	2.17	1.69	1.21	1.31	1.26	1.00

12. a. Finance Leases

The minimum lease payments and their present value, for each of the following period are as follows:

(₹ *In Millions)*

	30 September 2010	31 March 2010	31 March 2009	31 March 2008	31 March 2007	31 March 2006
Total Minimum Lease Payments Outstanding	66.65	68.00	60.45	48.94	59.57	94.05
Less: Interest not due	9.42	10.37	7.92	11.50	7.40	22.32
Minimum lease payments	**57.23**	**57.63**	**52.53**	**37.44**	**52.17**	**71.73**
Future minimum lease payments payable:						
Not later than one year	27.49	25.12	28.40	21.47	25.54	27.91
Later than one year and not later than five years	39.16	42.88	32.05	27.47	34.03	66.14
Later than five years	-	-	-	-	-	-
	66.65	**68.00**	**60.45**	**48.94**	**59.57**	**94.05**
Present Value of minimum lease payments:						
Not later than one year	25.96	23.70	23.07	18.84	18.79	19.42
Later than one year and not later than five years	31.93	34.56	29.46	20.01	27.16	52.31
Later than five years	-	-	-	-	-	-
	57.89	**58.26**	**52.53**	**38.85**	**45.95**	**71.73**

[The Company has acquired certain Cable network Equipments and Computers on finance lease for a period maximum upto forty eight months. The assets will be transferred to the Company at ₹ 100 at the end of the lease period. However till 2009-10 the buy back option with respect to certain leased assets was at maximum 1% of the asset cost. The lease Agreements are non-cancelable as envisaged in the Accounting Standard (AS) 19 on Leases.]

b.

(₹ *In Millions)*

Operating Leases	30 September 2010	31 March 2010	31 March 2009	31 March 2008	31 March 2007	31 March 2006
Rent (Including minimum lease payment ₹ Nil)	8.57	10.53	5.78	2.59	0.90	-

[Operating leases for office premises, staff residences and pole rents are entered into for a period of one to three years and thereafter renewable by mutual consent of both parties. The operating leases are cancelable by either party giving one to three months notice]

13. **Deferred Tax (Liabilities)/Assets**

a. Deferred tax asset is recognised only to the extent of deferred tax liability and accordingly no amount has been provided for on account of deferred tax.

b. The major components of deferred tax (liabilities)/assets on the tax effects on the timing difference as at Balance Sheet date

(₹ *In Millions)*

	30 September 2010	31 March 2010	31 March 2009	31 March 2008	31 March 2007	31 March 2006
Deferred Tax Liabilities						
Depreciation	(90.31)	(72.72)	(32.58)	(31.35)	(28.72)	(23.63)
Finance Lease	(1.80)	(2.27)	(3.34)	(3.10)	(3.11)	(4.37)

	30 September 2010	31 March 2010	31 March 2009	31 March 2008	31 March 2007	31 March 2006
	(92.11)	(74.99)	(35.92)	(34.45)	(31.83)	(28.00)
Deferred Tax Assets						
Gratuity	0.77	0.78	1.44	0.75	0.74	0.45
Leave encashment	2.48	1.90	1.45	0.74	0.57	0.36
Provision for doubtful debts/advances	10.84	6.71	1.27	1.20	0.07	0.06
Unabsorbed Loss carried forward	78.02	65.60	31.76	31.76	30.45	27.13
	92.11	**74.99**	**35.92**	**34.45**	**31.83**	**28.00**
Deferred Tax (Liabilities)/Assets (Net)	**-**	**-**	**-**	**-**	**-**	**-**

14. **Related Party Disclosures:-**

Related party and their relationship

Name of the Related Parties and their relationship –

Enterprise having significant influence :	Panda Investment Private Limited South Asia Regional Fund (up to 31 August 2008)
Key Managerial Personnel :	Mrs. J. M. Panda
Enterprise over which Key Management Personnel having significant influence :	Orissa Television Limited
Relative of Key Managerial Personnel :	Mr. B. J. Panda - Husband of Mrs. J. M. Panda
Company is an associate of the investing party:	Metro Skynet Limited (from 28 May 2010) New Silk Route- PE Mauritius LLC (from 29 September 2010)

Details of Transactions with Related Parties:

(₹In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance
Key Managerial Personnel						
Remuneration	2.17	1.69	1.21	1.31	1.26	1.00
Interest Paid	-	0.05	0.05	0.05	0.05	0.05
Outstanding at closing – Debit	-	-	-	-	-	-
Outstanding at closing – Credit	0.77	0.29	0.28	0.45	0.45	0.45
Enterprise over which Key Managerial Personnel having significant influence						
Signal Uplinking Income	12.46	21.46	5.10	-	-	-
Rent Received	0.36	0.69	0.60	0.54	0.60	0.40
Interest Received	0.94	3.31	2.75	-	-	-
Behalf payment made to others	3.95	4.68	5.13	4.05	9.91	2.66
Payment Received	15.61	28.39	7.54	7.95	0.14	1.81
Advertisement Expenses	2.00	3.90	1.59	-	-	-
Advance Given	0.38	-	5.84	22.37	5.99	1.80
Refund of Advance	1.00	14.00	-	-	3.45	1.80
Outstanding at closing – Debit	28.96	29.57	42.92	33.00	14.16	1.26
Outstanding at closing – Credit	-	-	-	-	-	-
Company is an associate of the investing party						
Conversion of Compulsorily Convertible Preference Shares into Equity Shares	600.00	-	-	-	-	-

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance
Issue of Compulsorily Convertible Preference Shares	-	-	600.00	-	-	-
Behalf payment made to others	-	-	-	0.01	-	-
Outstanding at closing – Debit	0.01	0.01	0.01	0.01	-	-
Outstanding at closing – Credit						
Relative of Key Managerial Personnel						
Sitting fees as nominee	0.01	0.02	0.02	0.02	0.03	0.01
Advance received against Share Capital	-	-	-	-	0.70	-
Allotment of Equity Shares	-	-	-	0.70	-	-
Outstanding at closing – Debit	-	-	-	-	0.70	-
Outstanding at closing – Credit	-	-	-	-	-	-

15. **Sales & Services comprises of :**

(₹In Millions)

PARTICULARS	For the six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
Connection Fees	18.29	32.88	26.31	21.55	15.44	15.63
Subscription Fees	255.71	465.43	324.53	286.11	272.82	201.51
Internet Income	90.58	133.86	91.33	72.77	51.05	31.27
Channel Carriage Fees	60.98	88.32	58.34	37.66	16.50	8.09
TOTAL	**425.56**	**720.49**	**500.51**	**418.09**	**355.81**	**256.50**

16. **Restated Segment Information**

Segment Information as required by the Accounting Standard 17 - "Segment Reporting" of the Companies (Accounting Standard) Rules, 2006.

(₹In Millions)

Restated Business Segment:	As at/ for the six months period ended 30 September 2010			As at / For the year ended 31 March					
				2010			2009		
Particulars	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broad band**	**Total**
Segment Revenue	325.32	100.24	425.56	586.63	133.86	720.49	391.77	108.74	500.51
Segment Results	136.23	60.08	196.31	254.96	55.25	310.21	252.85	38.32	291.17
Less: Unallocable expenses net off income			182.55			267.53			293.70
Less: Interest & Finance Charges (net)			87.39			103.19			47.46
Profit/(Loss) before Taxation			(73.63)			(60.51)			(49.99)
Provision for Taxation			-			-			1.45
Profit/(Loss)after Taxation			**(73.63)**			**(60.51)**			**(51.44)**
Segment Assets	589.66	23.37	613.03	470.21	20.41	490.62	279.46	48.85	328.31
Add: Unallocated Corporate Assets			1,806.82			1,700.53			1,446.08

Total Assets			**2,419.85**			**2,191.15**			**1,774.39**
Segment Liabilities	296.89	7.77	304.66	277.84	9.68	287.52	4.46	4.59	9.05
Add: Unallocated Liabilities			1,359.81			1,084.59			886.12
Total Liabilities			**1,664.47**			**1,372.11**			**895.17**
Capital Expenditure	83.51	2.71	86.22	337.22	3.69	340.91	94.07	2.84	96.91
Depreciation	42.92	3.04	45.96	66.40	4.06	70.46	11.42	4.03	15.45
Non Cash Expenses other than Depreciation	-	-	-	-	-	-	-	-	-

(₹In Millions)

	As at / For the year ended 31 March								
Restated Business Segment:	**2008**			**2007**			**2006**		
Particulars	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**
Segment Revenue	331.23	86.86	418.09	293.82	61.99	355.81	214.45	42.05	256.50
Segment Results	212.89	38.19	251.08	192.64	26.10	218.74	147.78	14.43	162.21
Less: Unallocable expenses net off income			198.01			172.36			131.49
Less: Interest & Finance Charges (net)			41.56			27.50			17.43
Profit/(Loss) before Taxation			11.51			18.88			13.29
Provision for Taxation			3.80			3.57			1.16
Profit/(Loss)after Taxation			**7.71**			**15.31**			**12.13**
Segment Assets	161.98	34.77	196.75	57.40	19.57	76.97	31.63	12.64	44.27
Add: Unallocated Corporate Assets			738.56			473.56			377.87
Total Assets			**935.31**			**550.53**			**422.14**
Segment Liabilities	68.68	6.75	75.43	34.10	6.53	40.63	18.20	0.38	18.58
Add: Unallocated Liabilities			510.66			326.22			244.24
Total Liabilities			**586.09**			**366.85**			**262.82**
Capital Expenditure	22.56	2.54	25.10	16.61	10.69	27.30	11.28	2.46	13.74
Depreciation	5.13	4.41	9.54	3.68	3.08	6.76	2.32	1.92	4.24
Non Cash Expenses other than Depreciation			0.26			-			3.58

Notes:

a) The Company is engaged in the business of Cable TV and Broadband service and operates in domestic market only.

b) The segment wise revenue, results and assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income/expenditure relates to the Company as a whole and are earned/incurred at the Company level.

17. Net Block of Fixed Assets of the Company includes Intangible Assets ₹ 212.13 million as at 30 September 2010 and ₹ 197.76 million, ₹ 1.94 million, ₹ 2.11 million and ₹ 1.79 million as at 31 March 2010, 2009, 2008 and 2007 respectively.

18. Programming Cost represents amount paid/payable to pay channel Companies to telecast the programs of those channels.

19. **Employee Benefits**

The Company maintains a provident fund with Regional Provident Fund Commissioner, contributions are made by the Company to the funds, based on the current salaries. In the provident fund schemes, contribution are also made by the employees. An amount of ₹ 2.50 million for the six months period ended 30 September 2010 and ₹ 4.16 million, ₹ 4.46 million, ₹ 3.31 million, ₹ 2.77 million and ₹ 2.08 million for the year ended on 31 March 2010, 2009, 2008, 2007 and 2006 respectively, has been charged to the Profit & Loss Account on account of the above defined contribution schemes.

The Company operates a superannuation scheme for its eligible employees with Life Insurance Corporation of India (LICI) towards which the Company contributes upto a maximum of 15% of the employees' current salary amounting to ₹ 0.05 million for the six months period ended 30 September

2010, ₹ 0.05 million, ₹ 0.11 million, ₹ 0.09 million, ₹ 0.08 million and ₹ 0.06 million for the year ended on 31 March 2010, 2009, 2008, 2007 and 2006 respectively, which is charged to the Profit and Loss Account.

The Company has taken out a policy with Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees, which is a defined benefit scheme. Annual actuarial valuations are carried out by an independent actuary based on the methods prescribed in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Annual contributions are also made by the Company. Employees are not required to make any contribution.

The Company also provides for leave encashment benefit to the employees which is considered as other long term benefit. Annual actuarial valuations are carried out by an independent actuary based on the methods prescribed in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Employees are not required to make any contribution.

(₹In Millions)

	Gratuity					
Amount recognised in the Balance Sheet are as follows:	**30 September 2010**	**31 March 2010**	**31 March 2009**	**31 March 2008**	**31 March 2007**	**31 March 2006**
Present value of funded obligation	6.90	5.46	6.24	3.41	2.70	1.48
Fair Value of Plan Assets	4.40	2.95	1.57	1.22	0.52	0.15
Present value of un-funded obligation	-	-	-	-	-	-
Net (Asset)/Liability	2.50	2.51	4.67	2.19	2.18	1.33
Amount recognised in the Profit and Loss Account and charged to Salaries, Wages & Bonus and Contribution to Provident & Other Funds as follows:						
Current Service cost	0.75	1.24	1.03	1.04	0.84	0.43
Interest cost	0.22	0.48	0.40	0.21	0.12	0.11
Expected Return on Plan Assets	(0.12)	(0.13)	(0.10)	(0.04)	(0.01)	(0.01)
Net actuarial loss/(gain) recognised during the year	0.46	(2.18)	0.49	(0.16)	0.38	(0.27)
Capitalisation	-	0.11	(0.32)	-	-	-
Total	1.31	(0.48)	1.50	1.05	1.33	0.26
Reconciliation of opening and closing balances of the present value of the obligations:						
Opening defined benefit obligation	5.46	6.24	3.41	2.70	1.48	1.46
Current Service cost	0.75	1.24	1.03	1.04	0.84	0.43
Past Service Cost	-	-	1.61	-	-	-
Interest cost	0.22	0.48	0.40	0.21	0.12	0.11
Actuarial loss/(gain)	0.47	(2.12)	0.49	(0.14)	0.40	(0.27)
Benefits paid	-	(0.38)	(0.70)	(0.40)	(0.14)	(0.25)
Closing Defined Benefit Obligation	6.90	5.46	6.24	3.41	2.70	1.48
Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:						
Opening fair value of Plan Assets	2.95	1.57	1.22	0.52	0.15	0.18
Expected Return on Plan Assets	0.12	0.13	0.10	0.04	0.01	0.01
In respect of past year	-	-	(0.44)	-	-	-
Contributions by employer	1.32	1.57	1.39	1.04	0.48	0.21
Actuarial loss/(gain)	0.01	0.06	-	0.02	0.02	(0.00)
Benefits paid	-	(0.38)	(0.70)	(0.40)	(0.14)	(0.25)
Closing Fair Value on Plan Assets	4.40	2.95	1.57	1.22	0.52	0.15
Planned assets consist of fund maintained with LICI						
Actual Return on Plan Assets [Plan Assets consist of funds maintained with	0.12	0.13	0.10	0.04	0.01	0.01

LICI for gratuity scheme]						
Principal Actuarial Assumption Used:						
Discount Rates	8.00%	8.00%	8.00%	8.50%	8.50%	8.00%
Expected Return on Plan Assets	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected Salary increase rates	5.00%	5.00%	7.00%	6.00%	6.00%	5.00%
Mortality Rates	LIC (1994-96) mortality tables					

(₹In Millions)

	Leave Encashment					
Amount recognised in the Balance Sheet are as follows:	**30 September 2010**	**31 March 2010**	**31 March 2009**	**31 March 2008**	**31 March 2007**	**31 March 2006**
Present value of funded obligation	-	-	-	-	-	-
Fair Value of Plan Assets	-	-	-	-	-	-
Present value of un-funded obligation	8.03	6.14	4.71	2.19	1.67	1.08
Net (Asset)/Liability	8.03	6.14	4.71	2.19	1.67	1.08
Amount recognised in the Profit and Loss Account and charged to Salaries, Wages & Bonus and Contribution to Provident & Other Funds as follows:						
Current Service cost	1.06	0.64	1.91	0.93	0.57	0.35
Interest cost	0.24	0.36	0.09	0.12	0.07	0.06
Expected Return on Plan Assets	-	-	-	-	-	-
Net actuarial loss/(gain) recognised during the year	0.87	0.87	2.49	0.01	0.51	(0.02)
Capitalisation	-	-	(1.26)	-	-	-
Total	2.17	1.87	3.23	1.06	1.15	0.39
Reconciliation of opening and closing balances of the present value of the obligations:						
Opening defined benefit obligation	6.14	4.71	2.19	1.67	1.08	0.79
Current Service cost	1.06	0.64	1.91	0.93	0.57	0.35
Past Service Cost	-	-	-	-	-	-
Interest cost	0.24	0.36	0.09	0.12	0.07	0.06
Actuarial loss/(gain)	0.87	0.87	2.49	0.01	0.51	(0.02)
Benefits paid	(0.28)	(0.44)	(1.97)	(0.54)	(0.56)	(0.10)
Closing Defined Benefit Obligation	8.03	6.14	4.71	2.19	1.67	1.08
Principal Actuarial Assumption Used:						
Discount Rates	8.00%	8.00%	7.50%	8.50%	8.50%	8.00%
Expected Return on Plan Assets	-	-	-	-	-	-
Expected Salary increase rates	5.00%	5.00%	5.00%	6.00%	6.00%	5.00%
Mortality Rates	LIC (1994-96) mortality tables					

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

The contribution expected to be made by the Company for the year ending 31 March 2011 cannot be readily ascertainable and therefore not disclosed.

Annexure VI - Statement on Adjustments to Audited Financial Statements

Summarised below are the restatement adjustments made to the Audited Financial Statements for the period from 1 April 2010 to 30 September 2010 and years ended 31 March 2010, 2009, 2008, 2007 and 2006 and their impact on the profit / (loss) of the Company:

A. Adjustments:

(₹In Millions)

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
i) Material Restatement Adjustments (Excluding those on account of changes in accounting policies):						
Liabilities no longer required, written back (Refer note 1 below)	(25.81)	18.65	4.42	(5.18)	0.07	1.44
Bad Debts written off (Refer note 2 below)	10.18	(8.10)	2.17	(1.01)	(2.53)	0.34
Provision for Doubtful debts / Advances (Refer note 3 below)	13.95	(11.42)	(0.57)	(4.00)	2.04	-
Deferred tax impact of the above adjustments (Refer note 4 below)	-	-	-	-	-	-
Total	**(1.68)**	**(0.87)**	**6.02**	**(10.19)**	**(0.42)**	**1.78**
ii) Adjustments on account of changes in accounting policies:						
Change in the basis of accounting for provision for Gratuity (Refer note 5 below)	-	-	-	-	(0.85)	(0.04)
Preliminary Expenses- Share issues expenses (Refer note 6 below)	-	-	-	0.26	-	-
Deferred tax impact of the above adjustments (Refer note 4 below)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**0.26**	**(0.85)**	**(0.04)**
Total impact of Adjustments - (A)	**(1.68)**	**(0.87)**	**6.02**	**(9.93)**	**(1.27)**	**1.74**

Adjustments:

1. In the audited financial statements of the Company for the six months period ended 30 September 2010 and the years ended 31 March 2010, 2009, 2008, 2007 and 2006, certain liabilities created in earlier years were written back. For the purpose of this statement, the said liabilities have been appropriately adjusted in the respective years in which they were originally created.

2. In the audited financial statements of the Company for the six months period ended 30 September 2010 and the years ended 31 March 2010, 2009, 2008, 2007 and 2006, certain amount had been provided as bad debts, which for the purpose of this statement have been appropriately adjusted in the respective years to which they relate.

3. Debts, which were considered doubtful and provided for (net of Provision for Doubtful Debts written back) in the six months period ended 30 September 2010 and the years ended 31 March 2010, 2009, 2008 and 2007, have been appropriately adjusted in the respective years to which they relate.

4. There is no impact on deferred tax for the above adjustments in the Profit and Loss Account.

5. The revised Accounting Standard- 15 (AS-15) "Employee Benefits" had become applicable to the Company with effect from 1 April 2007. The impact of transitional provision on adoption of the said AS-15 for the year ended 31 March 2008 has been applied with retrospective effect in the Restated Financial Information.

6. The Preliminary expenses incurred in connection with issue of shares of the Company in 2007-08 was ₹ 2.10 million which was amortised over a period of five years. Accordingly ₹ 0.26 million was charged to the Profit & Loss Account and the balance amount of ₹ 1.84 million was carried forward in

the Balance Sheet as "Miscellaneous Expenses to the extent not written off". In 2008-09, the Company had changed the accounting policy and adjusted such expenses to the Securities Premium Account. Accordingly, unamortised expense of ₹ 1.84 million was adjusted with the Securities Premium Account. The impact arising from aforesaid change in Accounting Policy had been applied with retrospective effect in the Restated Financial Information.

7. Further, the balance in the Profit & Loss Account as at 1 April 2005 has been adjusted to reflect the impact of the items pertaining to the periods prior to 31 March 2005.

Opening Reserves Reconciliation

Particulars	Amount (₹ In Millions)
Balance in Profit and Loss account as per audited Balance Sheet as at 1 April 2005	(90.30)
i) Material Restatement Adjustments (Excluding those on account of changes in accounting policies):	
Liabilities no longer required, written back	6.41
Bad Debts written off	(1.05)
Provision for Doubtful debts / Advances	-
Deferred tax impact of the above adjustments	-
ii) Adjustments on account of changes in accounting policies:	
Preliminary Expenses - Share Issue Expenses	-
Change in the basis of accounting for provision for Gratuity	(0.54)
Deferred tax impact of the above adjustments	-
Balance as per restated financial information as at 1 April 2005	**(85.48)**

(B) Non- Adjustment Items:

1. Matter of emphasis in Auditors' Report - Not requiring adjustment

Financial Year 2009-10

Without qualifying the audit opinion, the Statutory Auditors had drawn attention in their report for the year ended 31 March 2010 with respect to non- redemption of 5,121,897 Nos. of 10.5% cumulative Non Convertible Redeemable Preference Shares which was due for redemption on 3 March 2010.

The Company had issued 5,121,897 Nos. of 10.5% cumulative Non Convertible Redeemable Preference Shares (NCRPS) to Finlay Corporation Ltd which was due for redemption on 3 March 2010. The said shares were not redeemed and the Company had applied to the Foreign Investment Promotion Board (FIPB) on 23 July 2010 for extension of redemption period of said NCRPS for a further period of five (05) years w.e.f. 03 March 2010. The FIPB vide its letter dated 20 August 2010 has not extended the redemption period. In view of above rejection by FIPB, the company had decided to redeem the above NCRPs.

Subsequently the Company has redeemed the above cumulative Non Convertible Redeemable Preference Shares on 30 December 2010, by fresh issue of 5,121,897 Nos. of 10.5% cumulative Non Convertible Redeemable Preference Shares of ₹ 10 each redeemable at par. Considering the fact that the above 10.5% cumulative Non Convertible Redeemable Preference Shares have been redeemed by the Company, the auditors have dropped the reference in the audit report for the six months period ended 30 September 2010.

2. Auditors have made the following comments in terms with the requirement of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act').

Financial Year 2009-10, 2008-09, 2007-08, 2006-07 and 2005-06

a) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

Financial Year 2009-10 and 2008-09

b) The Company is in the process of updating the fixed assets records showing full particulars including quantitative details and situation of fixed assets.

The Company has taken appropriate action to update the fixed assets register and the same had been updated.

c) The fixed assets of the Company, except Cable and Network Equipment for which, we have been informed that, physical verification is not practical, have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. Pursuant to the said programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between book records and physical inventory have been noticed.

d) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of entry-tax and entertainment tax as at 31 March 2010 and 2009 outstanding for more than six months which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ In Millions)	Period to which the amount relates	Forum where the dispute is pending
Orissa Entry Tax Act, 2000	Entry Tax	0.10	2000-01	Hon'ble High Court of Orissa
Entertainment tax Act, 2005	Entertainment Tax	6.98	2006-07	Assistant Commissioner of Entertainment Tax, Cuttack

Financial Year 2007-08 and 2006-07

e) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of entry-tax and entertainment tax as at 31 March 2008 and 2007 outstanding for more than six months which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ In Millions)	Period to which the amount relates	Forum where the dispute is pending
Orissa Sales Tax Act, 1947	Orissa Sales Tax	0.27	2001-02	Assistant Commissioner of Sales Tax, Appellate Unit, Bhubaneswar
		1.19	2002-03	
Central Sales Tax Act (Orissa) Rules, 1957	Central Sales Tax	0.00	2001-02	
Orissa Entry Tax Act, 2000	Entry Tax	0.10	2000-01	Commissioner of Sales Tax, Cuttack

Financial Year 2005-06

f) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of entry-tax and entertainment tax as at 31 March 2006 outstanding for more than six months which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ In Millions)	Period to which the amount relates	Forum where the dispute is pending
Orissa Sales Tax Act, 1947	Orissa Sales Tax	0.27	2001-02	Assistant Commissioner of Sales Tax, Appellate Unit, Bhubaneswar
		1.09	2002-03	
Central Sales Tax Act (Orissa) Rules, 1957	Central Sales Tax	0.00	2001-02	

Annexure VII - Restated Statement of Investments

(₹In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
Investments						
Long Term - Unquoted – Trade Equity Shares						
Orissa Television Limited 325,500 Equity Shares of ₹ 10/- each, fully paid	3.26	3.26	3.26	3.26	3.26	3.26
Total	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**

Note:

Orissa Television Limited (formerly Ortel Metronet Private Limited) - ceased to be a subsidiary as at 1 April 2005.

Annexure VIII - Restated Statement Showing Details of Sundry Debtors

(₹In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
Unsecured						
Debts outstanding for a period exceeding six months						
Considered good	6.10	2.77	3.45	5.20	0.51	0.04
Considered doubtful	23.36	7.70	2.54	1.97	0.03	-
	29.46	**10.47**	**5.99**	**7.17**	**0.54**	**0.04**
Less: Provision for doubtful debts	23.36	7.70	2.54	1.97	0.03	-
	6.10	**2.77**	**3.45**	**5.20**	**0.51**	**0.04**
Other debts						
Considered good	60.67	49.37	69.65	26.38	12.99	4.03
Considered doubtful	11.67	13.95	1.40	1.40	-	-
	72.34	**63.32**	**71.05**	**27.78**	**12.99**	**4.03**
Less: Provision for doubtful debts	11.67	13.95	1.40	1.40	-	-
	60.67	**49.37**	**69.65**	**26.38**	**12.99**	**4.03**
Total	**66.77**	**52.14**	**73.10**	**31.58**	**13.50**	**4.07**

Annexure IX - Restated Statement Showing Details of Loans & Advances

(₹In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
Unsecured						
Advances recoverable in cash or in kind or for value to be received						
Considered Good	109.60	120.99	144.16	117.06	42.12	28.26
Considered Doubtful	-	-	0.10	0.10	0.10	0.10
	109.60	**120.99**	**144.26**	**117.16**	**42.22**	**28.36**
Less: Provision for doubtful	-	-	0.10	0.10	0.10	0.10

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
advances						
	109.60	**120.99**	**144.16**	**117.06**	**42.12**	**28.26**
Deposits - With Government Authorities						
Considered good	0.05	0.02	0.02	0.02	0.02	0.31
Considered doubtful	0.06	0.06	0.06	0.06	0.06	0.06
	0.11	**0.08**	**0.08**	**0.08**	**0.08**	**0.37**
Less: Provision for doubtful deposits	0.06	0.06	0.06	0.06	0.06	0.06
	0.05	**0.02**	**0.02**	**0.02**	**0.02**	**0.31**
Deposit - Others						
Considered good	**16.42**	**15.63**	**11.60**	**11.10**	**10.33**	**2.48**
Advance payment of Income Tax net of TDS	**13.34**	**11.09**	**6.63**	**-**	**-**	**0.26**
Total	**139.41**	**147.73**	**162.41**	**128.18**	**52.47**	**31.31**

Annexure X - Restated Statement of Secured Loans

(₹In Millions)

PARTICULARS	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
From Banks:						
Term Loan	491.90	462.87	357.38	132.51	71.66	49.28
Interest accrued and due on above	1.78	1.17	2.89	1.47	0.80	0.41
Bank Overdraft	100.00	50.00	48.96	20.78	-	-
Vehicle Loan	1.31	1.06	0.69	0.51	0.88	0.76
From Others :						
Term Loan	534.90	325.18	199.11	170.39	110.50	49.90
Interest accrued and due on above	0.12	1.06	-	-	-	7.72
Vehicle Loan	0.36	0.61	1.08	-	-	-
Finance Leases	57.23	57.51	51.12	37.44	52.16	71.73
Total	**1,187.60**	**899.46**	**661.23**	**363.10**	**236.00**	**179.80**

Note:

Bank overdraft above does not include temporary book overdraft of ₹ 17.02 million as at 30 September 2010 and ₹ 23.33 million, ₹ 4.13 million, ₹ 14.56 million and ₹ 5.48 million as at 31 March 2010, 2008, 2007 and 2006 respectively. The same has been included in the current liability of the respective years.

Annexure XA - Restated Statement of Principal Terms of Secured Loans Outstanding as at 30 September 2010

(₹In Millions)

Sl. No.	Lender	Nature of Facility	Loan currency	Amount Outstanding as at 30 September 2010	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
1	The Karnataka Bank Limited	Term Loan	INR	2.78	KBL PLR (Minimum 12.00%)	Repayable in 54 equated monthly instalments of ₹ 0.93 million after an initial holiday period of 6 months. Repayment has been started from July 2006 ending on December 2010. Interest to be served on monthly basis.	Hypothecation of various capital assets like headend, trunk, subtrunk, fiberisation of networks, drops, CMTS, CPE, VOIP equipments and other assets and equipments. Equitable mortgage of Immovable properties at Plot C-1, Chandrasekharpur. Personal guarantee of one of the Directors.
		Term Loan	INR	6.66	KBL PLR (Minimum	Repayable in 54 equated monthly	Hypothecation of modems, cables and other equipments.

Sl. No.	Lender	Nature of Facility	Loan currency	Amount Outstanding as at 30 September 2010	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
					12.50%)	instalments of ₹ 0.56 million each after an initial holiday period of 6 months. Repayment has been started from April 2007 ending on September 2011. Interest to be served on monthly basis.	Equitable mortgage of commercial flat at Cuttack. Equitable mortgage of Immovable properties at Plot C-1, Chandrasekharpur. Personal guarantee of one of the Directors.
		Term Loan	INR	66.44	KBL PLR (Minimum 14.00%)	Repayable in 60 equated monthly instalments of ₹ 2.33 million (including Interest) each after an initial holiday period of 12 months. Repayment has been started from September 2008 ending on August 2013. However, interest during holiday period to be served on monthly basis.	Hypothecation of Fixed assets and equipments. Equitable mortgage of leasehold property. Equitable mortgage of Immovable property and flat at Cuttack. Pledge of Term Deposits. Personal guarantee of one of the Directors.
		Term Loan	INR	258.12	KBL PLR - 1% (Minimum 14.00%)	Repayable in 60 equated monthly instalments of ₹ 6.79 million (including interest) after an initial holiday period of 12 months. Repayment has been started from December 2008 ending on November 2013. However, interest during holiday period to be served on monthly basis.	Hypothecation of Fixed asset. Collateral: Already hypothecated fixed assets purchased out of term loan availed from IPICOL and SREI charged on pari passu basis. Equitable mortgage of leasehold property. Equitable mortgage of Immovable property and flat at Cuttack. Pledge of Term Deposits. Personal guarantee of one of the Directors.
		Overdraft Facility	INR	100.00	13.75% (Per annum compounded monthly, rising or falling with the Base Rate interest as fixed by Karnataka Bank from time to time.)	Repayable on Demand. Interest payable monthly.	Hypothecation stock and assignment of book debts. Pledge of Term Deposits. Personal guarantee of one of the Directors.
2	UCO Bank Limited	Term Loan	INR	157.91	BPLR + 0.50%	Term Loan to be repaid in 20 quarterly instalments of ₹ 10.00 million after an initial holiday period of 12 months. Repayment will start from January –	Pari passu charge on assets/equipments acquired on the said Term Loan on pari passu with other banks.Second charge on fixed assets already hypothecated to other banks

Sl. No.	Lender	Nature of Facility	Loan currency	Amount Outstanding as at 30 September 2010	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
						March 2011 and ending on December 2015. Interest to be served on monthly basis as and when charged, even in holiday period.	and institutions.Collateral: Equitable mortgage of leasehold property.Equitable mortgage of Immovable property and flat at Cuttack.Pledge of Term Deposits.Personal guarantee of one of the Directors.
3	SREI Equipment Finance Private Limited	Term Loan	INR	83.73	13% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 41 equal monthly instalments of ₹ 2.89 million. Repayment has started from April 2010 ending on August 2013. Instalments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including various networking equipment. Personal guarantee given by one of the Directors.
		Term Loan	INR	87.49	13% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 3 equal monthly instalments of ₹ 0.97 million from May 2010 to July 2010 and 60 equal monthly instalments Of ₹ 2.04 million from August 2010 to July 2015. Instalments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including various networking equipment. Personal guarantee given by one of the Directors.
		Term Loan	INR	24.45	13% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 11 equal monthly instalments of ₹ 0.28 million from April 2010 to February 2011 and 60 equal monthly instalments of ₹ 0.59 million from March 2011 to February 2016. Instalments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including various cables and networking equipment. Guarantee given by one of the Directors.
		Term Loan	INR	17.59	13% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 11 equal monthly instalments of ₹ 0.19 million from August 2010 to June 2011 and 60 equal monthly instalments of ₹ 0.40 million from July 2011 to June 2016. Instalments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including various networking equipment. Personal guarantee given by one of the Directors.
		Term Loan	INR	34.58	13% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to	Repayable in 11 equal monthly instalments of ₹ 0.65 million from April 2010 to February 2011 and 60 equal monthly instalments of ₹ 1.37 million from March 2011 to February 2016. Instalments are	First/exclusive charge created by way of hypothecation of assets including various cables and set top boxes. Personal guarantee given by one of the Directors.

Sl. No.	Lender	Nature of Facility	Loan currency	Amount Outstanding as at 30 September 2010	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
					variation]	inclusive of interest.	
		Term Loan	INR	79.11	14% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 35 equal monthly instalments of ₹ 3.14 million. Repayment has started from May 2010 ending on March 2013. Instalments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including amplifiers, cables, servers, ACs, UPS Systems and Computers. Personal guarantee given by one of the Directors.
		Term Loan	INR	89.09	14% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 47 equal monthly instalments of ₹ 2.70 million. Repayment has started from May 2010 ending on March 2014. Instalments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including information technology and networking equipments. Personal guarantee given by one of the Directors.
		Term Loan	INR	100.00	14% [Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variation]	Repayable in 2 instalments of ₹ 1.17 million for July - August and 33 equal monthly instalments of ₹ 3.67 million from September 2010 to May 2013.	First/exclusive charge created by way of hypothecation of assets including amplifiers, cables, servers, ACs, UPS Systems and Computers. Personal guarantee given by one of the Directors.
4	Industrial Promotion and Investment Corporation of Orissa Limited	Term Loan	INR	8.00	14% p.a. with a rebate of 3% p.a. on timely payment.	Repayable in 4 equal quarterly instalments of ₹ 1.50 million from July 2006 to April 2007 and 17 equal quarterly instalments of ₹ 2.00 million from July 2007 to August 2011. However, interest to be paid as and when due on quarterly basis.	First mortgage over Immovable and movable properties present and future. Collateral: Pledge of Term Deposits. Personal guarantee from one of the Directors.
5	CISCO Systems Capital (India) Private Limited	Finance Lease	INR	57.22	Interest rate is different for different phases, average interest rate being approx 11.00%.	Repayable in 15 equal quarterly instalments which vary for each phase. 13 phases have been disbursed till September 2010. Repayment for Phase I started on June 2008. Repayment for 13th Schedule will end on January 2014.	Secured on Cabling & Network equipments taken on lease.
6	L & T Finance Limited	Term Loan	INR	10.88	13.00%	Repayable in 6 equal monthly instalments of ₹ 0.12 million from April 2010 to September 2010 and 42	Hypothecation of different types of plants and machineries. Personal guarantee of one of the Directors.

Sl. No.	Lender	Nature of Facility	Loan currency	Amount Outstanding as at 30 September 2010	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
						equal instalments of ₹ 0.33 million from October 2010 to March 2014. Instalments are inclusive of interest.	
7	Vehicle Loans	Vehicle Loan	INR	1.67	Loans have been taken from various Banks and institutions. The average interest rate is approx 11.00%.	Different loans have different monthly instalments inclusive of interest. The repayments will end on April 2013.	Vehicles taken on hire purchase terms.

Note:

Amount stated above does not include Interest Accrued and due.

Annexure XI - Restated Statement of Unsecured Loans

(₹In Millions)

Particulars	As at 30 September 2010	As at 31 March				
		2010	2009	2008	2007	2006
Fixed Deposits	**-**	**-**	**-**	**-**	**1.95**	**1.95**
Short term loans - Other than bank						
- From Promoters and Promoter Group Companies						
Jagi Mangat Panda	-	-	0.45	0.45	0.45	0.45
Orissa Television Limited	-	0.49	0.49	0.49	0.49	0.49
Paramita Investment & Trading Co. Private Limited	-	0.25	0.25	0.25	0.25	0.25
Barabati Investment & Trading Co. Private Limited	-	0.20	0.20	0.20	0.20	0.20
B. Panda & Company Private Limited	-	0.10	0.10	0.10	0.10	0.10
	-	**1.04**	**1.49**	**1.49**	**1.49**	**1.49**
Interest accrued and due on above	**-**	**-**	**0.02**	**0.00**	**0.00**	**0.00**
Total	**-**	**1.04**	**1.51**	**1.49**	**3.44**	**3.44**

Note:

The list of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been provided by the Management and relied upon by the Auditors.

Annexure XII - Restated Statement of Other Income

(₹ In Millions)

PARTICULARS	For the Six month period ended 30 September 2010	For the year ended 31 March					Nature of Income (Recurring/ Non Recurring)
		2010	2009	2008	2007	2006	
Interest (Gross)							
Fixed deposits with bank	2.14	9.05	21.55	2.64	1.28	0.73	Recurring
Others	0.94	3.31	2.75	-	-	-	Recurring
Discount Received	-	8.75	-	-	-	-	Non Recurring
Liability no longer required, written back	25.81	2.05	0.75	5.41	0.05	0.03	Recurring
Income from Infrastructure	3.91	4.32	2.38	0.33	-	-	Recurring
Rental Income	0.36	0.68	0.60	0.60	0.60	0.40	Recurring
Signal Uplinking charges	12.46	21.46	5.10	-	-	-	Recurring
Foreign Exchange Gain (net)	-	8.38	-	1.81	-	-	Recurring
Miscellaneous Income	4.27	6.81	4.99	2.62	2.65	1.00	Recurring
Profit on Sale of Undertaking	-	-	-	-	-	1.45	Non Recurring
Total	**49.89**	**64.81**	**38.12**	**13.41**	**4.58**	**3.61**	
Summary of restatement adjustments	**(25.81)**	**18.65**	**4.42**	**(5.18)**	**0.07**	**1.44**	
Restated Other Income	**24.08**	**83.46**	**42.54**	**8.23**	**4.65**	**5.05**	

Notes:

1. The classification of income into recurring and non-recurring is based on the current operations and business activity of the Company.

2. All items of Other Income are from normal business activities other than Profit on Sale of Undertaking.

Annexure XIII - Restated Statement of Dividends Paid / Proposed

PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
		2010	2009	2008	2007	2006
Dividend on 0.001% Compulsorily Convertible Preference shares:						
Number of Preference Shares		60,000,000	60,000,000			
Face value per share (₹)		10	10			
Dividend Paid on preference shares (₹ In Million)		-	-			
Dividend on 10.5% (for the financial year 8.5%) Cumulative Non Convertible Redeemable Preference shares:						
Number of Preference Shares	5,121,897	5,121,897	5,121,897	5,121,897	4,350,000	4,350,000
Face value per share (₹)	10	10	10	10	10	10
Dividend Paid on preference shares (₹ In Million)	-	-	-	-	-	-
Dividend on Equity Shares:						
Number of Equity Shares	23,263,759	17,211,111	17,200,111	17,198,311	13,509,652	13,495,152
Face Value Per Share (₹)	10	10	10	10	10	10
Dividend Paid on equity share (₹ In Million)	-	-	-	-	-	-

Note:

Also refer Note 10(b) of Annexure V, with respect to Arrears of Preference Dividend

Annexure XIV – Restated Statement of Accounting Ratios

PARTICULARS	For the Six months period ended 30 September 2010	As at / For the year ended 31 March				
		2010	2009	2008	2007	2006
1. Restated Profit / (Loss) after Tax (₹ in Millions)	(73.63)	(60.51)	(51.44)	7.71	15.31	12.13
2. Preference Dividend for the period/year (Not provided in books during the relevant period/year (₹ in Millions))	-	5.39	5.37	5.26	4.04	3.70
3. Net Profit / (Loss) available to Equity Shareholders ₹ in Millions)	(73.63)	(65.90)	(56.81)	2.45	11.27	8.43
4. Weighted average number of Equity Shares outstanding during the period/year	17,468,858	17,203,758	17,199,352	15,085,985	13,505,799	13,495,152
5. Number of Equity Shares outstanding at the end of the period/year	23,263,759	17,211,111	17,200,111	17,198,311	13,509,652	13,495,152
6. Net Worth for Equity Shareholders & Preference Shareholders (₹ in Millions)	755.38	819.04	879.22	349.22	183.68	159.32
7. Preference Share Capital (₹ In Millions)	51.22	651.22	651.22	51.22	43.50	43.50
8. Preference Dividend for the period/year (Not provided in books during the relevant period/year (₹ in Millions))	-	5.39	5.37	5.26	4.04	3.70
9. Net Worth for Equity Shareholders (₹ in Millions)	704.16	162.43	222.63	292.74	136.14	112.12
10. Accounting Ratios:						
Basic and diluted Earnings / (Loss) per Share (₹) (3)/(4)	(4.21)	(3.83)	(3.30)	0.16	0.83	0.62
Return on Net Worth for Equity Shareholders(3)/(9)-%	-10.46%	-40.57%	-25.52%	0.84%	8.28%	7.52%
Net Asset Value Per Share (₹) (9)/(5)	30.27	9.44	12.94	17.02	10.08	8.31

Note:

i) The above ratios have been computed on the basis of the Restated Summary Statements- Annexure I & Annexure II.

ii) The impact of potential convertible instruments in the nature of Employee Stock Options and Compulsorily Convertible Preference shares, for the six months period ended 30 September 2010, year ended 31 March 2010 and 2009, were not included in the calculation of diluted earnings per share as they are anti-dilutive for the above period/years. With respect to year ended 31 March 2008, 2007 and 2006, basic and diluted earnings per share was same as the impact of dilution was immaterial.

Annexure XV - Restated Statement of Capitalisation of Ortel Communications Limited

(₹In Millions)

PARTICULARS	**Pre-Issue as at 30 September 2010**
Borrowings:	
Short Term Debt	100.00
Long Term Debt	1,087.60
Total Debts	**1,187.60**
Shareholders' Funds	
Equity Share Capital	232.64
Preference Share Capital	51.22
Stock Options Outstanding Account	2.16
Reserves and Surplus (including Profit and Loss Account Debit balance)	469.36
Total Shareholders' Funds	**755.38**
Total Debt/ Shareholder funds	**1.57**

Notes:

i. The above has been computed on the basis of the Restated Financial Information.

ii. The issue price and the number of shares are being finalised and as such the Post-Issue Capitalisation Statement cannot be presented.

iii. Short Term Debt represents Bank Overdraft and does not include temporary book overdraft of ₹ 17.02 million as at 30 September 2010. The same has been included in the current liability of the respective years.

Annexure XVI – Restated Statement of Tax Shelter

(₹In Millions)

Sl. No	**PARTICULARS**	**For the Six months period ended 30 September 2010**	**For the year ended 31 March**				
			2010	**2009**	**2008**	**2007**	**2006**
A	Profit / (Loss) before Taxation & adjustments	(71.95)	(59.64)	(56.01)	21.44	20.15	11.55
B	Tax Rate applicable	30.90%	30.90%	30.90%	33.99%	33.66%	33.66%
C	Tax thereon at the above rate:	**(22.23)**	**(18.43)**	**(17.31)**	**7.29**	**6.78**	**3.89**
D	Permanent Differences:						
	Filling fee for increase in authorised capital	-	-	4.34	-	-	-
	Others	4.49	8.71	7.44	0.49	4.84	8.29
	Total Permanent Differences	4.49	8.71	11.78	0.49	4.84	8.29
E	Timing Differences:						
	Difference in net block of fixed assets as per Income Tax and Companies Act	(292.27)	(251.60)	(129.18)	(92.22)	(84.47)	(83.12)
	Net Disallowances / (Allowances) under the Income Tax Act	-	21.44	37.90	0.91	1.81	1.60
	Provisions for doubtful debts (Net)	27.65	6.30	-	1.40	2.03	-
	Brought forward Unabsorbed tax depreciation / business losses set-off in the period	-	-	-	-	5.18	-
	Total Timing Differences	(264.62)	(223.86)	(91.28)	(89.91)	(75.45)	(81.52)
F	Net Adjustments (D+E)	(260.13)	(215.15)	(79.50)	(89.42)	(70.61)	(73.23)
G	Tax expense / (savings) thereon	**(80.38)**	**(66.48)**	**(24.57)**	**(30.39)**	**(23.77)**	**(24.65)**
H	Tax Liability (C+G) [Negative figures are considered as zero]	**-**	**-**	**-**	**-**	**-**	**-**
I	Tax Liability as per Minimum Alternate Tax under Section 115JB	-	-	-	2.30	2.50	0.45

Sl. No	PARTICULARS	For the Six months period ended 30 September 2010	For the year ended 31 March				
			2010	2009	2008	2007	2006
	of Income Tax Act, including other taxes						
J	Net Tax Liability (Higher of H & I)	-	-	-	2.30	2.50	0.45
K	Total Current Tax	**-**	**-**	**-**	**2.30**	**2.50**	**0.45**
L	Impact of Material Adjustments for Restatement in corresponding years	(1.68)	(0.87)	6.02	(9.93)	(1.27)	1.74
M	Current tax liability on material adjustments for restatement in corresponding years	-	-	-	-	-	-
N	Taxable Profit after adjustments as Restated (A+F+L)	(333.76)	(275.66)	(129.49)	(77.91)	(51.73)	(59.94)
O	Total Tax Liability after tax impact of adjustments (N @ Tax rate)	**(103.13)**	**(85.18)**	**(40.01)**	**(26.48)**	**(17.41)**	**(20.18)**
P	Tax Liability as per Restated Profit & Loss Account [Negative figures are considered as zero]	**-**	**-**	**-**	**2.30**	**2.50**	**0.45**

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

You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial information together with the notes thereto included in the section titled "Financial Information beginning on page F-1. You should also read the section titled "Risk Factors" beginning on page xiii, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion is based on the restated financial information as of and for: (i) the six months ended September 30, 2010 and (ii) the Fiscal years ended March 31, 2010, 2009 and 2008.

We prepare our financial information in accordance with the Companies Act and the SEBI Regulations, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titled "Risk Factors", "Forward-Looking Statements" and "Our Business" on pages xiii, xii, and 79, respectively. Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our Fiscal year ended March 31 of such year. In this section, any reference to "we", "us" or "our" refers to Ortel Communications Limited.

OVERVIEW

We are a regional cable television service provider engaged in the distribution of analog and digital cable television services, high speed broadband services and Voice over Internet Protocol ("**VoIP**") services. Our business is currently focused in the states of Orissa, Chhattisgarh, Andhra Pradesh and West Bengal, in India. Our services provided under the brand names "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known names in the regions in which we operate. We focus on building a two-way state-of-the-art communication network enabled for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. We are among the ten major Multi System Operators in India ("**MSOs**"). (*Source: MPA Report, 2009).*

Our business comprises of (a) analog cable television services; (b) digital cable television services; (c) broadband services; (d) voice over internet protocol services; (e) leasing of fibre infrastructure; (f) signal uplinking services; and (g) other value added services including Video on Demand ("**NVoD**"), Electronic Program Guide (**"EPG"**), gaming, local content. We are one of the first private sector companies in India to be granted an ISP license by the Government of India (*Source: http://www.dot.gov.in/isp/ISPlicences (FINAL).doc*). As a value addition, we have started providing free intra network voice services to our subscribers.

Our business model is focused on the control over the 'last mile' connection. This allows us to directly interface with the subscribers helping us capture the entire subscription revenues paid by the subscribers, with no loss of revenues to intermediaries such as local cable operators ("**LCOs**"). Owning the end connection also enables us to provide multiple offerings to our subscribers directly. As on January 31, 2011, 90.73% of our subscriber base is on our own 'last mile' network.

As we primarily operate on the 'last mile' model and have restricted franchisees, the loss of business due to shifting of LCOs from us to any other MSO is limited. We believe our business model results in higher PBDIT margins. Our business is driven by revenues from subscription due to control on the 'last mile. We have low reliance on channel carriage fees which we receive from broadcasters for placing their channels on our network.

With digitization, we believe that the channel carriage fees would be reduced over time. Our revenues from subscription fees are comparatively stable. For the period six month ended September 30, 2010, our total revenues from cable television services excluding connection fees, comprise of 80.75% from cable television subscription fees and 19.25% from channel carriage fees. The total revenue from cable television services includes subscription fees from analog cable television sevices, digital cable television services, franchisee cable television services and channel carriage fees and does not include connection fees.

Our network is spread over 33 locations with more than 15,000 kilometers of cables as of January 31, 2011 supported by 29 analog head-ends and six digital head-ends. We have legal 'rights of way' for laying our network on utility poles as well as for underground cabling. We use Hybrid Fibre Coaxial ("**HFC**") topology to build our network. We are capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. We currently provide data services at speeds of up to 2 mbps to retail customers and as per the requirements for our corporate customers.

We have grown organically through sale of our services directly to subscribers and through acquisition of other MSOs and LCOs. This consolidation has enabled us to increase our presence in the cable television sector and acquire a large subscriber base. We convert the acquired LCOs' analog subscribers to primary subscribers and improve the quality of the services by upgrading or rebuilding the network with the 'last mile' connection. We service both retail and corporate customers. As of January 31, 2011, we had 304,783 retail subscribers for our analog cable television services, 48,915 digital cable television retail subscribers and 50,739 broadband retail subscribers adding up to a total of 404,437 revenue generating units ("**RGUs**") and 184.14 mbs to the broadband corporate customers.

We often convert our analog subscribers into digital cable subscribers. As a result, we are able to provide higher number of channels and better quality services to our subscribers. This reduces customer attrition to competing service platforms such as DTH providers. Leveraging our network, we also offer for broadband services.

For the year ended March 31, 2010, our total income was ₹ 785.30 million and our PBDIT was ₹ 205.94 million. In the six months ended September 30, 2010 our total income was ₹ 475.45 million and our PBDIT was ₹ 118.22 million.

Our total income increased from ₹ 431.50 million in Fiscal 2008 to ₹ 785.30 million in Fiscal 2010 at a CAGR of 34.90%. Our PBDIT increased from ₹ 108.26 million in Fiscal 2008 to ₹ 205.94 million in Fiscal 2010 at a CAGR of 37.92% over a two year period.

BASIS OF PREPARATION

The Restated Statement of Assets and Liabilities, of the Company as at 30 September 2010 and 31 March 2010, 2009, 2008, 2007 and 2006 and the Restated Statement of Profit and Loss, and the Restated Statement of Cash Flows, for the period from 1 April 2010 to 30 September 2010 and years ended 31 March 2010, 2009, 2008, 2007 and 2006 and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the corresponding periods.

These statements have been prepared for the proposed Public Offer (referred to as the "Offer"), in accordance with the requirements of:

a. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act"); and
b. The SEBI Regulations, as amended from time to time.

Other Financial Information has been prepared in accordance with the SEBI Regulations.

These Statements and Other Financial Information have been made, after incorporating:

a. The impact arising on account of changes in accounting policies adopted by the Company from the year ended 31 March 2006 till the period ended 30 September 2010 applied with retrospective effect in the Statements;
b. Adjustments for the material amounts in the respective years/ period to which they relate;
c. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended 30 September 2010 and the requirements of the SEBI Regulations.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, results of operations and financial condition are affected by a number of factors, including:

Primary subscriber base

Our business model is focussed on the control over 'the last mile' connection. As on September 30, 2010, 89.48%, of our cable television subscribers were primary/ 'last' mile subscribers. Primary subscriber numbers allows us to benefit from higher revenues per subscriber as we do not have to share subscription fees with LCOs and reduces customer churn. For details see the section titled *"Our Business – Our Strengths- We control the 'last' mile connection in our network"* on page 80.

Number and mix of subscribers

Our revenues are significantly impacted by our ability to increase the number of our subscribers (for both our digital and analog cable television and broadband services). Our cable television subscribers (both digital and analog) have increased from 164,512 as of March 31, 2008 to 249,217 as of March 31, 2009 and further to 278,905 as of March 31, 2010 and 329,028 as of September 30, 2010. We had 3,348 digital cable television subscribers (2.04 % of our total cable television subscribers for the period) as at Fiscal 2008, which increased to by 506.48% to 20305 digital cable television subscribers (7.28% of our total cable television subscribers for the period) as at Fiscal 2010 and by 84.36% to 37,434 digital cable television subscribers (11.38% of our total cable television subscribers for the period) as at September 30, 2010. During this period, subscription fees increased by 62.68% from ₹ 286.11 million in Fiscal 2008 to ₹ 465.43 million in Fiscal 2010, on account of this increase in the subscribers. We believe that the increase in digital penetration among our cable television subscriber base has helped minimise churn to competing players and technologies like DTH. This also enables us to launch various value added services which we believe will allow us to earn higher revenues in future.

Our broadband internet subscribers have increased by 111.31% from 19,329 as of March 31, 2008 to 40,844 as of March 31, 2010, and further increased to by 17.02% to 47,797 as of September 30, 2010, consequently our internet income increased by 83.95% from ₹ 72.77 million in Fiscal 2008 to ₹ 133.86 million in Fiscal 2010. A majority of our subscription income is generated by cable television and broadband subscription fees.

Our subscriber numbers are affected by the following factors, among others:

- *Our geographic reach* – We commenced operations in Orissa in 1996 and expanded to Andhra Pradesh in 2008, West Bengal and Chattisgarh in 2009. As at September 30, 2010, 90.46% of our subscribers were in Orissa. Our ability to maintain our market share in Orissa and increase our revenues from other states will have a significant impact on our results of operations; and
- *Competition* – We face competition in respect of our digital and analog cable television services from national cable television service providers as well as providers of television services through alternative technology platforms, such as DTH, satellite television and IPTV. We also face significant competition from national telecom operators for our broadband internet access service. Our business model is focussed on the control over the 'last mile' connection, which reduces churn among our subscribers.

For the six months ended September 30, 2010, the total subscription fees amounting to ₹ 255.71 million includes ₹ 10.77 million from franchisee subscribers which is 4.21% of total subscription fees.

Acquisitions

Our growth strategy has been the acquisition of businesses of other MSOs and LCOs. Between April 1, 2008 and September 30, 2010, we acquired 102,651 subscribers on account of such acquisitions. For further details relating to the acquisition of LCOs, see section titled *"Our Business"* on page 79. Such acquisitions have facilitated expansion of our geographical reach and increase in our primary subscriber base. Our strategy is to continue to acquire the 'last mile' connections from LCOs and selected MSOs.

Channel carriage fees

We receive Channel carriage fees from certain television broadcasters to ensure that we will carry their channels on their preferred signals and frequency bands. This is of particular relevance for analog cable transmission because only a limited number of channels can be transmitted and therefore, when the channel is placed in a given frequency band, it can impact the viewership of the channel. Some frequencies therefore command a premium in the market and broadcasters are willing to pay us for placing their channels in these frequencies. Channel carriage fees are generally negotiated and paid by the broadcasters pursuant to carriage agreements ranging for periods from one to three years. The amount we receive for placement fees is dependent on the availability of preferred frequency bandwidth, the geographic regions we operate in and competition among television broadcasters for the preferred frequency band.

Broadband spread and density

There is low penetration of broadband services in India with only 0.5% of total households in India accessing the internet. This percentage is projected to grow to 1.4% of total Indian households by 2014. *(**Source:** MPA Report 2009).* The key reason for low broadband penetration has been lack of supply of high speed broadband services and proper after sale services by the broadband operators. High speed broadband is available only in cable network. Our widespread and high quality cable infrastructure network of an estimated 0.58 million homes passed, gives us access to a large potential broadband subscriber base. Switching from dial-up internet connections and personal computer penetration are key factors affecting the increase in our broadband subscribers. We believe that the current low internet penetration rate in households within our network area offers us a significant growth potential over time.

Capital expenditure

We incur capital expenditure (i) to expand our network in existing and new areas of operations; (ii) acquisition of LCOs and MSOs; (iii) to upgrade the 'last mile' connections that we acquire through our acquisition strategy; (iv) for upgrading our network; (v) to purchase set-top boxes as part of our digitization strategy; (vi) to purchase cable modems to increase our broadband subscriber base. Historically, we have met this expenditure using a combination of equity and debt financing and internal accruals. For details regarding our planned capital expenditure, see the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Expenditure - Planned Capital Expenditure*" and "*Objects of the Issue*" beginning on pages 160 and 44, respectively.

Programming cost

Programming cost is the fees we pay to television broadcasters or content aggregators for the right to telecast the channels on our network. If the number of pay television channels in India increases, our programming costs will increase. In addition, if our subscriber base and/ or geographical reach increase, our programming cost will also increase.

Regulation

Our business is subject to regulation by the Telecom Regulatory Authority of India, the Ministry of Information and Broadcasting, Department of Telecommunication and other government bodies. Changes in regulations influence our business strategies and thus our financial performance. The subscription fees that we levy on our cable television subscribers are limited by applicable regulation. Under the Telecommunication (Broadcasting And Cable) Services (Second) Tariff (Eighth Amendment) Order, 2007, in areas where CAS has not been notified, TRAI has imposed a ceiling on tariffs of bouquets being offered by (i) broadcasters to MSOs; (ii) MSOs to LCOs; and (iii) MSOs/LCOs directly to subscribers. The tariffs applicable are fixed by TRAI. For 2009, TRAI has allowed tariffs to be increased by up to 7% from the prior year. As a result, the prices which broadcasters charge us to include pay channels in our bouquets, and the prices we charge our subscribers for pay channels, are subject to ceilings fixed by TRAI.

CRITICAL ACCOUNTING POLICIES

Our restated financial information has been prepared in accordance with the Companies Act and the SEBI Regulations. Our significant accounting policies are set forth in Annexure IV to our restated financial information included in the Auditors' examination report on page F-8. We are required to adopt accounting policies and make estimates that our directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The impact and any associated risks related to these policies on our business operations is discussed throughout the "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect our reported financial results. The preparation of our financial information requires us to make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial information. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial information should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Basis of Accounting

The financial information has been prepared under the historical cost convention.

Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Fixed Assets and Depreciation

i. Fixed Assets are stated at their purchase cost (net of tax credit), together with any incidental expenses of acquisition/installation including borrowing cost, wherever applicable, directly attributable to the acquisition of qualifying assets. Impairment loss, if any, ascertained and provided for in the accounts.

ii. The Non-Compete Fee payable to LCOs pursuant to agreement is recognised as Intangible assets.

iii. Depreciation on fixed assets other than Freehold and Leasehold Land, including assets acquired under finance lease, is provided on Straight Line Method (SLM) over the estimated useful life of the assets as determined by the management in accordance with Schedule XIV to the Companies Act, 1956. The rates are equal to or higher than the rates specified in the Schedule XIV to the Companies Act, 1956 and where higher are as follows:

Description of Assets	Depreciation
Cable Network	5.28% / 8.33%
Cable Network (acquired from LCOs)	10.56%
Head End Equipments	8.33% / 10%
Vehicle	12.33%
Office Equipments	8.33%
Furniture & Fixtures	8.33%
Leasehold land is amortised over the period of lease.	

iv. Intangible assets comprises of Computer Software related expenses, are amortised in five years in equal installment and those relating to Non-Compete fees over the period of agreement with the LCOs in equal installment.

v. Profit or loss on disposal of fixed assets is recognised in Profit and Loss Account.

Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

Inventories

Inventories comprise of Stores and Spares are stated at cost or below. Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

Foreign Currency Transactions

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Exchange differences arising on the settlement of transactions are recognised as income or as expense in the period in which they arise in the Profit and Loss Account.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resulting difference is also recognised in Profit and Loss Account. Non monetary items at the Balance Sheet date are stated at historical cost.

Revenue Recognition

Service revenue comprises income from subscription, channel carriage fee, use of infrastructure facilities and other services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised prorata over the contractual period.

Connection Fee is recognised as revenue at the end of the month of activation service.

Employee Benefits

A. Post Retirement Benefits:

i. Provident Fund

The Company operates a defined contribution scheme in the nature of Provident Fund. Contributions to the recognised Provident Fund maintained by the Regional Provident Fund Commissioner are charged to the Profit & Loss Account on accrual basis.

ii. Gratuity

The Company operates a Gratuity Scheme for its employees which is Defined Benefit Scheme. The Company has taken out a policy with Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees. Liabilities under the defined benefit scheme is determined through independent actuarial valuation at the year end in accordance with the method stated in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006 and charge is recognised in the books. As the recognised fund has been set up with LICI, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the Profit & Loss Account.

iii. Leave Encashment

Leave encashment benefit liability on retirement is determined on the basis of independent actuarial valuation, at the end of each year in accordance with the method stated in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Such liability is provided for in the accounts and charge is recognised in the Profit and Loss Account.

iv. Superannuation fund

The Company operates a superannuation scheme for its eligible employees with Life Insurance Corporation of

India (LICI) towards which the Company contributes upto a maximum of 15% of the employees' current salary, which is charged to the Profit and Loss Account. The above benefit is in the nature of defined contribution plan.

v. Actuarial gains and losses, where applicable, are recognised in the Profit and Loss Account.

B. Other Employee Benefits

Other Employee Benefits are accounted for on accrual basis.

Leases

i. Assets acquired under Leases where all the risks and rewards of ownership have been substantially transferred in favour of the Company are classified as finance leases. Such Leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets acquired as leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Profit and Loss Account on accrual basis.

Deferred Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. As at the balance sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to carry forward business loss or unabsorbed depreciation are recognised to the extent that there are deferred tax liabilities offsetting them.

Borrowing Costs

Borrowing Costs attributable to acquisition and / or construction of qualifying assets are capitalised as a part of cost of such assets upto the date where such assets are ready for their intended use. Other borrowing costs are charged off to revenue.

KEY COMPONENTS OF OUR INCOME STATEMENT

Income

Our total income consists of sales and services and other income. The following table sets out our income from sales and services and total income for the periods described below:

	For the six months ended September 30, 2010		**For the year ended March 31**					
			2010		**2009**		**2008**	
Particulars	**₹. Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**
Sales and Services	425.56	89.51%	720.49	91.75%	500.51	92.92%	418.09	96.89%
Other Income	49.89	10.49%	64.81	8.25%	38.12	7.08%	13.41	3.11%
Total Income	**475.45**	**100.00%**	**785.30**	**100.00%**	**538.63**	**100.00%**	**431.50**	**100.00%**

Sales and Services

The following table sets forth certain information relating to our sales and services for the periods described therein:

	For the six months ended September 30, 2010		For the year ended March 31					
			2010		2009		2008	
Particulars	**₹ Million**	**% of total**	**₹ Million**	**% of total**	**₹ Million**	**% of total**	**₹ Million**	**% of total**
Connection Fees	18.29	4.30%	32.88	4.56%	26.31	5.25%	21.55	5.15%
Subscription Fees	255.71	60.09%	465.43	64.60%	324.53	64.84%	286.11	68.43%
Internet Income	90.58	21.28%	133.86	18.58%	91.33	18.25%	72.77	17.41%
Channel Carriage Fees	60.98	14.33%	88.32	12.26%	58.34	11.66%	37.66	9.01%
Total	**425.56**	**100.00%**	**720.49**	**100.00%**	**500.51**	**100.00%**	**418.09**	**100.00%**

Connection Fees

Our Connection Fees primarily consists of activation and reactivation charges of the connections given for analog and digital cable television subscribers and internet subscribers.

Subscription Fees

Our subscription fees primarily consist of fees from analog and digital subscribers and franchisee fees.

Internet Income

Internet income primarily consists of subscription fees received from broadband retail and corporate customers.

Carriage Fees

Our carriage fee primarily consists of the placement charges received from select broadcasters to carry their channels on their preferred signal and frequency band.

Other Income

Other income primarily consists of income from infrastructure, signal uplinking charges of our teleport, interest on fixed deposits, foreign exchange gain, liability no longer required, written back and other miscellaneous income.

The following table sets forth certain information relating to our other income for the periods described therein:

	For the six months ended September 30, 2010		For the year ended March 31					
			2010		2009		2008	
Particulars	**₹ Million**	**% of total**	**₹ Million**	**% of total**	**₹ Million**	**% of total**	**₹ Million**	**% of total**
Interest (Gross)	3.08	6.17%	12.36	19.07%	24.30	63.75%	2.64	19.69%
Discount Received	-	0.00%	8.75	13.50%	-	0.00%	-	0.00%
Liability no longer required, written back	25.81	51.74%	2.05	3.16%	0.75	1.97%	5.41	40.34%
Income from Infrastructure	3.91	7.84%	4.32	6.67%	2.38	6.24%	0.33	2.46%
Rental Income	0.36	0.72%	0.68	1.05%	0.60	1.57%	0.60	4.47%
Signal Uplinking Charges	12.46	24.97%	21.46	33.11%	5.10	13.38%	-	0.00%
Foreign Exchange Gain (Net)	-	0.00%	8.38	12.93%	-	0.00%	1.81	13.50%
Miscellaneous Income	4.27	8.56%	6.81	10.51%	4.99	13.09%	2.62	19.54%

Total	49.89	100.00%	64.81	100.00%	38.12	100.00%	13.41	100.00%

Expenses

The following table shows our total expenses for the periods described therein:

	For the six months ended September 30, 2010		For the year ended March 31					
			2010		2009		2008	
Particulars	₹ Million	%	₹ Million	%	₹ Million	%	₹ Million	%
Programming Cost	110.61	20.21%	203.24	24.05%	112.79	18.97%	91.77	22.38%
Bandwidth Cost	28.75	5.25%	63.38	7.50%	56.75	9.54%	43.72	10.66%
Administrative & Other Expenses	199.52	36.45%	290.28	34.35%	244.35	41.09%	151.40	36.92%
Selling & Distribution Expenses	18.35	3.35%	22.46	2.66%	46.92	7.89%	36.35	8.87%
Interest and Finance Charges	90.47	16.53%	115.55	13.68%	71.76	12.07%	44.20	10.78%
Depreciation/ Amortisation	99.70	18.21%	150.03	17.76%	62.07	10.44%	42.62	10.39%
Total	**547.40**	**100.00%**	**844.94**	**100.00%**	**594.64**	**100.00%**	**410.06**	**100.00%**

Programming cost

Programming cost primarily consist of pay channel costs that we pay to the broadcasters for including those pay television channels as part of our programming packages and the cost of decoders to activate the channels.

Bandwidth cost

Bandwidth cost primarily consist of lease rentals for international bandwidth capacity and inter-city lease circuits and satellite bandwidth for uplinking.

Administrative and other Expenses

Administrative and other expenses primarily consist employees' remuneration and benefits (comprising salaries and allowances paid/ payable to employees, contribution to provident and other funds, bonus, staff welfare expenses), general repair and maintenance to plant and machinery, building and others, travelling expenses, power and fuel, professional charges towards consultancy, technical fees and remuneration to the auditors, postage and telephone expenses, printing and stationery expenses, insurance charges, rent rates and taxes, electricity charges, fixed assets written off, collection charges, miscellaneous expenditure written off, foreign exchange fluctuation loss, bad debts written off, provisions for doubtful debts and miscellaneous expenses. Provision for doubtful debts represents amounts provided for in respect of doubtful balances owed to us.

The following table sets forth our expenditure towards administrative and other expenses for the periods described therein:

	For the six months ended September 30, 2010		For the year ended March 31					
			2010		2009		2008	
Particulars	₹ Million	%	₹ Million	%	₹ Million	%	₹ Million	%
Employees' Remuneration and Benefits	65.28	32.72%	96.61	33.28%	94.47	38.66%	57.53	38.00%
Repairs and Maintenance	12.67	6.35%	17.80	6.13%	11.89	4.87%	9.71	6.41%
Travelling	6.98	3.50%	19.00	6.54%	19.56	8.00%	12.62	8.34%
Power and Fuel	15.80	7.92%	21.86	7.53%	13.08	5.35%	9.98	6.59%
Professional Charges	9.35	4.69%	12.96	4.46%	6.51	2.67%	5.08	3.36%

	For the six months ended September 30, 2010		For the year ended March 31					
			2010		2009		2008	
Particulars	₹ Million	%	₹ Million	%	₹ Million	%	₹ Million	%
Postage and Telephone	3.77	1.89%	6.53	2.25%	5.77	2.36%	4.39	2.90%
Printing and Stationery	1.24	0.62%	3.98	1.37%	1.61	0.66%	1.88	1.24%
Insurance	3.68	1.84%	5.08	1.75%	3.39	1.39%	2.52	1.66%
Rent	8.58	4.30%	10.53	3.63%	5.46	2.24%	2.51	1.66%
Rates and Taxes	1.46	0.73%	6.14	2.12%	3.33	1.36%	4.26	2.81%
Fixed Assets written off	4.49	2.25%	8.71	3.00%	7.17	2.93%	6.67	4.41%
Collection Charges	11.82	5.92%	18.13	6.25%	11.26	4.61%	9.59	6.33%
Miscellaneous Expenditure written off	-	0.00%	-	0.00%	-	0.00%	0.26	0.17%
Provision for Doubtful Debts/ Advances	33.95		7.80		-		1.40	
Less: Provision for Doubtful Debts written back	6.30		1.50		-		-	
	27.65	13.86%	*6.30*	2.17%	-	0.00%	*1.40*	0.93%
Bad Debts written off	20.50		45.89		25.95		15.58	
Less: Provision for Doubtful Debts written back	-		-		-		2.07	
	20.50	10.27%	*45.89*	15.81%	*25.95*	10.62%	*13.51*	8.92%
Foreign Exchange Loss (net)	0.03	0.02%	-	0.00%	19.02	7.78%	-	0.00%
Miscellaneous Expenses	6.22	3.12%	10.76	3.71%	15.88	6.50%	9.49	6.27%
Total	**199.52**	**100.00%**	**290.28**	**100.00%**	**244.35**	**100.00%**	**151.40**	**100.00%**

Selling and distribution expenses

Selling and distribution expenses primarily include marketing expenses to promote the product and commissions and incentives paid/ payable to the sales personnel.

Interest and finance charges

Interest expenses primarily consist of interest charged on loans from banks and financial institutions, working capital loans and interest on finance leases. Finance charges primarily consist of bank charges, loan processing fees and loan preclosure charges.

Depreciation/ Amortization

Depreciation expense primarily consists of depreciation of our fixed assets. Amortization expenses represent the non-compete fees for acquisition of LCOs and MSOs amortized over a period of time.

Provision for taxation

Tax expenses include current taxes payable, including fringe benefit taxes.

RESTATEMENT ADJUSTMENTS

The financial information for the six months ended September 30, 2010 and for the fiscal years ended March 31, 2010, 2009 and 2008 have been restated in compliance with the SEBI Regulations. Certain information in relation to the restatement adjustments is set out below for the applicable periods:

Adjustments made in the Restated Profit and Loss Account	For the six months ended September 30, 2010	For the year ended March 31		
		2010	2009	2008
Particulars	**₹ Million**	**₹ Million**	**₹ Million**	**₹ Million**
Material adjustments relating to previous years	(1.68)	(0.87)	6.02	(10.19)
Adjustments on account of qualifications	-	-	-	-
Deferred tax impact of the above adjustments	-	-	-	-
Net Profit/ (Loss) before the adjustments on account of changes in accounting policies	**(73.63)**	**(60.51)**	**(51.44)**	**7.97**
a. Adjustments on account of changes in Accounting Policies	-	-	-	0.26
b. Deferred tax impact of the above adjustments	-	-	-	-
Net Profit/ (Loss) as Restated	**(73.63)**	**(60.51)**	**(51.44)**	**7.71**

For further information on the effects of restatement as set out above, see Annexure VI of our restated financial information beginning on page F-20 of this Draft Red Herring Prospectus.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our revenues, expenses and profits, for the periods indicated.

	For the six months ended September 30, 2010		For the year ended March 31					
			2010		2009		2008	
Particulars	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**
Income								
Sales and Services	425.56	89.51%	720.49	91.75%	500.51	92.92%	418.09	96.89%
Other Income	49.89	10.49%	64.81	8.25%	38.12	7.08%	13.41	3.11%
Total Income	**475.45**	**100.00%**	**785.30**	**100.00%**	**538.63**	**100.00%**	**431.50**	**100.00%**
Expenditure								
Programming Cost	110.61	23.26%	203.24	25.88%	112.79	20.94%	91.77	21.27%
Bandwidth Cost	28.75	6.05%	63.38	8.07%	56.75	10.54%	43.72	10.13%
Administrative & Other Expenses	199.52	41.96%	290.28	36.96%	244.35	45.37%	151.40	35.09%
Selling & Distribution Expenses	18.35	3.86%	22.46	2.86%	46.92	8.71%	36.35	8.42%
Total Expenditure	**357.23**	**75.13%**	**579.36**	**73.77%**	**460.81**	**85.56%**	**323.24**	**74.91%**
Profit/(Loss) Before Interest, Depreciation and Taxation	**118.22**	**24.87%**	**205.94**	**26.23%**	**77.82**	**14.44%**	**108.26**	**25.09%**
Interest & Finance Charges	90.47	19.03%	115.55	14.71%	71.76	13.32%	44.20	10.24%
Depreciation/Amortization	99.70	20.97%	150.03	19.10%	62.07	11.52%	42.62	9.88%
Profit / (Loss) Before Taxation	**-71.95**	**-15.13%**	**-59.64**	**-7.58%**	**-56.01**	**-10.39%**	**21.44**	**4.97%**
Tax Expenses	0.00	0.00%	0.00	0.00%	1.45	0.27%	3.80	0.88%
Profit / (Loss) After Taxation	**-71.95**	**-15.13%**	**-59.64**	**-7.58%**	**-57.46**	**-10.66%**	**17.64**	**4.09%**

SIX MONTHS ENDED SEPTEMBER 30, 2010

INCOME

Our total income for the six months period ended September 30, 2010 was ₹ 475.45 million, comprising sales and services amounting to ₹ 425.56 million and other income amounting to ₹ 49.89 million.

Sales and Services

Our sales and services for the six months period ended September 30, 2010 amounted to ₹ 425.56 million, representing 89.51% of our total income for the period. We had 329,028 cable subscribers and 47,497 broadband subscribers as of September 30, 2010. Sales and Services primarily consists of the following:

- *Connection fees* of ₹ 18.29 million, representing 3.85% of our total income for the six months ended September 30, 2010.
- *Subscription fees* of ₹ 255.71 million, representing 53.78% of our total income for the six months ended September 30, 2010.
- *Internet income* of ₹ 90.58 million, representing 19.05% of our total income for the six months ended September 30, 2010.
- *Channel carriage fees* of ₹ 60.98 million, representing 12.83% of our total income for the six months ended September 30, 2010.

Other Income

Other income for the six months period ended September 30, 2010 was ₹ 49.89 million, representing 10.49% of our total income for the period. Other income primarily consisted of liability no longer required written back of ₹ 25.81 million, signal uplinking charges of ₹ 12.46 million, income from infrastructure of ₹ 3.91 million, interest on fixed deposits of ₹ 2.14 million and miscellaneous income of ₹ 4.27 million.

EXPENDITURE

Our total expenditure including interest and finance charges and depreciation/ amortization was ₹ 547.40 million for the six months ended September 30, 2010.

Programming cost

Our programming cost amounted to ₹ 110.61 million for the six months ended September 30, 2010, representing 23.26% of our total income for the period.

Bandwidth cost

Our bandwidth cost was ₹ 28.75 million, which represented 6.05% of our total income for the six months ended September 30, 2010.

Administrative and other expenses

Our administrative and other expenses were ₹ 199.52 million, which represented 41.96% of our total income for the six months ended September 30, 2010.

Selling and Distribution expenses

Our selling and distribution expenses were ₹ 18.35 million, which represented 3.86% of our total income for the six months ended September 30, 2010.

Profit / (loss) before interest, depreciation and taxation

As a result of the foregoing, profit before interest, depreciation and taxation was ₹ 118.22 million, which represented 24.86% of our total income for the six months ended September 30, 2010.

Interest and finance charges

Our interest and finance charges were ₹ 90.47 million, which represented 19.03% of our total income for the six months ended September 30, 2010.

Depreciation/ amortization

Our depreciation/ amortization expenses were ₹ 99.70 million, which represented 20.97% of our total income for the six months ended September 30, 2010. This was primarily due to increase in capital expenditure on expansion of our business to the new locations and depreciation on fixed assets. During Fiscal 2010 and the six months ended September 30, 2010, we expanded our operations from 15 locations to 25 locations in Orissa, Chhattisgarh and Andhra Pradesh. This resulted in increased capital expenditures in form of additions to fixed assets and capital work-in-progress amounting to ₹ 644.56 million and non-compete fee of ₹ 304.78 million. Consequently, acquisition of MSOs and LCOs, the depreciation/ amortization expense increased during this period.

Profit/(loss) before taxation

As a result of the foregoing, loss before taxation was ₹ (71.95) million, which represented (15.13)% of our total income for the six months ended September 30, 2010.

Tax expenses

We have not made any provisions for the six months ended September 30, 2010 as the Company has incurred loss.

Net profit/(loss) after taxation

The net loss after taxation was ₹ (71.95) million for the six months ended September 30, 2010. This was primarily on account of interest, depreciation/ amortization.

YEAR ENDED MARCH 31, 2010 COMPARED TO YEAR ENDED MARCH 31, 2009

INCOME

Our total income increased by 45.80% from ₹ 538.63 million in Fiscal 2009 to ₹ 785.30 million in Fiscal 2010. This was primarily on account of increase in subscription fees and internet income, and signal uplinking charges during this period.

Sales and Services

Sales and Services increased by 43.95%, from ₹ 500.51 million in Fiscal 2009 to ₹ 720.49 million in Fiscal 2010, primarily due to increase in subscribers on account of our acquisition of MSOs and LCOs in the latter half of Fiscal 2009. During the Fiscal 2010, we acquired 76 MSOs and LCOs in the state of Orissa and 11 MSOs and LCOs in Raipur in the state of Chattisgarh, as a part of our growth strategy.

- Driven by the growth in cable television subscribers and data connections, our Connection Fees increased by 24.97% from ₹ 26.31 million in Fiscal 2009 to ₹ 32.88 million in Fiscal 2010.
- Our Subscription fees increased by 43.42% from ₹ 324.53 million in Fiscal 2009 to ₹ 465.43 million in Fiscal 2010. This increase was on account of increase in the number of subscribers from 249,217 in Fiscal 2009 to 278,905 in Fiscal 2010. Number of subscribers increased primarily on account of acquisition of LCOs towards the latter half of Fiscal 2009, as more particularly described above.
- Our broadband subscribers increased from 27,073 in Fiscal 2009 to 40,844 in Fiscal 2010, primarily resulting in an increase in our internet income by 46.57% from ₹ 91.33 million in Fiscal 2009 to ₹ 133.86 million in Fiscal 2010.

Our channel carriage fees increased by 51.39% from ₹ 58.34 million in Fiscal 2009 to ₹ 88.32 million in Fiscal 2010 primarily due to the addition of three new regional channels to our network and the growth in national channels. We added new regional channels such as Kanaka, Kamyab and Ekmara in Fiscal 2010.

Other income

Other income increased by 70.02% from ₹ 38.12 million in Fiscal 2009 to ₹ 64.81 million in Fiscal 2010, primarily due to increase in income from signal uplinking charges. Signal uplinking charges increased by 320.78% from ₹ 5.10 million in Fiscal 2009 to ₹ 21.46 million in Fiscal 2010. This was primarily on account of our own teleport and DSNG Van given on rent for up linking the signal of the local broadcaster. In addition, income from infrastructure increased by 81.51% from ₹ 2.38 million in Fiscal 2009 to ₹ 4.32 million in Fiscal 2010, primarily on account of leasing our own network to the other corporates for providing the services to their clients through our network.

Expenditure

Our total expenditure including interest and finance charges and depreciation/ amortization increased by 42.09% from ₹ 594.64 million in Fiscal 2009 to ₹ 844.94 million in Fiscal 2010.

Programming cost

Our programming cost increased by 80.19% from ₹ 112.79 million in Fiscal 2009 to ₹ 203.24 million in Fiscal 2010, primarily due to expansion of our operations to new locations, an increase in the cable subscriber base of 29,688 in the second half of Fiscal 2009 and during Fiscal 2010 and normal annual growth.

Bandwidth cost

Our bandwidth cost increased by 11.68% from ₹ 56.75 million in Fiscal 2009 to ₹ 63.38 million in Fiscal 2010, primarily due to the increase in our broadband subscriber base (despite reduction in the price of acquiring bandwidth).

Administrative and other expenses:

Our administrative and other expenses increased by 18.80% from ₹ 244.35 million in Fiscal 2009 to ₹ 290.28 million in Fiscal 2010, primarily on account of increase in our employees' remuneration and benefits from ₹ 94.47 million in Fiscal 2009, to ₹ 96.61 million in Fiscal 2010. This was due to expansion of operations to new locations in Orissa and additional location administrative overheads apart from normal annual increases.

Our bad debts written off and provision for doubtful debts/ advances increased from ₹ 25.95 million in Fiscal 2009 to ₹ 52.19 million in Fiscal 2010 primarily on account of non recovery of dues from subscribers added as a result of acquisition of LCOs and MSOs in the latter half of Fiscal 2009, as more particularly described above.

Selling and Distribution expenses

Our selling and distribution expenses decreased by 52.13% from ₹ 46.92 million in Fiscal 2009 to ₹ 22.46 million in Fiscal 2010 primarily due to non renewal of the existing advertisement contracts in our existing locations.

Profit / (loss) before interest, depreciation and taxation

As a result of the foregoing, profit before interest, depreciation and taxation increased by 164.64% from ₹ 77.82 million in Fiscal 2009 to ₹ 205.94 million in Fiscal 2010.

Interest and finance charges

Our interest and finance charges increased by 61.02% from ₹ 71.76 million in Fiscal 2009 to ₹ 115.55 million in Fiscal 2010, primarily due to increased secured loans from ₹ 661.23 million in Fiscal 2009 to ₹ 899.46 million in Fiscal 2010. Increased borrowings were primarily in connection with our acquisitions of LCOs and MSOs and capital expenditure for upgrading our existing network infrastructure and expansion to the new locations.

Depreciation/ amortization

Our depreciation/ amortization expense increased by 141.71% from ₹ 62.07 million in Fiscal 2009 to ₹150.03 million in Fiscal 2010, primarily due to the depreciation on account of upgrading our existing network infrastructure and expansion of our business to the new locations and amortisation on the non-compete fees on acquisition of LCOs and MSOs. We added ₹ 698.51 million as fixed assets and capital work-in-progress in Fiscal 2010 including non compete fees.

Profit/(loss) before taxation

As a result of the foregoing, loss before taxation increased from ₹ (56.01) million in Fiscal 2009 to ₹ (59.64) million in Fiscal 2010. The loss is primarily on account of higher interest, depreciation/ amortization.

Tax expenses

We have not made any provision for current tax for the Fiscal 2010 as the Company has incurred net loss. We have made provision of ₹ 1.45 million on account of fringe benefit tax for the Fiscal 2009.

Net profit/(loss) after taxation

As a result of the foregoing, net loss after taxation increased from ₹ (57.46) million in Fiscal 2009 to ₹ (59.64) million in Fiscal 2010.

YEAR ENDED MARCH 31, 2009 COMPARED TO YEAR ENDED MARCH 31, 2008

INCOME

Our total income increased by 24.83% from ₹ 431.50 million in Fiscal 2008 to ₹ 538.63 million in Fiscal 2009. This was primarily on account of increase in sales and services from ₹ 418.09 million in Fiscal 2008 to ₹ 500.51 million in Fiscal 2009. The number of cable television subscribers increased by 51.49% from 16,512 in Fiscal 2008 to 2,49,217 in Fiscal 2009, primarily on account of acquisition of MSOs/LCOs towards the latter half of Fiscal 2009. In Fiscal 2009, we acquired 180 MSOs and LCOs in the state of Orissa in locations such as Angul, Behrampur, Bhubaneswar, Balasore, Jharsuguda, Jeypore, Puri, Raigada, Rourkela and Sambalpur.
Our broadband subscriber base also increased by 40.06% from 19,329 subscribers in Fiscal 2008 to 27,073 subscribers in Fiscal 2009 on account of increase in penetration of personal computers in our existing and new locations and that helped us to increase the data connectivity.

Sales and Services

Sales and services increased by 19.71 % from ₹ 418.09 million in Fiscal 2008 to ₹ 500.51 million in Fiscal 2009. This was primarily on account of increase in subscription fees by 13.43% from ₹ 286.11 million in Fiscal 2008 to ₹ 324.53 million in Fiscal 2009 and increase in internet income by 25.50% from ₹ 72.77 million in Fiscal 2008 to ₹ 91.33 million in Fiscal 2009 on account of increased cable television and broadband subscribers, as more particularly described below.

- Our subscription fees increased by 13.43% from ₹ 286.11 million in Fiscal 2008 to ₹ 324.53 million in Fiscal 2009. This increase was on account of increase in the number of cable television subscribers from 164,512 in Fiscal 2008 to 249,217 in Fiscal 2009.
- Our internet income increased by 25.50% from ₹ 72.77 million in Fiscal 2008 to ₹ 91.33 million in Fiscal 2009, primarily on account of growth in the number of broadband subscribers from 19,329 in Fiscal 2008 to 27,073 in Fiscal 2009.
- Our channel carriage fees increased by 54.91% from ₹ 37.66 million in Fiscal 2008 to ₹ 58.34 million in Fiscal 2009. This was primarily on account of addition of new national channels in Fiscal 2009. In Fiscal 2009, we have added nine new channels to our network resulting in an increase in our carriage fees. These channels included Zee TV, Home Shop-18, B4U Music, Sahara News, MTV, Sarthak Entertainment, Ekmara TV, Real TV and Sony.

Other income

Other income increased by 184.27% from ₹ 13.41 million in Fiscal 2008 to ₹ 38.12 million in Fiscal 2009, primarily due to increase in interest income by 820.45% from ₹ 2.64 million in Fiscal 2008 to ₹ 24.30 million in Fiscal 2009 on account of increased fixed deposit with banks and increase in income from signal uplinking charges of ₹ 5.10 million in Fiscal 2009.

EXPENDITURE

Our total expenditure including interest and finance charges and depreciation/ amortization increased by 45.01% from ₹ 410.06 million in Fiscal 2008 to ₹ 594.64 million in Fiscal 2009. This was primarily on account of increase in administrative and other expenses by 61.39% from ₹ 151.40 million in Fiscal 2008 to ₹ 244.35 million in Fiscal 2009 and interest and finance charges by 62.35% from ₹ 44.20 million in Fiscal 2008 to ₹ 71.76 million in Fiscal 2009.

Programming cost

Our programming cost increased by 22.91% from ₹ 91.77 million in Fiscal 2008 to ₹ 112.79 million in Fiscal 2009, primarily due to expansion of our operations to new locations and an increase in the subscriber base in Fiscal 2009, which was principally on account of acquisition of LCOs and MSOs as described above.

Bandwidth cost

Our bandwidth cost increased by 29.80% from ₹ 43.72 million in Fiscal 2008 to ₹ 56.75 million in Fiscal 2009 primarily due to the increase in our broadband subscriber base (despite reduction in the price of acquiring bandwidth), by 40.06% from 19,329 subscribers in Fiscal 2008 to 27,073 subscribers in Fiscal 2009. This increase in the number of subscribers was primarily on account of acquisition of LCOs and MSOs as described above.

Administrative and other expenses

Our administrative and other expenses increased by 61.39% from ₹ 151.40 million in Fiscal 2008 to ₹ 244.35 million in Fiscal 2009, primarily on account of foreign exchange fluctuation losses of ₹ 19.02 million in Fiscal 2009, increase in bad debts written off and provision for doubtful debts/ advances by 74.04% from ₹ 14.91 million in Fiscal 2008 to ₹ 25.95 million in Fiscal 2009, and expansion of operations to new locations within and outside Orissa.

In addition, our employees' remuneration and benefits increased by 64.21% from ₹ 57.53 million in Fiscal 2008 to ₹ 94.47 million in Fiscal 2009, primarily due to additional hiring of employees on account of expansion in existing and to new locations (within and outside Orissa) and managing the subscriber base acquired pursuant to acquisition of LCOs and MSOs as described above. Our total number of employees increased from 739 in Fiscal 2008 to 1,001 in Fiscal 2009.

Selling and distribution expenses

Our selling and distribution expenses increased by 29.08% from ₹ 36.35 million in Fiscal 2008 to ₹ 46.92 million in Fiscal 2009, primarily due to increase in commissions and incentives from ₹ 20.79 million in Fiscal 2008 to ₹ 33.51 million in Fiscal 2009. This was on account of incentives paid by us to LCOs, MSOs and our employees on account of increased subscribers for our cable and data services within and outside Orissa.

Profit / (loss) before interest, depreciation and taxation

As a result of the foregoing, profit before interest, depreciation and taxation decreased by 28.12% from ₹ 108.26 million in Fiscal 2008 to ₹ 77.82 million in Fiscal 2009.

Interest and finance charges

Our interest and finance charges increased by 62.35% from ₹ 44.20 million in Fiscal 2008 to ₹ 71.76 million in Fiscal 2009, primarily due to increased borrowings from ₹ 363.10 million in Fiscal 2008 to ₹ 661.23 million in Fiscal 2009. Increased secured loans were primarily in connection with our acquisitions of LCOs and MSOs and capital expenditure for upgrading our existing network infrastructure and expansion to the new locations, as described above.

Depreciation/ Amortization

Our depreciation/ amortization expenses increased by 45.64% from ₹ 42.62 million in Fiscal 2008 to ₹ 62.07 million in Fiscal 2009, primarily due to the depreciation on account of upgrading our existing network infrastructure and expansion of our business to the new locations. In Fiscal 2009, we added fixed assets and capital work-in-progress of ₹ 685.73 million.

Profit/(loss) before taxation

As a result of the foregoing, profit before taxation of ₹ 21.44 million in Fiscal 2008 was converted to loss before taxation of ₹ 56.01 million in Fiscal 2009. The loss is primarily on account of increased administrative and other expenses, higher interest, depreciation and amortization.

Tax expenses

Our tax expenses decreased by 61.84% from ₹ 3.80 million in Fiscal 2008 to ₹ 1.45 million in Fiscal 2009. We have only made provision on account of fringe benefit tax for the Fiscal 2009. No other provisions were made for Fiscal 2009 as we incurred net loss.

Net profit/(loss) after taxation

As a result of the foregoing, net loss after taxation were at ₹ (57.46) million in Fiscal 2009, as compared to a net profit after taxation of ₹ 17.64 million in Fiscal 2008.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our working capital and capital expenditure requirements from cash flow from our operations, equity financing, credit facilities and long term loans from banks and financial institutions.

As at September 30, 2010 and as at March 31, 2010, we had cash and bank balances totalling ₹ 146.24 million and ₹ 85.80 million respectively. We expect that our principal use of cash for Fiscal 2011 and Fiscal 2012 will be for our operations and for investing in business opportunities in its existing as well as proposed new areas of our business.

We expect to meet our capital expenditure, repayment of debts and investment requirements for the next eighteen to twenty-four months primarily from the proceeds of this offering, vendor credit and internal accruals. We may also from time to time seek other sources of funding, which may include debt or equity financing, including Rupee and foreign currency denominated loans from Indian and foreign banks and financial institutions, and vendor credit depending on our financing needs and market conditions. For details of use of Net Issue proceeds see the section titled *"Objects of the Issue"* on page 44.

Cash Flow Data

The following table sets forth certain information about our cash flows for the periods indicated.

	For the six months ended September 30, 2010	For the year ended March 31		
		2010	2009	2008
Particulars	**₹ Million**			
Net cash from /(used in) operating activities	113.95	234.18	(19.66)	62.18
Net cash used in investing activities	(257.69)	(494.99)	(668.74)	(259.18)
Net cash from financing activities	210.47	143.54	816.46	240.74
Cash and cash equivalents at end of period	129.21	62.48	179.75	51.69

Six months ended September 30, 2010

As at September 30, 2010, we had cash and cash equivalents of ₹ 129.21 million.

Our restated loss before taxation was ₹ 73.63 million for the six months ended September 30, 2010. This amount was adjusted for non-cash items and non operating expenses including ₹ 104.19 million for depreciation/ amortization and fixed assets written off, ₹ 80.14 million for interest expenses (net of interest income) including unrealized foreign exchange fluctuation and ₹ 24.02 million for bad debts written off and provision for doubtful debts. Our operating profit before working capital changes was ₹ 134.72 million. This amount was partially offset by working capital changes for increase of sundry debtors of ₹ 38.65 million. However, we also generated cash from working capital changes including ₹ 10.57 million on account of decrease in loans and advances, ₹ 1.08 million on account of decrease in inventories and ₹ 9.23 million due to an increase in trade and other payables. As a result of the foregoing, net cash generated from operating activities was ₹ 113.95 million for six months ended September 30, 2010.

During the six months period ended September 30, 2010, net cash used in investing activities was ₹ 257.69

million. This was primarily on account of ₹ 260.02 million used for purchase of fixed assets (net of proceeds from sale of fixed assets) and payment of non compete fee on account of acquisition of LCOs and MSOs. Details of such acquisition are set out on page F-6 above.

Net cash realized from financing activities was ₹ 210.47 million. This was on account of ₹ 680.92 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 393.49 million repaid towards principal to banks, financial institutions and unsecured loans and ₹ 85.05 million repaid towards interest, increased by ₹ 8.09 million received on account of issue of share capital including security premium.

Year ended March 31, 2010

As at March 31, 2010, we had cash and cash equivalents of ₹ 62.48 million.

Our restated loss before taxation was ₹ 60.51 million in Fiscal 2010. This amount was adjusted for non-cash items and non operating expenses including ₹ 158.74 million for depreciation/ amortization and fixed assets written off, ₹ 80.25 million for interest expenses (net of interest income) including unrealized foreign exchange fluctuation and ₹ 71.70 million for bad debts written off and provision for doubtful debts. Our operating profit before working capital changes was ₹ 229.49 million. This amount was partially offset by working capital changes for increase of sundry debtors of ₹ 50.74 million and decrease in loans and advances of ₹ 19.14 million and decrease in inventories of ₹ 2.39 million. However, we also generated cash from working capital changes including ₹ 17.72 million due to an increase in trade and other payables. As a result of the foregoing, net cash generated from operating activities was ₹ 234.18 million for Fiscal 2010.

During the year, net cash used in investing activities was ₹ 494.99 million. This was primarily on account of ₹ 512.38 million used for purchase of fixed assets (net of proceeds from sale of fixed assets) and payment of non compete fee on account of acquisition of LCOs and MSOs. Details of such acquisition are set out on page F-6 above.

Net cash realized from financing activities was ₹ 143.54 million. This was primarily on account of ₹ 377.75 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 139.31 million repaid towards principal to banks, financial institutions and unsecured loans and ₹ 95.23 million repaid towards interest, increased by ₹ 0.33 million received on account of issue of share capital including security premium.

Year ended March 31, 2009

As at March 31, 2009, we had cash and cash equivalents of ₹ 179.75 million.

Our restated loss before taxation was ₹ 49.99 million in Fiscal 2009. This amount was adjusted for non-cash items and non operating expenses including ₹ 69.24 million for depreciation/ amortization and fixed assets written off, ₹ 42.81 million for interest expenses (net of interest income) including unrealised foreign exchange fluctuation and ₹ 24.35 million for bad debts written off and provision for doubtful debts. Our operating profit before working capital changes was ₹ 86.41 million. This amount was partially offset by working capital changes for increase of sundry debtors of ₹ 65.88 million and increase in loans and advances of ₹ 27.61 million and increase in inventories of ₹ 4.11 million. However, we also generated cash from working capital changes including ₹ 0.64 million due to an increase in trade and other payables. As a result of the foregoing, net cash used in operating activities was ₹ 19.66 million for Fiscal 2009.

During the year, net cash used in investing activities was ₹ 668.74 million. This was primarily due to ₹ 685.85 million used for purchase of fixed assets (net of proceeds from sale of fixed assets). Details of such acquisition are set out on page F-6 above.

Net cash realized from financing activities was ₹ 816.46 million. This was on account of ₹ 388.33 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 91.62 million repaid towards principal to banks, financial institutions and unsecured loans and ₹ 61.53 million repaid towards interest, increased by ₹ 581.28 million received on account of issue of share capital including security premium net of share issue expenses.

Year ended March 31, 2008

As at March 31, 2008, we had cash and cash equivalents of ₹ 51.69 million.

Our restated profit before taxation was ₹ 11.51 million in Fiscal 2008. This amount was adjusted for non-cash items and non operating expenses including ₹ 49.29 million for depreciation/ amortization and fixed assets written off, ₹ 39.53 million for interest expenses (net of interest income) including unrealized foreign exchange fluctuation and ₹ 19.92 million for bad debts written off and provision for doubtful debts. Our operating profit before working capital changes was ₹ 120.25 million. This amount was partially offset by working capital changes for increase of sundry debtors of ₹ 37.99 million and increase in loans and advances of ₹ 75.71 million and increase in inventories of ₹ 2.39 million. However, we also used cash from working capital changes including ₹ 61.86 million due to decrease in trade and other payables. As a result of the foregoing, net cash generated from operating activities was ₹ 62.18 million in Fiscal 2008.

During the year, net cash used in investing activities was ₹ 259.18 million. This was primarily due to ₹ 260.70 million used for purchase of fixed assets (net of proceeds from sale of fixed assets).

Net cash realized from financing activities was ₹ 240.74 million. This was on account of ₹ 189.34 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 64.90 million repaid towards principal to banks, financial institutions and unsecured loans and ₹ 41.63 million repaid towards interest, increased by ₹ 157.93 million received on account of issue of share capital including security premium net of share issue expenses.

CAPITAL EXPENDITURE

Historical capital expenditure

Historically, we have incurred our capital expenditure using a combination of equity financing, debt financing and internal accruals. The table below sets forth our total capital expenditure for the periods indicated:

(₹ in Million)

	For the six months ended September 30, 2010	For the year ended March 31			Total
		2010	**2009**	**2008**	
Capital Expenditure					
Intangible Assets					
Computer Software	0.64	2.76	0.39	0.87	4.66
Non-Compete Fees	62.55	242.23	0.00	0.00	304.78
Total Intangible Assets	**63.19**	**244.99**	**0.39**	**0.87**	**309.44**
Tangible Assets					
Leasehold Land	4.37	0.00	0.00	0.00	4.37
Freehold Land	3.76	0.00	0.00	0.00	3.76
Building	0.10	4.02	2.68	0.92	7.72
Cable Network	178.23	589.90	331.07	124.45	1223.65
Head End Equipments	20.95	105.15	73.67	22.56	222.33
Maintenance Equipments	4.34	13.32	3.25	1.42	22.33
ISP-Equipments	2.71	10.27	1.74	2.54	17.26
Teleport Equipments	0.00	1.19	20.25	0.00	21.44
Furniture & Fixtures	1.60	2.24	10.25	0.79	14.88
Computers	4.46	18.16	6.58	3.91	33.11
Office Equipments	0.90	6.05	2.29	2.44	11.68
Vehicles	0.70	1.23	2.54	0.00	4.47
Electrical Installation	1.69	14.55	3.65	0.05	19.94
DSNG	0.00	4.63	0.00	0.00	4.63
Leased Assets	13.71	43.49	47.61	0.69	105.50
Total Tangible Assets	**237.52**	**814.20**	**505.58**	**159.77**	**1717.07**
Grand Total	**300.71**	**1,059.19**	**505.97**	**160.64**	**2026.51**

Note: Addition to owned assets includes ₹4.06 million and ₹133.48 million for the six months ended September 30, 2010 and year ended March 31, 2010, respectively, which had been reclassified as owned assets on closure/ pre-closure of finance lease of a lender.

Planned capital expenditure

The following table shows our planned expenditures for the Fiscal 2012 and Fiscal 2013. Our capital expenditure plans are based on management estimates and are subject to a number of variables, including possible cost overruns, availability of financing on acceptable terms, changes in our views of the desirability of current plans and macroeconomic factors such as India's performance and interest rates. There can be no assurance that we will execute our capital expenditure plans as contemplated at or below estimated costs.

Sr. No	Particulars	Planned Capital Expenditure (₹ in Millions)	
		Fiscal 2012	Fiscal 2013
1.	Expansion of our network for providing video, data and telephony services	198.10	31.20
2.	Capital expenditure on development of our analog and digital services	181.60	162.70
3.	Capital expenditure on development of our broadband services	118.10	99.30
	Total	**497.80**	**293.20**

For additional details of our expenditure plans, see the section titled *"Objects of the Issue"* on page 44.

INDEBTEDNESS, CONTRACTUAL OBLIGATIONS, COMMITMENTS, CONTINGENT LIABILITIES AND OFFBALANCE SHEET ARRANGEMENTS

The following table summarizes our indebtedness, contractual obligations and commitments to make future payments as of March 31, 2010, and the effect that such obligations and commitments are expected to have on liquidity and cash flow in future periods:

For the year ended March 31	2011	2012	2013	After 2013
	₹ in Millions			
Long Term Loans	434.16	324.58	449.37	787.33
Short term loans	Nil	Nil	Nil	Nil
Other Capital Commitments	Nil	Nil	Nil	Nil
Total Contractual Obligations	434.16	324.58	449.37	787.33

Contingent liabilities

As at September 30, 2010, we had the following contingent liabilities which have not been provided for in our financial information:

	Six months ended September 30, 2010
Contingent Liability	**₹ in Million**
Bank Guarantee	0.50
Entry Tax demand under Appeal	0.10
Entertainment Tax demand under Appeal	6.98
Arrear Preference Dividend- 2005-06 to 2009-10	23.76
Total	**31.34**

Off-balance sheet arrangements

We have given guarantees in respect of the personal loan taken by some of our employees from Karnataka Bank Ltd. The total amount of such guarantees as at December 31, 2010 was ₹ 1.26 million on account of these loans.

Except as set forth above, we do not have any other off-balance sheet arrangements, derivative instruments or other relationships with other entities that have been established for the purpose of facilitating off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

We are, in the normal course of business, exposed to interest rate, foreign currency and liquidity risks. Our risk management strategy aims to minimize the adverse effects of financial risk on our financial performance.

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI.

As of September 30, 2010, we had outstanding floating rate loans of ₹ 1,109.26 million, which comprised 93.40% of our total loan funds. Our indebtedness to banks was exposed to risk in the form of policy changes by the RBI with respect to interest rates. The interest rates on these borrowings follow the RBI's policies, which are generally announced through credit policy measures issued twice a year. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

Inflation

We do not believe that inflation has had a material impact on our business, financial condition and results of operations. If India were to experience significant inflation, we may not be able to fully offset the resulting higher costs through rate increases to subscribers or advertisers. Our failure or inability to do so could adversely affect our business, financial condition and results of operations.

Foreign currency risk

All our input costs, such as pay-channel cost, band width and lease line costs and other input costs are denominated in Rupees. As a result, there is no foreign currency risk with respect to these purchases. However, our set-top boxes and cable modem purchases are imported and denominated in US dollars. A decline in the value of the Rupee against the US dollar would increase the cost of purchase of such equipment. This would in turn result in increased depreciation costs for this equipment.

Related Party Transactions

For details on related party transactions, please refer to the statement of related party transactions contained in Annexure V to our restated financial information on page F-15.

Information required as per Item IX(E) of Part A of Schedule VIII of the SEBI Regulations

Significant developments after September 30, 2010 that may affect our future results of operations

Except as stated in this DRHP, to our knowledge no circumstances have arisen since the date of the last financial information as disclosed in this DRHP which materially and adversely affect, or are likely to affect, the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Except as stated in this DRHP, there is no development subsequent to September 30, 2010 that we believe is expected to have a material impact on the reserves, profits/(losses), earnings/(losses) per share and book value of our Company.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

Unusual or infrequent events or transactions

There have been no unusual or infrequent transactions that have taken place during the last three Fiscal years.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Any changes in tax structure, may affect the profitability. Except the above, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" at pages xiii and 142 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" at pages xiii and 142 respectively, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in income from operations during the last three Fiscal years are as explained in this section titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" at page 142.

New products or business segment

We have not entered into any agreements for new products or business segments or publicly announced introduction of any new products or services, after September 30, 2010.

Seasonality of business

Our business segments are not seasonal in nature.

Significant dependence on single supplier /customer

We are not dependent on a single customer or a small group of suppliers or customers for our revenues. However, ₹ 758.34 million on ₹ 785.30 million of our total income in Fiscal 2010 was derived from our operations in the state of Orissa.

Competitive conditions

We face competition for our cable television services from regional and national MSOs and other competing alternative technology platforms including DTH satellite television. For further details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" at pages xiii and 79.

FINANCIAL INDEBTEDNESS

Our Company's outstanding secured borrowings amounted to ₹ 1,443.41 million as of December 31, 2010. Set forth below is a brief description of certain significant terms of the financing arrangements with our lenders.

Our Company has entered into certain secured debt facility agreements with:

a) SREI Equipment Finance Private Limited ("**SREI**");
b) Karnataka Bank Limited ("**Karnataka Bank**");
c) L&T Finance Limited ("**L&T**");
d) Industrial Promotion and Investment Corporation of Orissa Limited ("**IPICOL**");
e) CISCO Systems Capital (India) Private Limited ("**CISCO**"); and
f) Karnataka Bank, UCO Bank and SREI ("**Karnataka Bank Consortium**").

Set forth below is a brief summary of the aforementioned secured facilities together with a brief description of certain significant terms of such financing arrangements.

I. Term Loans

A brief description of the abovementioned facilities availed from various lenders has been provided hereinbelow:

Name of the lenders	Loan Documentation	Facility (` *in Million*)	Amount outstanding as of December 31, 2010 (` *in Million*)	Interest/ Commission Rate, per annum	Security/ Margin	Repayment schedule
SREI*	Loan cum hypothecation agreement dated March 22, 2010	95.17	77.72	13% (Floating rate based on the SREI Benchmark Rate ("**SBR**"), which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including various networking equipment. Personal guarantee given by one of the Directors.	Repayable in 41 equal monthly instalments of ₹ 2.89 million. Repayment has started from April 2010 ending on August 2013. Instalments are inclusive of interest.
	Loan cum hypothecation agreement dated June 28, 2010	100.00	92.40	14% (Floating rate based on the SBR, which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including cables, amplifiers, computers, peripherals and information technology networking equipments. Personal guarantee given by one of the Directors.	Repayable in two instalments of ₹ 1.17 million for July and August 2010, and 33 equal monthly instalments of ₹ 3.67 million from September 2010 to May 2013.
	Loan cum hypothecation agreement dated March 22, 2010	25.98#	25.98	13% (Floating rate based on the SBR which is subject to	First/exclusive charge created by way of hypothecation of assets including	Repayable in 11 equal monthly instalments of ₹ 0.28 million from April 2010 to

Name of the lenders	Loan Documentation	Facility (` *in Million*)	Amount outstanding as of December 31, 2010 (` *in Million*)	Interest/ Commission Rate, per annum	Security/ Margin	Repayment schedule
				variation)	cable and networking equipments. Guarantee given by one of our Directors.	February 2011 and 60 equal monthly instalments of ₹ 0.59 million from March 2011 to February 2016. Instalments are inclusive of interest.
	Loan cum hypothecation agreement dated July 15, 2010	17.59#	17.59	13% (Floating rate based on the SBR which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including various information technology equipments. Personal guarantee given by one of our Directors.	Repayable in 11 equal monthly instalments of ₹ 0.19 million from August 2010 to June 2011 and 60 equal monthly instalments of ₹ 0.40 million from July 2011 to June 2016. Instalments are inclusive of interest.
	Loan cum hypothecation agreement dated April 22, 2010	97.08	84.06	14% (Floating rate based on the SBR which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including information technology networking equipments. Personal guarantee given by one of the Directors.	Repayable in 47 equal monthly instalments of ₹ 2.70 million. Repayment has started from May 2010 ending on March 2014. Instalments are inclusive of interest.
	Loan cum hypothecation agreement dated March 22, 2010	60.16	47.32	13% (Floating rate based on the SBR which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including various cables and set top boxes. Personal guarantee given by one of the Directors.	Repayable in 11 equal monthly instalments of ₹ 0.65 million from April 2010 to February 2011 and 60 equal monthly instalments of ₹ 1.37 million from March 2011 to February 2016. Instalments are inclusive of interest.
	Loan cum hypothecation agreement dated April 22, 2010	89.81	72.38	14% (Floating rate based on the SBR which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including amplifiers, cables, computers and peripherals, server, split air	Repayable in 35 equal monthly instalments of ₹ 3.14 million. Repayment has started from May 2010 ending on March 2013. Instalments are

Name of the lenders	Loan Documentation	Facility (` *in Million*)	Amount outstanding as of December 31, 2010 (` *in Million*)	Interest/ Commission Rate, per annum	Security/ Margin	Repayment schedule
					conditioners, UPS systems. Personal guarantee given by one of the Directors.	inclusive of interest.
SREI*	Loan cum hypothecation agreement dated April 22, 2010	89.64#	84.18	13% (Floating rate based on the SBR which is subject to variation)	First/exclusive charge created by way of hypothecation of assets including various networking equipment. Personal guarantee given by one of the Directors.	Repayable in three equal monthly instalments of ₹ 0.97 million from May 2010 to July 2010 and 60 equal monthly instalments of ₹ 2.04 million from August 2010 to July 2015. Instalments are inclusive of interest.
SREI*	Loan cum hypothecation agreement dated September 15, 2010	250	249.00	15% (Floating rate based on the SBR which is subject to variation)	First/ exclusive charge created by way of hypothecation of assets including various networking equipment. Personal guarantee given by one of the Directors.	Repayable in 18 equal monthly instalments of ₹ 3.13 million from November 2010 to April 2012 and 30 equal monthly instalments of ₹ 10.04 million from May 2012 to November 2014. Instalments are inclusive of interest.
Karnataka Bank	Sanction letter dated August 27, 2008; Term Loan Agreement dated October 29, 2008; Hypothecation Agreement dated October 23, 2009.	300.00#	245.01	Karnataka Bank Limited Prime Lending Rate-1% (Minimum 14.00%)	4. Hypothecation of fixed assets. 5. *Collateral*: Already hypothecated fixed assets purchased out of term loans availed from IPICOL and SREI charged on a *pari passu* basis. 6. Equitable mortgage of leasehold property. 7. Equitable mortgage of immovable property and flat at Cuttack. 8. Pledge of term deposits. 9. Personal	Repayable in 60 equated monthly instalments of ₹ 6.79 million (including interest) after an initial holiday period of 12 months. Repayment has been started from December 2008 ending on November 2013. However, interest during holiday period to be served on monthly basis.

Name of the lenders	Loan Documentation	Facility (` *in Million*)	Amount outstanding as of December 31, 2010 (` *in Million*)	Interest/ Commission Rate, per annum	Security/ Margin	Repayment schedule
					guarantee of one of the Directors.	
L&T	Deed of Hypothecation dated July 7, 2010	10.99	10.35	13.00%	• Hypothecation of different types of plants and machinery. • Personal guarantee of one of the Directors.	Repayable in six equal monthly instalments of ₹ 0.12 million from April 2010 to September 2010 and 42 equal instalments of ₹ 0.33 million from October 2010 to March 2014. Instalments are inclusive of interest.
L&T	Deed of Hypothecation dated January 17, 2011;	9.05	9.05	7.72%	• Hypothecation of different types of plants and machinery. • Personal guarantee of one of the Directors.	Repayable in six equal monthly instalments of ₹ 0.10 million from November 2010 to April 2011 and 41 equal instalments of ₹ 0.27 million from May 2011 to September 2014. Instalments are inclusive of interest.
Karnataka Bank	Sanction letter dated July 25, 2007; Term Loan Agreement dated August 27, 2007; Hypothecation Agreement dated August 28, 2007.	100.00	61.61	Karnataka Bank Limited Prime Lending Rate (Minimum 14.00%)	• Hypothecation of fixed assets and equipment. • Equitable mortgage of leasehold property. • Equitable mortgage of immovable property and flat at Cuttack. • Pledge of term deposits. • Personal guarantee of one of the Directors.	Repayable in 60 equated monthly instalments of ₹ 2.33 million (including Interest) each after an initial holiday period of 12 months. Repayment has been started from September 2008 ending on August 2013. However, interest during holiday period to be served on monthly basis.
Karnataka Bank	Sanction letter dated August 30, 2006; Term loan Agreement dated September 20, 2006; Hypothecation agreement dated May 21, 2007	30.00	5.06	Karnataka Bank Limited Prime Lending Rate (Minimum 12.50%)	• Hypothecation of modems, cables and other equipment. • Equitable mortgage of commercial flat at Cuttack. • Equitable mortgage of	Repayable in 54 equated monthly instalments of ₹ 0.56 million each after an initial holiday period of six months. Repayment has been started from April 2007 ending on September

Name of the lenders	Loan Documentation	Facility (` in Million)	Amount outstanding as of December 31, 2010 (` in Million)	Interest/ Commission Rate, per annum	Security/ Margin	Repayment schedule
					immovable properties at Plot C-1, Chandrase-kharpur. • Personal guarantee of one of the Directors.	2011. Interest to be served on monthly basis.
UCO Bank	Sanction letter dated March 13, 2009	200.00[#]	194.03	BPLR + 0.50%	• *Pari passu* charge on assets/equipment acquired on the said term loan on *pari passu* basis with other banks. • Second charge on fixed assets already hypothecated to other banks and institutions. • *Collateral:* Equitable mortgage of leasehold property. • Equitable mortgage of immovable property and flat at Cuttack. • Pledge of term deposits. • Personal guarantee of one of the Directors.	Term loan to be repaid in 20 quarterly instalments of ₹ 10.00 million after an initial holiday period of 12 months. Repayment will start from January–March 2011 and ending on December 2015. Interest to be served on monthly basis as and when charged, even in holiday period.
IPICOL[†]	Sanction letter dated April 25, 2005 and loan agreement dated May 16, 2005	40.00	6.00	14% p.a. with a rebate of 3% p.a. on timely payment.	• First mortgage over immovable and movable properties present and future. • *Collateral:* Pledge of term deposits. • Personal guarantee from one of the Directors.	Repayable in four equal quarterly instalments of ₹ 1.50 million from July 2006 to April 2007 and 17 equal quarterly instalments of ₹ 2.00 million from July 2007 to August 2011. However, interest to be paid as and when due on quarterly basis.

II. Working Capital debt facilities (fund and non-fund based)

Our Company has availed certain fund and non-fund based working capital debt facilities from Karnataka Bank, significant details of which have been provided herein below:

Name of the lenders	Loan Documentation	Facility (` *in Million)*	Amount outstanding as of Dcember 31, 2010 (` *in Million)*	Interest/ Commission Rate %	Security/ Margin	Repayment schedule
Karnataka Bank	Sanction Letter dated September 25, 2010 and Hypothecation agreement dated September 29, 2010.	100.00	100.83	13.75% (Per annum compounded monthly, rising or falling with the base rate interest as fixed by the Karnataka Bank from time to time)	• Hypothecation stock and assignment of book debts. • Pledge of term deposits. • Personal guarantee of one of the Directors.	Repayable on demand and interest payable monthly.
Karnataka Bank	Guarantee letter dated September 29, 2010	30.00	21.72	--	25% cash margin	On demand

III. Other financing arrangements

Lease Financing

Our Company has entered into arrangments of lease financing with CISCO wherein CISCO will acquire certain assets of our Company. CISCO will then lease out the assets to our Company in return of periodic payment as lease rent. Upon payment of the entire amount as agreed upon between CISCO and our Company, the ownership of the assets shall stand transferred to our Company.

Name of the lenders	Loan Documentation	Sanctioned amount (₹ *in Million)*	Amount outstanding as of December 31, 2010 (₹ *in Million)*	Details of Assets	Rent Schedule
CISCO	Master lease and financing agreement dated June 27, 2007.	119.60	57.27	Switching and networking equipments.	Repayable in 15 equal quarterly instalments which vary for each phase. 14 phases have been disbursed till December 2010. Repayment for Phase I started on June 2008. Repayment for the 14th Schedule will end on August 2014.

Vehicle Loans

Our Company has availed four vehicle loans from Karnataka Bank, each of which is secured through hypothecation of the vehicle(s) concerned. A demand promissory note executed by our Company is issued in favour of Karnataka Bank amounting to the sum of each loan, which also stipulates the equal monthly instalments by which the entire liability gets progressively reduced. The details of such loans are as follows:

Name of the lenders	Loan Documentation	Vehicle Loan (₹ *in Million)*	Amount outstanding as of December 31, 2010	Interest (per annum)	Repayment Schedule
Karnataka Bank	Hypthecation letter dated June 15, 2010; Hypothecation agreement dated August 21, 2010 and demand promissory note dated June 25, 2010 of ₹ 540,000 issued by our Company to Karnataka Bank	0.54	0.45	13.75 % as revised from time to time	Payable in 34 equal monthly instalments of ₹ 18,431 per month.
	Hypthecation letter dated September 15, 2009; Hypothecation agreement dated September 17, 2009; and Demand promissory note dated September 15, 2009 of ₹ 394,000 issued by our Company to Karnataka Bank	0.39	0.22	13.75 % as revised from time to time	Payable in 34 equal monthly instalments of ₹ 13,587 per month.
	Hypthecation letter dated February 19, 2010; Hypothecation agreement dated August 25, 2010; and Demand promissory note dated February 19, 2010 of ₹ 581,000 issued by our Company to Karnataka Bank	0.58	0.42	13.75 % as revised from time to time	Payable in 34 equal monthly instalments of ₹ 19,835 per month.

Under the terms of the above mentioned loan facilities, our Company is subject to certain restrictive covenants as listed below. Our Company cannot, without the prior consent of the lenders, undertake, *inter alia,* any of the following:

a) entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction;
b) declaration and/or payment of dividend to the shareholders of our Company in a particular year, if our Company has not paid the installment of the principal, interest and/or other money payable to lender up to the particular year;
c) alteration of memorandum and articles of association;
d) investment made by our Company including by way of deposits and/or debentures
e) provisioning any security or commission to the guarantor by our Company, for giving the guarantee;
f) making any change in capital structure, ownership or control of our Company;
g) prepayment of the repayment installments in full prior to the due date; and
h) Availing of any fresh credit facility or accommodation from any other bank or financial institution or any person.

* The following material and restrictive covenants are contained in the aforementioned facilities, including:

a) The lender has a right to revoke the agreement to grant loan facility in case such material developments have taken place that would adversely affect the long term stability of our Company;
b) The lender has a right to revoke the loan facility in case undue delay takes place in acquisition of asset which would serve as security for the loan granted;
c) Our Company shall not acquire any further asset and shall abstain from taking delivery, installing, commissioning, or doing anything with respect to the asset for which the loan has been granted;
d) In the event of our Company's failure to pay any imposts, costs, duties, taxes and other statutory levies, within reasonable time, SREI shall be at liberty (but not obligation) to pay such monies on behalf of our Company. However, if non-payment would result in a material adverse change, then the lender has a right to pay the monies without giving time to our Company as aforesaid. Our Company shall then be liable to promptly repay the amount so paid by the lender;
e) In case, the secured asset includes software, the lender shall be the holder of security interest on the software's license and all rights including the right of use of the software. Our Company would be deemed to be trustee of the lender till the term of the agreement;
f) In case, the secured asset includes software, our Company shall instantly stop using the software on the event of default;
g) In case, other lenders have refused to disburse, extend or have cancelled or recalled its/their financial assistance, this would amount to event of default; and

h) In the event of default, the lender may declare the entire loan facility as accelerated and upon a notice, our Company may be required to repay all amounts demanded by the lender.

[#] The following material and restrictive covenants are applicable to the term loan dated November 23, 2009 by Karnataka Bank Consortium:

a. Banking business of our Company including deferred payment facilities, foreign exchange, etc will be in such manner as may be decided by Karnataka Bank;
b. Prior notice to be given to lenders in respect of *inter alia* issue of unissued capital and proposed amount to be raised;
c. The lenders reserve the absolute right to cancel the sanctioned limits unconditionally without prior notice in the following cases:
    a. In case the limit/part of the limits are not utilized by our Company ; and /or
    b. In case of deterioration in the loan accounts in any manner whatsoever; and/or
    c. In case of non-compliance of terms and conditions of sanction.

[†] The following material and restrictive covenants are applicable to the term loan dated May 16, 2005 by IPICOL, including:

(a) The lender shall be entitled to appoint and remove nominee director(s) on the Board of Directors of our Company. Such directors shall not be required to hold qualification shares and shall not be liable to retire by rotation; and
(b) The lender shall be entitled to appoint auditor for carrying out any specific assignments to examine the financial or cost accounting systems and procedures, adopted by our Company.

[†] In respect of the loan agreement dated May 16, 2005 by IPICOL, the following events would require previous consent of IPICOL, including:

(a) creation of subsidiaries or permit any company to become its subsidiaries;
(b) transfer or otherwise dispose off its undertaking or any of its capital assets except in the ordinary course of business;
(c) revaluation of assets at any time during the currency of the loan;
(d) increase in remuneration of directors;
(e) utilization of funds in any way for any project other than the one approved under the agreement;
(f) undertake new project or diversification or substantial expansion of the project;
(g) change of registered office of our Company or the location of the factory;
(h) transfer, pledge, charge or in any way encumber the shareholdings held by promoters;
(i) investment by our Company of its funds by way of deposits, loans, share capital or otherwise in any other concern;
(j) purchase or sale of capital goods; and
(k) obtain unsecured loans.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices against our Company, our Directors, our Promoters and Group Companies or ventures with which our Promoters were associated in the past (in case our Promoters' name continue to be associated with such proceeding). There are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below. No disciplinary action has been taken by SEBI or any stock exchange against our Company, our Directors, our Promoters, Group Companies or ventures with which our Promoters were associated in the past (in case our Promoters' name continue to be associated with such proceeding).

Except as stated in the section titled "*Our Promoters and Promoter Group - Other Undertakings and Confirmations*" on page 128, neither our Company nor our Promoters or Group Companies have been declared as wilful defaulters by the RBI, or any other Governmental authority and except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them or any person or entity connected with them. Further, except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company, our Promoters, Group Companies or any person or entity connected with them. None of the Group Companies had faced/ is facing any litigation/ defaults/ over dues or labour problems/ closure etc.

I. Contingent liabilities not provided for as of September 30, 2010:

Our contingent liabilities not provided for and outstanding guarantees as of September 30, 2010 (as disclosed in our financial information) include:

	Six months ended September 30, 2010
Contingent Liability	**₹ in Million**
Bank Guarantee	0.50
Entry Tax demand under Appeal	0.10
Entertainment Tax demand under Appeal	6.98
Arrear Preference Dividend- 2005-06 to 2009-10	23.76
Total	**31.34**

II. Litigation involving our Company

A. Outstanding Litigation and Material Developments/Proceedings involving/ affecting our Company

1. Outstanding Litigation/ Proceedings filed against our Company

Criminal Cases

1. The Labour Enforcement Officer ("**LEO**") (Central), Paradeep has filed a criminal complaint 2(I) C.C No. 39/2003 on November 1, 2003, against our Company and others alleging breach of various provisions of Payment of Wages (Major Port) Act, 1936 against our Company, including the provisions which require fixing of date of payment to the workers and display of notice of date and time of payment at the workspot. Mr. Pradipta Kumar Panda and Mr. Bibhu Prasad Rath, who have also been impleaded as accused in the complaint, have filed an application on November 1, 2003 under section 205 of Criminal Procedure Code, 1973, as amended, to dispense with personal attendance of the accused. The matter is currently pending.

Telecom Matters

1. M/s Ushodaya Enterprises Private Limited ("**Ushodaya**") has filed a petition (Petition No. 299 (C) of 2007) before the Telecom Disputes Settlement Appellate Tribunal ("**TDSAT**") to direct our Company to provide the signals of ETV-Oriya channel on our Company's analogue head ends to their subscribers in a non-discriminatory manner with a prayer to TRAI to formulate 'must carry obligations'. Ushodaya is the broadcaster of a channel namely ETV-Oriya. TDSAT in an order dated February 7, 2008, dismissed the petition. Ushodaya has filed an appeal (Civil Appeal No.1862/2008) before the Supreme Court of India against the said order on March 5, 2008 and the matter is currently pending.

Civil Cases

1. Mr. Atanu Kumar Bhutia has filed a civil suit (No. 241/2004) on June 22, 2004 before the court of the Civil Judge (Junior Division), Bhubaneswar against our Company and others. It has been alleged that the plaintiff, a cable operator, for operating his cable network, entered into a franchise agreement with our Company whereby the plaintiff had been allowed to manage, operate and collect monthly subscription charges from the subscribers from areas specified in the agreement, in return of a franchise fee payable to our Company. Allegedly, the plaintiff entered into a partnership with other defendants and they jointly started collecting the monthly charges from subscribers while depositing the franchise fee with our Company in the plaintiff's name. It is further alleged that the said defendants refused to pay and tender accounts to the plaintiff. The plaintiff has prayed for a permanent injunction against the said defendants thereby restraining them from collecting monthly subscription charges from subscribers. Further, the plaintiff has also filed an interim application (No. 476/04) on November 13, 2004 against our Company in the same Court alleging that it had illegally executed franchise agreement with the said defendants while the franchise agreement with the plaintiff was still pending. The plaintiff has prayed for an ad-interim injunction restraining our Company from disconnecting signals to the plaintiff. Our Company has filed an application on December 7, 2004 under section 8 of Arbitration and Conciliation Act, 1996, as amended, to refer the parties to arbitration. The matter has been further posted to May 2, 2011 for filing of a consolidated plaint by the plaintiff.

2. Mr. Durga Prasad Mohanty has filed an application (No. OJC 14506/2001) on November 5, 2001 before High Court of Orissa against the cable division of our Company and others alleging unreasonable price hike made by our Company as regards cable television services. The matter has not been listed after November 6, 2001. Currently, the tariff is governed by TRAI thereby making this case redundant.

3. Mr. Jagannath Senapati has filed a civil suit (No. 91/97) on April 11, 1997 in the court of Civil Judge (Junior Division), Bhubaneswar against Ms. Jagi Mangat Panda in her capacity as managing director of the cable division of our Company and other defendants, alleging that the cable division of our Company has without authorization and in collusion with other defendants, who are electrical distribution companies upon whose poles our Company has drawn its cable over the land owned and occupied by the plaintiff. The plaintiff has prayed for removal of the poles and cables from the said land. The matter has been posted for hearing on March 30, 2011.

4. Nirupama Apartment Owner's Society has filed a civil suit (T.S. No. 257/2000) on September 20, 2000 in the court of Civil Judge (Junior Division), Bhubaneswar against Ms. Jagi Mangat Panda in her capacity as Managing Director of our Company alleging that our Company had been allotted four flats in Nirupama Apartments for residential use. It is alleged that instead of residential use, our Company had been putting the said premises to commercial use by running control room, editing room etc. It is further alleged that the rooftop which is meant for common use, had also been occupied by our Company, in an unauthorized manner. The plaintiff has prayed for a decree of permanent injunction restraining our Company from putting the premises to any type of commercial use and removal of antennas and other equipment from the premises of Nirupama Apartments, along with the cost of litigation. The plaintiff has also filed a petition (Misc. Case No. 172/2002) on April 15, 2002 before the same court praying for interim injunction restraining our Company from putting the premises to any commercial use and from further adding and expanding cable equipments in the premises. Our Company has stated that the said commercial activities are no longer being carried out in the aforementioned premises and have been shifted elsewhere. The matter is posted for hearing on July 12, 2011.

5. Mr. Pramod Kumar Nanda and Mr. Prakash Chandra Mangaraj have filed an application (No. 287/2006) on July 20, 2006 under section 9 of Arbitration and Conciliation Act, 1996 before the Court of the District and Sessions Judge, Bhubaneswar, alleging that our Company had entered into a franchise agreement with the applicants for operation of cable television network for a particular area. It is alleged that our Company had forced the applicants to stop the operation of the cable network and had threatened to terminate the franchise agreement, despite payment of advanced license fee and signal charges. The applicants have prayed for an order to permanently restrain our Company from disconnecting the cable television signal until the expiry of the franchise agreement. The matter has been posted to March 24, 2011 for hearing.

6. Mr. Pramod Kumar Nanda and Mr. Prakash Chandra Mangaraj have also filed a writ petition (No. 1992/2007) on February 19, 2007 before the High Court of Orissa against the State of Orissa, Central Electricity Supply Utility of Orissa ("**CESU**") and our Company, alleging that State of Orissa and CESU, with tacit support of our Company, had been trying to forcibly remove the cable transmission wires belonging to the petitioners. It is alleged that our Company had entered into a franchise agreement with petitioners on June 5, 2001 for providing signal feeds to the network of petitioners in Bhubaneswar area. It is further alleged that our Company had obtained permission from CESU to using its electric poles for laying down cables. It is alleged that the benefit of using the poles should pass on to the petitioner as a result of franchise agreement. The petitioner has prayed for a direction to prevent the respondents from removing cable transmission wires, issue of a show cause notice to respondents as to why the petitioners should not be allowed the use of electric poles, and to declare their actions as illegal if they fail to show justified cause. The matter is currently pending and has not been listed for hearing.

7. Mr. Dilip Kumar Das has filed an application (No. 208/2006) under section 9 of the Arbitration and Conciliation Act, 1996 on May 11, 2006 before the Court of the District and Sessions Judge, Bhubaneswar, alleging that our Company had entered into a franchise agreement with the applicants for operation of cable television network for a specified area. It is further alleged that on January 14, 2006, our Company had arbitrarily disconnected the cable television signals provided to the applicant. The applicant has prayed for restoration of cable television signals of the applicant. The matter has been posted for filing of objection on May 3, 2011.

8. Sai Cable TV Network has filed a civil suit (O.S. No. 22/2010) on July 29, 2010 before the court of Civil Judge (Junior Division), Ichapuram against our Company and others. The plaintiff had entered into an arrangement with one Uriti Bhaskara Rao for the provision of cable television network services in Ichapuram. It is alleged that Sky View Home Cable, one of the defendants, had been separately providing cable television services in the said area by establishing separate equipment for the same. It is further alleged that Sky View Home Cable had entered into an illegal agreement with certain other defendants to disconnect the network of Sai Cable TV Network from the customers of the said area. Sai Cable TV Network has prayed for an order of permanent injunction restraining Sky View Home Cable from disconnecting the connection of Sai Cable TV Network. Our Company has been made a pro forma defendant and no relief has been claimed against it in the present suit.

9. M/s City View Cable TV has filed a writ (W.P. (C) No. 3494/2006) on March 6, 2006 before High Court of Orissa against North Eastern Electricity Supply Company ("**NESCO**") and our Company alleging that the petitioner, a cable operator, had already taken permission to use poles belonging to NESCO for laying down its cables. It is alleged by the petitioner that our Company cannot be permitted to use the said poles for laying down cables. By an interim order dated May 25, 2006, the High Court allowed our Company to lay down its cables using the poles. The matter is currently pending.

10. Mr. Dillip Kumar Das has filed a writ petition (W.P. (C) No. 1993/2007) on February 19, 2007 before the High Court of Orissa against the State of Orissa, Central Electricity Supply Company of Orissa Limited ("**CESCO**") and our Company, alleging that State of Orissa and CESCO, in connivance with our Company, had been trying to forcibly remove the cable transmission wires belonging to the petitioner. It is alleged that our Company had entered into a franchise agreement with petitioner on May 23, 2001 for providing signal feeds to the network of petitioner. It is further alleged that our Company had obtained permission from CESCO for laying down cables using electric poles belonging to CESCO. It is alleged that the benefit of using the poles should pass on to the petitioner as a result of franchise agreement. The petitioner has prayed for a direction to prevent the respondents from

removing cable transmission wires, issue of a show cause notice to respondents for their action, and to declare their actions as illegal if they fail to show justified causes for their actions. The matter is currently pending and has not been currently listed for hearing.

11. Mr. Dillip Kumar Das has also filed a petition (Arb. P No. 253/2007) under section 9 of Arbitration and Concilliation Act, 1996, as amended, before the District Judge, Khurda, Bhubaneswar alleging the existence of franchise agreement with our Company. It is further alleged that he is therefore, entitled to using the poles belonging to CESCO, which had signed agreement with our Company, thereby allowing the latter to use its poles. The case is yet to be admitted and is posted to May 3, 2011 for hearing on admission.

12. Mr. Asis Ranjan Mohanty has filed a petition (Arb. P No. 254/2007) under section 9 of Arbitration and Concilliation Act, 1996, as amended, before the District Judge, Khurda, Bhubaneswar alleging the existence of franchise agreement with our Company. It is further alleged that he is therefore, entitled to using the poles belonging to CESCO, which had signed agreement with our Company, thereby allowing the latter to use its poles. The case is yet to be admitted and is posted to May 3, 2011 for hearing on admission.

13. Maa Ujaleswari Cable Network Association has filed a writ petition (W.P. (C) No. 15868/2009) on October 22, 2009 before the High Court of Orissa against Southco, a distribution company, alleging that permission to utilize the electric poles belonging to Southco in the Chhatarpur town for laying down cables had not been granted to petitioner, though the petitioner had applied for permission two years back. On the contrary, it is alleged that the same permission was granted to our Company within seven days of application. The petitioner has prayed for an issue of a show cause notice to respondent as to why an appropriate writ should not be issued directing the respondent to grant the said permission to petitioner, and to issue the said writ if the respondent is unable to show sufficient cause. Our Company has been impleaded as a proforma defendant as no specific relief has been claimed against it. The matter is currently pending.

14. Mr. P K Pattnaik has filed a writ petition (W.P. (C) No. 6334/2007) on May 15, 2007 before the High Court of Orissa against our Company and others alleging that our Company had compelled its consumers to install the set top box for viewing ETV-Oriya by carrying it in digital mode. The petitioner has prayed for a direction to be given to our Company that ETV Oriya is telecasted in analog mode. The matter is currently pending.

15. Ashwiny Goutam has filed a writ petition (WP (C) No.8879/2007) before the High Court of Orissa against the Union of India, the State of Orissa, Sky View Home Cable, ETV Oriya and other parties. It is alleged that our Company has suddenly stopped the transmission of a channel namely, ETV Oriya thereby depriving the general public of its viewership. Further, it is alleged that our Company is not telecasting DD Oriya in prime band as per section 8 of Cable Television Networks (Regulation) Act, 1995 and on the contrary it is telecasting its own channels including OTV Chamatkar, Radio TV in prime band. The petitioner has prayed for a show cause as to why our Company should not provide ETV Oriya on its basic service package at a flat rate and telecast DD Oriya in prime band in place of its own channels. The case was last posted for hearing on November 1, 2008 and the matter is pending.

16. United City Cable has filed a writ petition (No. 10198/2004) against CESCO before Orissa High Court challenging the impugned notification issued by the State of Orissa, Energy Department which provided that only one cable can be laid in one pole. Our Company has filed an application for intervention (Mics. Case No. 10116/2004) on November 23, 2004 in the said matter with a prayer to be impleaded as a party in the case. The matter is currently pending.

Consumer Complaints

There are 27 consumer complaints pending before various District and State Consumer Redressal Forums against our Company. Brief description of such consumer complaints is provided below:

1. Mr. B. N. Moharana has filed a consumer complaint (No. 130/2009) on November 20, 2009 before the State Consumer Disputes Redressal Commission, Cuttack, against Paradip Port Trust alleging deficiency in service and unfair trade practices, impleading our Company as one of the respondents. The complainant has filed the said complaint in representative capacity to protect the interest of

workers of Paradip Port Trust, who are also subscribers of cable television network connection provided by our Company. It is alleged that Paradip Port Trust is required to pay cable television bills on behalf of its workers, after deducting a portion of dues from workers' wages and contributing the rest on its own. It is further alleged that after Paradip Port Trust failed to pay the aforementioned bills, our Company had issued over due bills directly to its workers indicating the amount overdue. The notice further allegedly stated that in order to avoid disconnection, the amount overdue was required to be paid. An interim application (No. 1623/ 2009) was also filed by the complainant on November 20, 2009 before the State Consumer Disputes Redressal Commission, Cuttack for an interim order to ensure continuance of connection during the pendency of proceedings, which was granted by an order dated November 24, 2009. The complainant has prayed for continuation of services on behalf of workers, and claiming ₹ 2.5 million as damages. On February 10, 2010, Paradip Port Trust was directed by State Consumer Disputes Redressal Commission, Cuttack, to make payment of outstanding dues to our Company along with the current dues regularly. The impugned order was challenged by Paradip Port Trust in a writ (No. 3018/2010) before the Orissa High Court. Orissa High Court on February 25, 2010 passed an order stating that our Company should be paid as per the rates agreed between our Company and Paradip Port Trust. The matter is currently pending and has not been listed for final hearing.

2. Orissa Jana Suraksha Mancha has filed a consumer complaint (No. 94/2007) on June 26, 2007 before the State Consumer Disputes Redressal Commission, Cuttack, against the cable division of our Company and others alleging unfair trade practices, deficiency of service and negligence. It is alleged that on June 21, 2007, our Company had switched off the 'Zee Cinema' channel from its analogue tier and carried it in its digital tier, and refused to provide reasons for the same. The complainant has further alleged frequent change in channel placement and apprehends disconnection of the Zee bouquet of channels and consequent hike in cable price. The complainant has prayed for an award of ₹ 4 million as compensation and an injunctive order to restrain our Company from disconnecting any channel and from increasing the price. The matter is currently pending and has not been listed for hearing.

3. Mr. Jugal Kishore Nayak has filed a consumer complaint (No. 287/06) on September 27, 2006 before the District Consumer Disputes Redressal Forum, Cuttack alleging that despite payment of requisite amount, our Company has neither installed the cable television connection, nor refunded the amount. The complainant has prayed for a sum of ₹ 163,298 with 18% interest from the date of deposit. Our company has responded stating that the complaint was time barred by limitation. Subsequently, the complaint was dismissed because of absence of complainant's lawyer by an order of the district forum dated November 20, 2007. The complainant has filed an appeal (No. 1025/2007) challenging the said order before the State Consumer Disputes Redressal Commission, Orissa. The matter is currently pending and has not been listed for hearing.

4. Ms. Sudatta Jeevan has filed a consumer complaint (No. 88/2005) on November 28, 2005 before the State Consumer Disputes Redressal Commission, Orissa against our Company. It is alleged that the complainant had availed the internet services of our Company which were activated from October 1, 2005. On October 10, 2005, allegedly there was an explosion in the room where the computer of complainant was kept, thereby causing damage to complainant's computer. It is further alleged that the explosion was a result of faulty connection set up by our Company. The complainant is claiming a sum of ₹ 2.05 million as compensation. By an order dated October 26, 2007, the State Consumer Disputes Redressal Commission, Orissa allowed the complaint and granted compensation of ₹ 100,000. Our Company has filed an appeal (No. 706/2007) on November 26, 2007 before the National Consumer Disputes Redressal Commission, New Delhi, against the said order. The complainant has filed an execution application (No. 33/2007) on December 10, 2007 for executing the said order. The National Consumer Disputes Redressal Commission has granted a stay on the operation of the order of State Commission subject to deposit of 50% of amount with the State Commission. The amount has been deposited on January 12, 2008 and appeal is pending for hearing.

5. Mr. Saswati Pariccha has filed a consumer complaint (No. 470/08) on October 16, 2010 before the District Consumer Disputes Redressal Forum, Bhubaneswar against our Company alleging failure on its part to shift the existing cable television connection and internet services to a new address, despite deposit of requisite fees. The complainant is seeking compensation of ₹ 55,000 towards mental agony, harassment and litigation costs. Our Company has filed a written version on February 13, 2009. The matter has been posted for hearing on March 22, 2011.

6. Mr. Bhagaban Subudhi has filed a consumer complaint (No. 140/09) on April 18, 2009 before the District Consumer Disputes Redressal Forum, Bhubaneswar against our Company. It is alleged that a mobile telephone pole had been installed right in front of his house which prevented him from re-modelling his house. Allegedly, even after repeated requests, our Company refused to remove the said pole, resulting in delay and losses to the complainant caused on account of forfeiture of advance paid to the contractor for the required re-modelling. The complainant has prayed for ₹ 43,000 as compensation along with ₹ 250 per day towards loss till the disposal of the case. Our Company has filed a petition on November 3, 2010 before the District Consumer Disputes Redressal Forum challenging the maintainability of the complaint and related proceedings. The matter has been posted for hearing on April 11, 2011.

7. Mr. Jayanta Kumar Pariccha has filed a consumer complaint (No. 525/2008) on November 14, 2008 before the District Consumer Disputes Redressal Forum, Bhubaneswar against our Company alleging failure on its part to shift the existing internet services to a new address, despite deposit of requisite fees. The complainant has prayed for ₹ 0.55 million as compensation towards mental agony, harassment and litigation costs. The matter is currently pending. The matter has been posted for hearing on March 22, 2011.

8. Mr. Bikash Rath has filed a consumer complaint (No. 469/2008) on October 16, 2008 before the District Consumer Dispute Redressal Forum, Bhubaneswar against our Company alleging that he had applied for disconnection of internet service provided by our Company after he started facing disruption in the facility. Our Company, allegedly, disconnected the internet service, but has failed to refund the advanced deposit amount. The complainant is claiming ₹ 25,000 towards total compensation for mental agony, harassment and litigation costs, along with refund of ₹ 1,750 with 12% interest per annum. Our Company has filed a written version on February 13, 2009 and the matter is currently pending. The matter has been posted for hearing on March 22, 2011.

9. Ms. Chitrarekha Patnaik has filed a consumer complaint (No. 98/2004) on March 22, 2004 before the District Consumer Dispute Redressal Forum, Bhubaneswar against our Company alleging that it had not provided cable connection despite payment of money. The complainant has prayed for a compensation of ₹ 53,000, along with refund of deposit. By an order dated January 10, 2007, the complaint was dismissed by District Consumer Dispute Redressal Forum. The complainant has preferred an appeal (No. 250/2007) before the State Consumer Dispute Redressal Commission, Cuttack. An interim application (No. 513/2007) has also been filed by the complainant to stay the aforementioned order. The matter is currently pending and has not been listed for hearing.

10. Mr. S.K. Patnaik has filed a consumer complaint (No. 562/08) on December 8, 2008 before the District Consumer Dispute Redressal Forum, Bhubaneswar against our Company alleging that the set top box installed by our Company had not been functioning. The complainant has prayed for ₹ 40,000 as compensation along with refund of annual subscription amount amounting to ₹ 2,750. The complaint has been dismissed in default. The copy of order is yet to be obtained.

11. Mr. A.P. Das has filed a consumer complaint (No. 150/07) on September 13, 2007 before District Consumer Dispute Redressal Forum, Balasore alleging that he had taken a cable connection from our Company and had paid the subscription. Allegedly, the cable line did not function and he had asked for disconnection, which had been disconnected by our Company. He had demanded refund of the entire amount which allegedly, had not been made by our Company. A sum of ₹ 56,021 was prayed for towards compensation and other litigation expenses. Subsequently, after the complaint was made before the forum, the payment was made to the complainant. However, the District Consumer Dispute Redressal Forum passed an order on May 27, 2008 granting compensation of ₹ 6,000 on the basis of deficiency in service. Our Company has filed an appeal (F.A No. 491/2008) on June 27, 2008 before the State Consumer Commission, Orissa, Cuttack challenging the said order. The listing is awaited and the matter is currently pending.

12. Mr. Ram Prakash Kyal has filed a consumer complaint (C.C. No. 273/2009) on September 17, 2009 before District Consumer Disputes Redressal Forum, Cuttack, against our Company alleging deficiency in service and unfair trade practice. It is alleged that a set top box had been installed by our Company for the complainant. However, the set top box was not functioning properly and was allegedly removed by our Company while assuring replacement of the same. It was allegedly not replaced after repeated requests. The complainant has prayed for ₹ 95, 999 as compensation. The District Consumer Disputes

Redressal Forum, Cuttack passed its judgment on February 10, 2010 awarding ₹ 3,000 as compensation and ordering installation of a new set top box for the complainant. On March 17, 2010, our Company has filed an appeal (First Appeal No. 174/2010) before the State Consumer Disputes Redressal Commission, Cuttack and the matter is currently pending and the listing is awaited.

13. Mr. Bibhu Prasad Mohapatra has filed a consumer complaint (No. 79/2007) on May 11, 2007 before the State Consumer Disputes Redressal Commission, Orissa against our Company alleging that our Company had stopped the telecast of ETV Oriya in analogous mode and had forced the complainant to purchase set top boxes for viewing the said channel. It is further alleged that the channels provided by our Company are of poor quality and are cut-off most of the time. The complainant is seeking ₹ 3.01 million as compensation. Our Company has filed a written version on August 16, 2007 and the listing is awaited for final hearing.

14. Orissa Consumers' Association and others have filed a consumer complaint (No. 42/2004) on April 30, 2004 before the Consumer Disputes Redressal Commission, Cuttack against our Company alleging that it had been charging excess price in providing cable television services to the subscribers throughout the State of Orissa in violation of tariff fixed by TRAI. It is further alleged that quality of programmes is not clear and the transmission lines are closed for most of the time in the day. The complainant has prayed for ₹ 53,000 as compensation along with refund of the excess price charged at 16% per annum. The State Consumer Disputes Redressal Commission, Cuttack passed an order dated October 29, 2007 calling upon our Company to make necessary publication of subscription rates with brief reasons for increase on periodic basis. An appeal (No. 719/2007) has been filed by our Company challenging the said order before the National Consumer Disputes Redressal Commission, New Delhi on November 30, 2007. The aforementioned order has been stayed by the National Commission by an order dated April 22, 2008. An application (No. 8/2008) has been filed by complainant before State Consumer Disputes Redressal Commission, Cuttack alleging that our Company has not complied with its order passed on October 29, 2007. The complainant has prayed for appropriate penalties to be imposed on our Company along with a sum of ₹ 15,000 towards compensation and costs. The matter is currently pending and listing is awaited before the National Consumer Disputes Redressal Commission, New Delhi.

15. Mr. U.N. Mishra and others have filed consumer complaints (Nos. 111/2009, 112/2009 and 130/2009) on July 29, 2007 against our Company before the Rayagada District Consumer Dispute Redressal Forum, Rayagada alleging that our Company is charging excess amount than what was advertised, and has stopped the telecast of ETV Oriya and ETV Telugu channel without any notice to consumers. The forum by its order dated December 31, 2009 has directed our Company to charge ₹ 116 per month from the consumers. Our Company has filed an appeal (First Appeal No. 76/2010, 77/2010 and 78/2010) on February 4, 2010 before the State Consumer Disputes Redressal Commission, Cuttack, Orissa challenging the said order. Our Company has made an application for a stay on the said order by the forum on August 7, 2009, which has been stayed on April 23, 2010. The matter is currently pending and the listing is awaited.

16. Mr. V Ram Mohan Patnaik has filed a consumer complaint (C.C. No. 124/2009) on July 21, 2009 before Rayagada District Consumer Dispute Redressal Forum, Rayagada, against our Company and Majhi Gouri Cable Network, alleging that the network of the latter was taken over by the former, and our Company is charging him in excess of previously agreed rates between the complainant and Majhi Gouri Network. The District Consumer Dispute Redressal Forum allowed the complaint by an order dated December 24, 2009, and fixed the rates at ₹ 116 per month, as prayed by the complainant, and to refund any excess amount collected by our Company. Our Company has filed an appeal (First Appeal No. 79/2010) before the State Consumer Disputes Redressal Commission, Cuttack. The impugned order has been stayed on April 23, 2010. The matter is currently pending and is yet to be listed for hearing.

17. Mr. Surendra Mishra has filed a consumer complaint (No. 206/2003) on July 25, 2003 before Khurda District Consumer Disputes Redressal Forum, Bhubaneswar, against our Company. It is alleged that our Company had delayed the shifting of cable connection, as requested by the Complainant. The connection so shifted also allegedly had disturbances in the transmission. The complainant prayed for a sum of ₹ 54,700 against our Company. By an order dated May 24, 2005, the complaint was dismissed. Against the said order, an appeal (No. 490/2005) has been filed by the complainant on June 30, 2005

before the State Consumer Disputes Redressal Commission, Orissa. The listing is being awaited for final hearing, and the matter is currently pending.

18. Dr. A. M. De has filed a consumer complaint (No. 02/2001) on January 9, 2001 before the District Consumer Disputes Redressal Forum, Cuttack against the cable division of our Company, alleging that he had faced disruptions for three months in cable connection provided by our Company. Nevertheless, it is alleged that he had been charged unfairly for the same period. A sum of ₹ 30,000 was prayed for. The cable division of our Company filed the reply on July 26, 2001, stating that disruption happened on account of super cyclone and was therefore beyond its control. The said complaint was dismissed by the forum on August 29, 2002. The complainant filed an appeal (No. 647/2002) on June 24, 2004 before the State Consumer Disputes Redressal Commission, Orissa at Cuttack for setting aside the order of the district forum. The matter is currently pending and has not been listed for hearing.

19. Mr. Prasanna Kumar Parhi has filed a consumer complaint (No. 76/2004) on June 3, 2004 before the State Consumer Disputes Redressal Commission, Cuttack against the cable division of our Company, alleging that the cable connection provided by our Company had been totally disrupted without any fault of the complainant. It is further alleged that an unreasonable sum of ₹ 300 had been demanded by our Company for restoration of connection. The complainant prayed for immediate restoration of the cable connection along with a compensation of ₹ 2.1 million towards mental and physical suffering. Further, an interim application to provide immediate restoration was filed by the complainant, which was allowed by an order dated August 19, 2004 by State Consumer Disputes Redressal Commission, Cuttack, wherein our Company was directed to reconnect the cable connection within a period of seven days of the order. The matter is currently pending.

20. Mr. Durga Prasad Mishra has filed a consumer complaint (No. 21/2007) on January 17, 2007 before the District Consumer Disputes Redressal Forum, Cuttack against our Company, alleging that our Company had stopped the telecast of ETV Oriya in analogous mode thereby depriving the complainant of its viewership. The complainant has prayed for a sum of ₹ 7,500 towards compensation and cost of litigation along with a direction to our Company to telecast ETV Oriya without increasing the monthly subscription charges. The said complaint was allowed by the district forum vide its judgment dated April 24, 2008. Against the said judgment, an appeal (No. 408/2008) has been filed by our Company before State Consumers Dispute Redressal Commission. By an order dated June 4, 2008, a stay has been granted by the State Consumers Dispute Redressal Commission on the operation of order passed by the district forum. The matter is currently pending and has not been listed for hearing.

21. Dr. Sadashiv Ray has filed a consumer complaint (No. 255/2001) on November 2, 2001 before the District Consumer Disputes Redressal Forum, Khurda against the cable division of our Company alleging that our Company had made unreasonable and unjustified hike in the monthly charges payable towards cable television connection. The complainant has prayed for a direction requiring our Company to provide justification for the price hike and to roll back its latest price hike, pending the final decision of the forum. The forum by its order dated August 16, 2002 allowed the complaint directing refund of monthly charges in excess of ₹ 125 paid by complainant to our Company. Against this order, an appeal (No. 548/2002) has been filed by our Company before the State Consumer Disputes Redressal Commission on September 6, 2002. The matter is currently pending and has not been listed for hearing.

22. Mr. Girish Chandra Chakravarty has filed a consumer complaint (No. 272/2002) on December 12, 2002 before the District Consumer Disputes Redressal Forum, Khurda against the cable division of our Company alleging that due to problem in the cable connection, the complainant was unable to watch television programme. It is further alleged that our Company raised the bills for the period of defective service, which the complainant did not pay, upon which our Company disconnected the cable television connection. The complainant prayed for a sum of ₹ 1,000 and a sum of ₹ 100 per day till the date of restoration of service of cable connection. By an order dated May 1, 2003, the district forum has awarded a sum of ₹ 5,500 towards compensation and costs. Our Company has filed an appeal (No. 890/2003) against the said order before the State Consumer Disputes Redressal Commission, Orissa on June 2, 2003 along with an application to stay the operation of the order on June 23, 2003. The matter has not yet been listed for final hearing.

23. Mr. S. M. Hasan has filed a consumer complaint (No. 80/2000) on May 20, 2000 before the District Consumer Disputes Redressal Forum, Cuttack against the cable division of our Company alleging that

he had applied for a cable connection in September 1999. However, allegedly, despite payment of money, he was neither provided connection nor his deposit was refunded. The complainant has prayed for a sum of ₹ 300 and a direction for providing connection. Our Company has filed an appeal (No. 228/2001) after the complaint was allowed. The matter was last listed on August 3, 2001 and has not since been listed for final hearing.

24. Gautam Mukherji has filed a consumer complaint (No. 83/2001) on September 26, 2001 before the State Consumer Disputes Redressal Commission, Cuttack against our Company alleging unreasonable price hike done by our Company. It is further alleged that our Company had stopped the signals of Star TV. Nevertheless, it is alleged that our Company had raised a monthly bill for the entire amount. The complainant prayed for a total sum of ₹ 601,000 towards compensation and costs, along with restoration of disrupted television channels. Our Company has filed a written version on May 27, 2005. The case is yet to be listed for final hearing.

25. Mr. Abani Kumar Pattnaik has filed a consumer complaint (No. 78/97) on November 2, 2001 before the District Consumer Disputes Redressal Forum, Khurda against the cable division of our Company alleging that our Company alleging that despite payment of installation fees, our Company failed to provide the cable television connection to the complainant. By an order dated April 17, 2000, the complaint was allowed by the district forum awarding ₹ 157 as damages. The cable division of our Company has filed an appeal (No. 203/2000) praying for quashing of the order of the district forum. The complainant has also filed an appeal (No. 210/2000) against the said order for enhancement of damages. Both the matters are currently pending.

26. Mr. Aditya Narayan Sahoo has filed a consumer complaint (No. 299/2002) on December 23, 2002 before the District Consumer Disputes Redressal Forum, Khurda against the cable division of our Company alleging that due to the faulty cable lines provided by our Company, the television of complainant had been damaged. It is further alleged that the complainant complained about this to the office of our Company, but the company, on the contrary, disconnected the cable connection granted to the complainant. The complainant has prayed for immediate restoration of cable television service and repair of his television set or payment of ₹ 16,000 towards its repair. By an order dated May 14, 2002, the district forum allowed the complaint directing our Company to restore the cable connection of the complainant and to repair his television set or to pay the cost of the television set which is assessed to be ₹ 16,000, along with a cost of ₹ 500. The cable division of our Company has filed an appeal (No. 891/2003) on June 23, 2003 before State Consumer Disputes Redressal Commission, Cuttack challenging the said order, along with an application to stay the operation of the aforementioned order of the district forum. By an order dated July 4, 2003, the state commission allowed the stay on operation of the impugned order. The appeal is pending and has not been listed for hearing.

27. Mr. Abhaya Kumar Dash has filed a consumer complaint (No. 15/2004) on February 13, 2004 before the State Consumer Disputes Redressal Commission, Cuttack, against our Company alleging deficiency in service on the part of our Company. The complainant claiming himself as an artist, entered into a contract with an advertising agency namely, Mentor Consulting Private Limited, which had telecasting arrangements with our Company. The complainant has alleged that he suffered losses due to breach of contract. The amount prayed for is ₹ 2.09 million. Our Company has filed an application on the point of maintainability. The case is pending and not listed for hearing.

Tax matters

1. Our Company has filed an appeal before the Commissioner of Entertainment Tax, Orissa against the order passed by the Assistant Commissioner of Entertainment Tax, Cuttack-I Range, Cuttack. On May 4, 2007, Entertainment Tax Officer, Cuttack I, Central Circle, Cuttack, Orissa served a demand notice to our Company in respect of tax on exhibition of entertainment by cable service during the quarter ending December 31, 2006 amounting to ₹ 6.98 million assessing our Company under the Orissa Entertainment Tax Act, 2006. Our Company contested the notice stating that the same payment had already been made in Office of Entertainment Tax Officer, Bhubaneswar. Therefore, an appeal (AA (ENT) 1/CUIC/2007-08) was filed. By an order dated September 7, 2009, the aforementioned appeal was dismissed and the order of assessment was upheld. Consequently, this second appeal was filed on December 2, 2009. The matter is currently pending.

2. Our Company has filed an application for revision (STREV. CASE NO. 20 of 2009) before the High Court of Orissa, Cuttack on January 27, 2009. The Office of the Assessing Authority, Entry Tax, Bhubaneswar, made an assessment order against our Company for the assessment year 2000-2001 whereby, a demand of ₹ 0.24 million from our Company towards entry tax on the purchase of certain goods from outside the state of Orissa by our Company. The value of the goods purchased was ₹ 45,183,763. Our Company filed an appeal before the Assistant Commissioner of Sales Tax, Bhubaneswar against the aforementioned assessment order. The assessment order was confirmed and the said appeal was dismissed by the Assistant Commissioner of Sales Tax, Bhubaneswar by an order dated January 10, 2003. Our Company filed a second appeal (S.A. No. 166(ET)/2003-04) before the Orissa Sales Tax Tribunal. The same second appeal was dismissed on April 30, 2008. Our Company has preferred the present application for revision on January 27, 2009 against the order of the Assistant Commissioner of Sales Tax, Bhubaneswar. Our Company has also filed an application (Misc. Case No. 26 of 2009) to stay the impugned assessment order. The matter is currently pending.

3. Our company has filed an appeal (IT Appeal No. 294/42 of 2010) before the Income Tax Appellate Tribunal, Cuttack Bench, Cuttack, against the order passed in appeal by Commissioner of Income Tax (Appeals)- I, Bhubaneswar. The initial issue in the case was the applicability of TDS based on the nature of service acquired on subscribing channels from TV channels owners under section 194C of the Income Tax Act, 1961, as amended ("**IT Act**"). By an order dated December 19, 2008 the Additional Commissioner of Income Tax (TDS), Bhubaneswar, imposed a penalty for non-deduction of TDS of ₹ 2.31 million, an amount deposited by our Company under protest, based on the section 271C of the Act. The appeal has been preferred against the Commissioner of Income Tax (Appeals)-I who upheld the decision of the Additional Commissioner of Income Tax (TDS). Subsequently this appeal was filed. The matter is pending.

4. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals)-I in Bhubaneswar on January 27, 2011 against the order passed by the Assistant Commissioner of Income Tax (TDS). The initial issue in the case was the applicability of TDS based on the nature of service acquired on subscribing channels from TV channels owners. An order was passed against our Company, by the assessing officer for assessment year 2006-2007 on December 30, 2010, confirmed by the order of the Assistant Commissioner of Income Tax (TDS), requiring our Company to pay for the non-deduction of TDS required under section 201(1) of the IT Act along with interest for default, together amounting to ₹ 2.51 million. Against this order an appeal has been filed by our Company contending it to be erroneous and bad in law in light of the interpretation of section 201(1)/201(1A) read with section 194C of the Act. The matter is pending.

5. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals)-I in Bhubaneswar on January 27, 2011 against the order passed by the Assistant Commissioner of Income Tax (TDS). The initial issue in the case was the applicability of TDS based on the nature of service acquired on subscribing channels from TV channels owners. An order was passed against our Company, by the assessing officer for assessment year 2007-2008, dated December 30, 2010, confirmed by the order of the Assistant Commissioner of Income Tax (TDS), requiring our Company to pay for the non-deduction of TDS required under section 201(1) of the IT Act along with interest for default, together amounting to ₹ 2.77 million. Against this order an appeal has been filed by our Company the order to be erroneous and bad in law in light of the interpretation of section 201(1)/201(1A) read with section 194C of the Act. The matter is pending.

Labour matters

1. Mr. Rashmi Ranjan Mohanty has filed an application (Misc. Case No. 66/2002) under section 33-C (2) of the Industrial Disputes Act, 1947, as amended, on May 27, 2002 before the Labour Court, Orissa, Bhubaneswar against our Company for determination of amounts due to the applicant. The court of Presiding Officer, Labour Court, Bhubaneswar, has issued a show cause notice to our Company. The matter is listed on May 25, 2011.

2. The Court of the Deputy Labour Commissioner and Commissioner for Workmen's Compensation, Rourkela, has issued a notice to our Company on August 12, 2008, directing that a sum of ₹ 271,138 towards compensation be deposited in favour of wife of Late Satyendra Yadav, who died on account of accident during the course of his employment on July 12, 2008. Our Company has disputed the liability and contesting the same. The matter is currently pending.

2. Outstanding Litigation/ Proceedings filed by our Company

Civil cases

1. Our Company has filed a writ petition (W.P. (C) No. 13295/06) on October 9, 2006, before the High Court of Orissa against the State of Orissa challenging the levy of fees by electrical inspector. Pursuant to a gazette notification on March 29, 2002, Department of Energy, Government of Orissa prescribed fees for inspection by the electrical inspector. The writ petition was allowed by an order dated November 5, 2007, whereby the respondents had been directed not to levy any fees with regard to consumer television connections till a decision is taken by the Government under Energy Department, Government of Orissa, as to whether inspection charges, so far as consumer TV connections can be waived and/or imposed.

2. Our Company has filed a civil suit (C.S. No. 93/2008) on May 14, 2008 before the Court of Civil Judge (junior division), Puri against Sky vision cable network and others for a perpetual injunction against defendants from laying cables in the poles belonging to Puri Municipality. It is alleged that the permission to lay cables in such poles was granted to our Company by Puri Municipality. Our Company, thereafter duly laid the cables in accordance with applicable norms and guidelines. Our Company further prayed for a perpetual injunction against the officers of Puri municipality restraining them from giving permission with respect to laying down of poles, to anyone else other than our Company. By an order dated May 15, 2008, the court disallowed the prayer of our Company to provide temporary injunction in this regard. The matter is currently pending and is posted to May 4, 2011.

3. Our Company has filed a writ petition (W.P. (C) No. 9135/2006) on July 10, 2006 before the High Court of Orissa against Paradip Port Trust challenging the illegal deduction of ₹ 5,268,950 from the monthly payout due to our Company as per existing contract of provision of cable television service. The matter is currently pending and has not been listed for hearing.

4. Our Company has filed a writ petition (W.P. (C) No. 7204/2007) on June 11, 2007 before the High Court of Orissa, against Cuttack Municipal Corporation alleging that the latter had issued an order dated May 16, 2007 directing our Company to remove all cables from the concerned municipal area within seven days from the receipt of the letter. It is further alleged that our Company has taken required permission for laying down cables from the erstwhile Cuttack Municipality on December 23, 1997 and had incurred substantial expenditure. Our Company has prayed for rule nisi calling upon the respondent to show cause as to why the impugned order dated May 16, 2007 should not be quashed, and in the event of failure of respondent to furnish justified cause, quash the said impugned order. Our Company has also filed an interim application (No. 6810/2007) praying for an interim injunction against the respondent from acting in furtherance of the impugned order. By an order dated June 12, 2007, the High Court allowed the status quo. The case is pending and has not been listed for hearing.

5. Our Company has filed a suit (C.S. 114/03) before Civil Judge (Senior Division), Bhubaneswar against United City Cable Private Limited, Sky Vision Cable T.V. Network Limited, Sambad Television Private Limited and CESCO, alleging that CESCO was trying to grant permission to the other defendants violating the Energy Department Guidelines for laying cables on the electric poles. Our Company had filed an interim application (I.A. No. 110/03) for an injunction restraining CESCO from granting permission to other respondents, which was subsequently allowed by the civil judge. United City Cable Private Limited filed an appeal (F.A.O No. 18/39 of 2003) against this order before the 1st Additional District Judge, Bhubaneswar. This appeal was allowed by an order whereby the earlier interim order by civil judge was vacated. Our Company has filed a writ petition (W.P. (C) No. 11685/2005) on September 14, 2005 before the High Court of Orissa, against the order of 1st Additional District Judge, Bhubaneswar. The matter is currently pending.

Telecom matters

1. Our Company has filed a petition (378 (c) of 2010) against Ushodaya before Telecom Disputes Settlement Appellate Tribunal, New Delhi on November 11, 2010 alleging that Ushodaya has refused to provide ETV Oriya signals to our Company despite repeated requests. Pleadings have been completed and the matter is currently pending.

2. Our Company has filed a petition (No. 288(C)/06) on November 9, 2006 before TDSAT against Ushodaya, who is a broadcaster of various channels including ETV-Telugu. Our Company has prayed for supply of signals in respect of ETV-Telugu from respondent for supplying to its consumers. By an order dated March 1, 2007, TDSAT allowed the petition filed by our Company and directing Ushodaya to supply signals of ETV-Telugu in digital mode. Ushodaya filed a review application (No. 2/2007) before TDSAT for review of the aforementioned order, which TDSAT dismissed on April 9, 2007. Further, special leave petitions ((C) Nos. 14331/2007 and 14332/2007) were filed challenging the impugned orders dated March 1, 2007 and April 9, 2007, respectively. The case was listed last on February 11, 2011 and the matter is currently pending.

3. Our Company has filed a petition (427 (c) of 2010) against Taj Television India Private Limited before Telecom Disputes Settlement Appellate Tribunal, New Delhi on December 15, 2010 alleging that at first, the respondent settled commercial terms with our Company for the supply of its digital feed in non-CAS area vis-à-vis CAS-area at unreasonable rates. Then, allegedly, the respondent provided signals only in the analogue mode, contrary to the terms. Our Company has prayed for a direction to the respondent to enter into subscription agreement with our Company non-discriminatory and reasonable terms and to award damages due to loss of business, growth and income. The matter is currently pending and posted to March 28, 2011 for reply by respondent.

B. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

C. Details of past penalties imposed on our Company

Except as below, there are no past penalties imposed on our Company by the authorities/courts concerned:

Our Company had filed a contempt case (Contc. No. 913/2010) before the High Court of Orissa, against the chairman of Paradeep Port Trust and a director of Manthan Broad Band Private Services Limited alleging that the respondents had caused deliberate violation of High Court's order in (W.P.(C) No. 10386/2009). The High Court, however, found that there was no case made out against the alleged contemnors. On the contrary, the High Court held that the said contempt application amounted to the abuse of the process of the court and imposed a cost of ₹ 25,000 on our Company.

D. Potential Litigation against our Company

Except as disclosed in this section, there are no potential litigation against our Company that we are currently aware of or in connection with which, we have received notice.

1. Mr. Biraja Prasanna Bal has issued a notice to our Company on September 21, 2010 alleging that our Company had not provided the details of price of television channels in the bill sent to him. It is further alleged that our Company had charged him in advance, thereby resorting to unfair trade practice. TRAI has issued a letter to our Company requesting it to comment on the issues related in the aforementioned notice.

2. Mr. K C Kanungo has filed a complaint to the Monopolies and Restrictive Trade Practices Commission ("**MRTPC**") on March 26, 2009, alleging deficiency in service on the part of our Company on account of inflated/irregular bills, in respect of internet service. It is further alleged that our Company has not refunded the agreed amount, after disconnection and discontinuance of internet service. By a letter dated October 12, 2009, our Company has been directed by MRTPC to furnish the comments on the same. Our Company has replied to the consumer on October 26, 2010.

3. Mr. Arup Chakraborty has filed a complaint before Director General, MRTPC alleging that while our Company has charged full rent in advance, it has deprived him of continuous service. MRTPC has issued a notice to our Company on September 9, 2009 with a direction to furnish its comments. Our Company has replied to the said notice on January 28, 2009.

4. Reliance Communications Limited, has served a legal notice to our Company on February 8, 2010 alleging that despite the continuous service of telecom facilities, pursuant to an agreement with our

Company, it has failed to pay its outstanding liability amounting to ₹ 102,635. Our Company has disputed the liability.

5. TATA Communications Limited provided bandwidth for internet services of our Company. It had issued a legal notice demanding ₹ 8,161,764 in respect of alleged arrear dues. Our Company has disputed the liability.

6. Our Company has received notice from its broadcaster Taj Television on March 4, 2011 for alleged arrear dues of ₹ 1,849,006 on account of subscription for Head Ends of Orissa and ₹ 53,973 for head ends of West Bengal.

E. Material Developments since the Last Balance Sheet Date

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 142, in the opinion of our Board, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

F. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above ₹ 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

G. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

Except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company.

III. Litigation against the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against our Directors

Except as disclosed in this section, there is no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

1. Mr. Baijayant Panda

Civil cases

1. M/s Puspa Construction & Interiors has filed a suit (M.S. No. 197/2001) on November 22, 2001 before the Civil Judge, Senior Division, Bhubaneswar against Mr. Baijayant Panda and another party. Based on the representation of Mr. Debendra Kumar about himself as a special class contractor, three work orders had been placed on his proprietorship firm, M/s Puspa Construction & Interiors, for construction work at plot number 8 by Indian Metals and Ferro Alloys Limited. After payment of security deposit, the workmanship of the construction was found to be defective. Mr. Debendra Kumar assured that he would rectify the defective construction. However, he did not rectify the defect as a result of which Indian Metals and Ferro Alloys Limited sustained damages. Mr. Debendra Kumar filed a suit against Baijayant Panda for construction done by him at a different plot number 5 B based on the verbal work order of Baijayant Panda. He also relied on the work orders given by Indian Metals and Ferro Alloys Limited in this suit. The amount involved in the present matter is ₹402,604. The written statement has been filed in the suit and the matter is pending.

2. Mr. Narayan Badu has filed a suit (T.S. No. 520 of 1997) before the Civil Judge, Senior Division, Bhubaneswar against the State of Orissa, Mrs. Ila Panda and other parties. The present suit relates to the properties at Mouza Bhimpur. The plaintiff had filed the present suit relying on the settlement entry and order of the Commissioner, Settlement & Consolidation, in 1929-30. The plaintiff's application for injunction was dismissed which was followed by an appeal by him. Mrs. Ila Panda had filed her written statement. After the death of Mrs. Ila Panda, her family members have been substituted as legal heirs. The matter is currently pending.

3. Ms. Ushamani Jena has filed a civil suit (C.S. No. 893 of 2006) before the Civil Judge, Senior Division, Bhubaneswar against Baijayant Panda and other parties. The present suit relates to a partition suit filed by the plaintiff for allotment of her share of the property transferred to Mrs. Ila Panda under a compromise decree (T.S. No. 4 of 1992). Mr. Baijayant Panda has filed his written statement and the suit is currently pending.

4. Ms. Kamalini Mahapatra has filed a suit (No. C.S. No. 657 of 2009) for partition before Civil Judge, Senior Division, Bhubaneswar against Baijayant Panda and others over the property of Late Ghanashyam Dash at Cuttack town, Kantapali, and Sambalpur mahal. The matter is currently pending.

2. Ms. Jagi Mangat Panda

Civil Cases

1. M/s Puspa Construction & Interiors has filed a suit (M.S. No. 197/2001) on November 22, 2001 before the Civil Judge, Senior Division, Bhubaneswar against Mr. Baijayant Panda and another party. Based on the representation of Mr. Debendra Kumar about himself as a special class contractor, three work orders had been placed on his proprietorship firm, M/s Puspa Construction & Interiors, for construction work at plot number 8 by Indian Metals and Ferro Alloys Limited. After payment of security deposit, the workmanship of the construction was found to be defective. Mr. Debendra Kumar though assured that he would rectify the defective construction but did not do the same as a result of which IMFA sustained damages. Mr. Debendra Kumar filed a suit against Baijayant Panda for construction done by him at a different plot number 5 B basing on the verbal work order of Baijayant Panda. He also relied on the work orders given by IMFA in this suit. The amount involved in the present matter is ₹ 402,604. The written statement has been filed in the suit and the matter is pending.

2. M/s Puspa Construction & Interiors has filed a case (M.S.55/196 of 2001) on on November 22, 2001 before the Civil Judge, Senior Division, Bhubaneswar against Mrs. Jagi Mangat Panda. Mr. Debendra Kumar has filed this suit for the recovery of money for the construction done on the said plot no. 8 based on the verbal work order. He has also relied on the aforesaid three work orders of Indian Metals and Ferro Alloys Limited. The amount involved in the present matter is ₹ 611,328. The written statement has been filed in the suit and the matter is being heard currently.

3. Mr. Subhrakant Panda

Civil Cases:

1. Mr. Subhrakant Panda and other parties are petitioners in an execution petition (E.C. No.2 of 1989) before the Court at Bhubaneswar against Surendra Nath Pradhan and another party, for the execution of a decree of a civil court awarded in a suit (O.S. No. 128 of 1981) on February 18, 1984. The said suit related to the matter of the right, title and interest over the property of Mrs. Ila Panda at Mouza Bhimpur. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

2. Mr. Subhrakant Panda and other parties are petitioners in an execution petition (E.C. No.35 of 1989) before the Court at Bhubaneswar against Chintala Mali Patrani and other parties, for the execution of a decree of a civil court awarded in a suit (O.S.No.32 of 1969) on June 22, 1981. The said suit related to the matter of the right, title and interest over the property of Mrs. Ila Panda at Mouza Bhimpur. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

3. Mrs. Ila Panda had filed an appeal (OJC No. 47 of 1988) before the High Court of Orissa against Mr. Jabbar Ali and other parties. The Commissioner, Consolidation and Settlement, Orissa had directed on July 15, 1997, that certain property belonging to Mrs. Ila Panda be recorded in favour of one Chintal Mali Patrani and Surendra Nath Pradhan. The said order was challenged before the High Court of Orissa and was stayed by the said High Court. After the death of Mrs. Ila Panda, substitution application has been made to implead Mr. Subhrakant Panda and other parties in the appeal as legal heirs. The matter is pending and has not been listed for hearing.

4. Mr. Narayan Badu had filed a suit (T.S. No. 520 of 1997) before the Court at Bhubaneswar against the State of Orissa, Mrs. Ila Panda and other parties. The present suit relates to the properties at Mouza Bhimpur. The plaintiff had filed the present suit relying on the settlement entry and order of the Commissioner, Settlement & Consolidation, in 1929-30. The plaintiff's application for injunction was dismissed which was followed by an appeal by him. Mrs. Ila Panda had filed her written statement. After the death of Mrs. Ila Panda, her family members have been substituted as legal heirs. The matter is currently pending.

5. Ms. Ushamani Jena has filed a civil suit (C.S. No. 893 of 2006) before the Court at Bhubaneswar against Baijaynat Panda and other parties. The present suit relates to a partition suit filed by the plaintiff for allotment of her share of the property transferred to Mrs. Ila Panda under a compromise decree (T.S. No. 4 of 1992). Mr. Subhrakant Panda has have filed his written statement and the suit is currently pending.

6. Ms. Kamalini Mahapatra has filed a suit (No. C.S. No. 657 of 2009) for partition before Civil Judge, Senior Division, Bhubaneswar against Baijayant Panda and others over the property of Late Ghanashyam Dash at Cuttack town, Kantapali, and Sambalpur mahal. The matter is currently pending.

Income Tax Proceedings:

1. Demand of income tax for ₹ 3,173, in relation to Mr. Subhrakant Panda, was made with respect to assessment year 1996-97 by way of intimation dated March 31, 1997, under section 143(1)(a) of IT Act. The said demand was against interest charged by the Department for delayed payment of income tax under section 234(b) and 234(c) of IT Act. The calculation of the said interest is disputed and is yet to be settled.

2. Demand of income tax for ₹1,280, in relation to Mr. Subhrakant Panda, was made with respect to assessment year 2003-04 by way of intimation dated November 14, 2003, under section 143(1)(a) of IT Act. The said demand was against interest charged by the Department for delayed payment of income tax under section 234(b) and 234(c) of IT Act. The calculation of the said interest is disputed and is yet to be settled.

3. The Income Tax Department had made a demand notice of ₹ 19,450 under Section 143(1) as regards the assessment year 2008-2009, in relation to Mr. Subhrakant Panda. The demand notice was made on March 5, 2010. Demand is against non-payment of advanced tax which was allegedly paid, though allegedly ignored by the department during the time of computation. A rectification petition under Section 154 of the IT Act was filed on May 21, 2010. The matter is currently pending for disposal.

4. Mr. Shantanu Yeshwant Nalavadi

Proceedings under Securities Laws:

1. SEBI had conducted an investigation against Dawnay Day AV Securities Private Limited, now Destimoney Securities Private Limited, where Mr. Shantanu Yeshwant Nalavadi is a director, from January 1, 2008 to May 5, 2008 in relation to trading and dealing in the scrips of its client, M/s Vishesh Infotechnics Limited. Pursuant to consent order dated September 9, 2009, SEBI directed that the case involving alleged violations of Securities Exchange Board of India (Stock Broker and Sub-Brokers) Regulations, 1992, as amended, be settled on payment of ₹ 900,000 by Dawnay Day AV Securities Private Limited, now Destimoney Securities Private Limited. The said amount was paid.

5. Mr. Jyoti Bhusan Pany

Nil

6. Dr. Gautam Sehgal

Nil

7. Ms. Manjula Shroff

Nil

8. Mr. K. V. Seshasayee

Nil

9. Mr. R.R.N. Prasad

Nil

10. Major (Retd.) R.N. Misra

Nil

11. Dr. P.T. Joseph

Nil

12. Mr. Debaraj Biswal

Proceedings under Securities Laws:

1. SEBI had issued a show cause notice dated January 12, 2011 against Inter Connected Stock Exchange of India Limited where Mr. Debaraj Biswal is one of the directors. The show cause notice was in relation to matters including irregularities relating to appointment of directors and the tender process in respect of the said company. The show cause notice, however, pertains to events which happened before the appointment of Mr. Biswal on the board of the said company, i.e. September 29, 2009. The board of directors has replied to the said notice on January 28, 2011.

B. Outstanding Litigation and Material Developments/Proceedings filed by our Directors

1. **Mr. Baijayant Panda**

Civil Cases

1. Mr. Baijayant Panda has filed a suit (C.S. 483/2003) before the Civil Judge (Senior Division) 1st Court, Cuttack against Sambad. Sambad is an Oriya daily which had allegedly published a number of defamatory articles against the plaintiff. The plaintiff has filed the present suit claiming damages for the defamatory articles thus published. The plaintiff has prayed for damages amounting to ₹ 10 million from the defendant. An interim stay has been granted by the Court in the present suit and pleadings have been completed. The matter is currently in the stage of hearing.

2. Mrs. Ila Panda had filed a writ (OJC No. 47 of 1988) before the High Court of Orissa against Mr. Jabbar Ali and other parties. The Commissioner, Consolidation and Settlement, Orissa had directed on July 15, 1997, that certain property belonging to Mrs. Ila Panda be recorded in favour of one Chintal Mali Patrani and Surendra Nath Pradhan. The said order was challenged before the High Court of Orissa and was subsequently stayed. After the death of Mrs. Ila Panda, substitution application has been made to implead Mr. Baijayant Panda, who is one of her legal heirs in the appeal. The matter is pending and has not been listed for hearing.

3. Mr. Baijayant Panda and other parties are petitioners in an execution petition (E.C. No.2 of 1989) before the Civil Judge, Senior Division, Bhubaneswar against Surendra Nath Pradhan and another

party, for the execution of a decree declaring right, title and interest over the suit property awarded in a suit (O.S. No. 128 of 1981) on February 18, 1984. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

4. Mr. Baijayant Panda and other parties are petitioners in an execution petition (E.C. No.35 of 1989) before the Civil Judge, Senior Division, Bhubaneswar against Chintala Mali Patrani and other parties, for the execution of a decree of declaring right, title and interest over the suit property awarded in a suit (O.S.No.32 of 1969) on June 22, 1981. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

Tax Cases:

1. Mr. Baijayant Panda has filed an appeal (Customs Appeal No. 72/2010) before the Customs, Excise and Service Tax Appellate Tribunal, New Delhi against the Commissioner of Customs (Preventive), New Delhi. Indian Metals and Ferro Alloys Limited had imported one helicopter for which the aircraft importer claimed the benefit of the applicable customs exemption notificationand filed an undertaking to the Customs Authority. Accordingly, the Customs Authority imposed demand on Indian Metals and Ferro Alloys Limited and other parties. The said demand order was confirmed by the Commissioner of Customs (Preventive) on November 24, 2009. IMFA has also challenged the said order in the present appeal. The amount involved in the present appeal is ₹ 200,000. The appeal is currently pending.

2. **Ms. Jagi Mangat Panda**

Nil

3. **Mr. Subhrakant Panda**

Civil Cases:

1. Mr. Subhrakant Panda and other parties are petitioners in an execution petition (E.C. No.2 of 1989) before the Court at Bhubaneswar against Surendra Nath Pradhan and another party, for the execution of a decree of a civil court awarded in a suit (O.S. No. 128 of 1981) on February 18, 1984. The said suit related to the matter of the right, title and interest over the property of Mrs. Ila Panda at Mouza Bhimpur. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

2. Mr. Subhrakant Panda and other parties are petitioners in an execution petition (E.C. No.35 of 1989) before the Court at Bhubaneswar against Chintala Mali Patrani and other parties, for the execution of a decree of a civil court awarded in a suit (O.S.No.32 of 1969) on June 22, 1981. The said suit related to the matter of the right, title and interest over the property of Mrs. Ila Panda at Mouza Bhimpur. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

3. Mrs. Ila Panda had filed an appeal (OJC No. 47 of 1988) before the High Court of Orissa against Mr. Jabbar Ali and other parties. The Commissioner, Consolidation and Settlement, Orissa had directed on July 15, 1997, that certain property belonging to Mrs. Ila Panda be recorded in favour of one Chintal Mali Patrani and Surendra Nath Pradhan. The said order was challenged before the High Court of Orissa and was stayed by the said High Court. After the death of Mrs. Ila Panda, substitution application has been made to implead Mr. Subhrakant Panda and other parties in the appeal as legal heirs. The matter is pending and has not been listed for hearing.

4. **Mr. Shantanu Yeshwant Nalavadi**

Nil

5. **Mr. Jyoti Bhusan Pany**

Nil

6. **Dr. Gautam Sehgal**

Nil

7. **Ms. Manjula Shroff**

Nil

8. **Mr. K. V. Seshasayee**

Nil

9. **Mr. R.R.N. Prasad**

Nil

10. **Major (Retd.) R.N. Misra**

Nil

11. **Dr. P.T. Joseph**

Nil

12. **Mr. Debaraj Biswal**

Nil

C. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for economic offences.

D. Details of past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

IV. Outstanding Litigation and Material Developments/Proceedings against our Promoters

Except as stated below, there is no outstanding litigation involving our Promoters, including criminal prosecutions or civil proceedings involving our Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

A. Litigation involving Promoters

Outstanding Litigation and Material Developments/Proceedings against our Promoter

1. Utkal Manufacturing & Services Limited ("UMSL")

Criminal cases:

1. Mr. Guru Charan Behera filed a criminal complaint (132/2008) before Judicial Magistrate (First Class), Cuttack on September 22, 2008 alleging that UMSL had detained his truck and alleged extortion against UMSL. The said truck was subsequently released pursuant to the order of Judicial Magistrate (First Class), Cuttack

Civil cases:

1. Mr P Shanu has filed a motor accident claim case (No. 396/2006) before the Civil Judge (Junior Division), Rayagada against UMSL along with the Insurance Company. It is alleged that Mr. Shanu sustained injury because of an accident involving UMSL vehicle bearing registration number (OR 05J 2202). The matter is presently pending.

2. Mr. Guru Charan Behera has filed a suit (No. 53/2009) before the Court of the Civil Judge (Senior Division) First Court, Cuttack on September 10, 2009 against UMSL. It is alleged that the plaintiff suffered losses on account of detention of his vehicle which was transporting goods of UMSL. He has prayed for amount of ₹ 123,000 towards compensation. The case is pending.

3. Mr. Brahmananda Dikhit, being the legal heir of deceased who died because of an accident involving a vehicle of UMSL bearing registration number OR 05K 6803, has filed a motor accident claim case (No. 389 / 2002) before the Court of 1st Motor Accidents Claims Tribunal, Cuttack against UMSL alongwith the Oriental Insurance Company. The case is pending

4. Ms. Lata Swain, being the legal heir of deceased, who died because of an accident involving a vehicle of UMSL bearing registration number OR 02 B 4534, has filed a a motor accident claim case (No. 465 / 2002) before the Court of 1st Motor Accidents Claims Tribunal, Cuttack against UMSL alongwith the Oriental Insurance Company. The case is presently pending.

5. Mr. Hemant Kumar Ojha who was injured due to an accident involving UMSL vehicle bearing registration number OR 02 B 4526, has filed a motor accident claim case no. (1084/1999) before the Court of 1st Motor Accidents Claims Tribunal, Cuttack against UMSL along with the Oriental Insurance Company. The case is presently pending.

6. Mr. Abhimanyu Mallik, who was injured due to an accident involving UMSL vehicle bearing registration number OR 02 N 9436, has filed a motor accident claim case no. (823 / 2005) before the Court of 1st Motor Accidents Claims Tribunal, Cuttack against UMSL along with the New India Insurance Company. The matter is currently pending.

7. Mr. Mrutyunjay Sandha, who was injured due to an accident involving UMSL vehicle bearing registration number OR 05 K 6802, has filed a motor accident claim case no. (304 / 2006) before the Court of 1st Motor Accidents Claims Tribunal, Cuttack against UMSL along with the New India Insurance Company. The matter is presently pending.

8. Ms. Santilata Mohanty, being the legal heir of deceased, who died due to an accident involving UMSL vehicle bearing registration number OR 05 AB 9539, has filed a motor accident claim case no. (715 / 2008) before the Court of 1st Motor Accidents Claims Tribunal, Cuttack against UMSL along with the New India Insurance Company. The matter is currently pending.

9. UMSL had acquired land in Chhatouna Gram panchayat, Mandir Hasaud, Raipur for plantation purpose against which dispute is pending before Gram Panchayat, Chattona.

Labour matters:

1. LEO has filed two cases (No. BSP 26 (103) 2008/LEO and No. BSP 22 (61) 2008/LEO) before labour Court, Ambalikapur against UMSL for alleged irregularities in Manipal Mines.

2. Ms. Himrika Kanta has filed a workman's compensation case case no. (W.C. 10/97) before the Court of Workman's Commissioner, Jeypore for compensation due to death against UMSL along with the New India Insurance Company. The matter is currently pending.

3. Ms. Mehrun Nisha has filed a workman's compensation case no. (W.C. 4/11) before the Court of Commissioner of Compensation and Assistant labour Commissioner for compensation due to personal injury caused in accident against UMSL along with the New India Insurance Company. The matter is currently pending.

2. Panda Investments Private Limited

Nil

Outstanding Litigation and Material Developments/Proceedings filed by our Promoters

1. UMSL

1. UMSL has filed a writ petition (W.P.(C) 14325/2009) before the High Court of Orissa seeking an order to quash the levy of punitive charges by East Coast Railways for overloading of a bauxite rake loader from Bishrampur to Doikallu. The charge levied is ₹ 856,550. The case is currently pending.

2. UMSL has filed a writ petition (W.P.(C) 14682/2009) before the High Court of Orissa on October 5, 2009. UMSL has filed the writ petition seeking an order to quash the levy of punitive charges by East Coast Railways for overloading of a bauxite rake loader from Bishrampur to Doikallu. The charge levied is ₹ 500,589. The case is currently pending.

2. Panda Investments Private Limited

Nil

For litigation pertaining to Mr. Baijayant Panda and Ms. Jagi Mangat Panda, see section titled "Outstanding Litigation and Material Developments - Litigation against the Directors of our Company" beginning on page 184.

B. Details of past penalties imposed on our Promoters

There are no past penalties imposed on our Promoters.

C. Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters for economic offences.

D. Litigation/Defaults in respect of companies/firms/ventures with which our Promoters were associated in the past

There are no litigation/defaults initiated in respect of companies/firms/ventures with which our Promoters were associated in the past.

V. Litigation involving our Group Companies

Outstanding Litigation and Material Developments/Proceedings involving our Group companies and entities

Except as stated below, there is no outstanding litigation involving our Group companies and entities, including criminal prosecutions or civil proceedings involving our Group companies and entities, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Group companies and entities (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

1. Odisha Television Limited ("OTL")

Outstanding Litigation/ Proceedings filed against OTL

1. Ms. Bhagyashri Behra has filed a suit (C.S.46/654/03/02) at Bhubaneswar before Fast Track Court No. IV against OTL. Bhagyashri, wife of an IAS officer, filed this case of defamation and for recovery of damage with regard to a news telecast by OTL against her husband. OTL along with other media has been arrayed as a party. The plaintiff has expired and her daughter has prayed for substitution in this case. The matter is pending.

2. Mr. Bikram Pradhan and others filed a suit (C.S.540/2008) at Cuttack before the Civil Judge (Senior Division), against Ashok Sahu and others, in which OTL has been made a proforma defendant. The

case was filed for the recovery of damages of ₹ 500 million for defamation but no relief was sought from OTL. OTL appeared before the court on February 10, 2009. The case is posted to March 24, 2011. The matter is pending.

3. Mr. P.K. Nayak filed a criminal complaint (ICC320/1999) in Bhubaneswar before the Sub-Divisional Judicial Magistrate, against Ranjan Patnaik and others, in which OTL was made a party. The case for defamation was filed in connection with telecast of some news by OTL and other newspapers.

4. Variety Entertainment has filed a petition (PET. No. 276(C)/2009) before the TDSAT, New Delhi on December 15, 2009 against OTL. Variety Entertainment has filed the present petition against OTL to get the decoder of the 'TARANGA' channel. The TDSAT has passed an interim order providing the decoder for the interim base of 4,000 subscribers and the survey of the subscriber base is continuing at present. The matter is pending.

Outstanding Litigation/ Proceedings filed by OTL

1. OTL filed a criminal complaint (1CC27/2006) in Bhubaneswar before the Sub-Divisional Judicial Magistrate against Pratima Builders. The case was filed regarding dishonor of cheques amounting to ₹ 24, 741.

2. OTL filed a criminal complaint (1CC26/2006) in Bhubaneswar before the Sub-Divisional Judicial Magistrate against Sunil Mehra (Sambalpuri Bastralaya) in connection with dishonour of cheques for a sum amounting to ₹ 26,861, a claim which arose due to the dishonor of cheques drawn by Sunil Mehra.

3. OTL filed a criminal complaint (1CC1393/2008) in Bhubaneswar before the Sub-Divisional Judicial Magistrate against Gatikrishna Das (Motion Sixteen). The complaint was filed subsequent to the dishonor of cheques amounting to ₹ 14,325 drawn by Gatikrishna Das.

4. OTL filed a criminal complaint (1CC1394/2008) in Bhubaneswar before the Sub-Divisional Judicial Magistrate against Gatikrishna Das (Motion Sixteen). The complaint was filed subsequent to the dishonor of cheques amounting to ₹ 15,449 drawn by Gatikrishna Das.

5. OTL filed a criminal complaint (1CC2130/2008) in Bhubaneswar before the Sub-Divisional Judicial Magistrate against Sudhir Satpathy. The complaint was filed subsequent to the dishonor of cheques amounting to ₹ 1,21,350 by Sudhir Satpathy.

6. OTL filed a criminal complaint (1CC26/2010) in Bhubaneswar before the Sub-Divisional Judicial Magistrate against Basanti Pani. OTL filed the said complaint for criminal prosecution due to the dishonor of cheques drawn by Basanti Pani amounting to ₹ 110,630.

7. OTL filed a criminal complaint (1CC 2514/2007) in Bhubaneswar before the Sub-Divisional Judicial Magistrate on May 30, 2007 against National Institute of Medical and Management Studies. OTL filed the said complaint for criminal prosecution due to the dishonor of cheques issued by National Institute of Medical and Management Studies and amounting to ₹ 62,500.

8. OTL filed criminal complaints (1CC 3174/07 to 3177/07) in Bhubaneswar before the Sub-Divisional Judicial Magistrate on July 4, 2007 against Mr. Pradip Mohanty. OTL filed the said complaints due to the dishonor of cheques issued by Mr. Pradip Mohanty and amounting to ₹ 34,907, ₹ 34,906, ₹ 34,189 and ₹ 34,189 respectively.

2. Indmet Commodities Private Limited

Nil

3. Kishangarh Enviornmental Development Action Private Limited

Nil

4. Orissa Coal and Services Private Limited

Nil

5. Orissa Telefilms Private Limited

Nil

6. Metro Skynet Limited

Nil

7. Odisha Infra-tech Private Limited ("OITPL")

1. Ms. Nishamani Swain and another has filed a civil suit (No. 41/2010) before Civil Judge, Senior Division, Nimapara for declaration of title in respect of the land which is purchased by OITPL. The total relief in the suit is valued at ₹ 50,725.00. Monetary involvement towards purchase of land is ₹ 50,625. OITPL has filed written statement and rejoinder and the matter is currently pending.

8. Barunei Farm and Nature Resorts Private Limited

Nil

9. Keda Enterprises Private Limited

Nil

10. Tarang Broadcasting Company Limited

Nil

Past Penalties paid by the Group Companies

There are no past penalties paid by the Group Companies.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see section titled "*Regulations and Policies*" on page 94.

A. Approvals in relation to our Company's incorporation

1. Certificate of incorporation dated June 2, 1995 granted to our Company by the RoC.

B. Approvals related to this Issue

1. In-principle approval from the NSE dated [●];

2. In-principle approval from the BSE dated [●];

3. Our Board has, pursuant to its resolutions dated December 29, 2010, authorised this Issue;

4. The Selling Shareholder has, pursuant to its resolution dated February 22, 2011, authorised the Offer for Sale;

4. The shareholders of our Company have, pursuant to their resolution at the EGM dated January 22, 2011 authorised this Issue; and

5. Our Company is in the process of making an application to the FIPB for participation by foreign investors in the Issue and to increase the FII limits in our Company to the maximum permitted limit (which is currently 49%).

6. Our Company is in the process of making an application to the RBI to seek its approval for the Offer for Sale.

C. Business and Project Approvals

We require various approvals for us to carry on our business. Some of our business related approvals may expire in the ordinary course of business and applications for renewal of these approvals are submitted in compliance with applicable law. Our Company has received the following significant approvals pertaining to its business and projects:

1. Registration certificate as a cable operator under Rule 5 of Cable Television Networks Rules, 1994

S. No.	Location	Authority	Reference / Registration/ Authorization Number	Date of coming into effect	Validity
1.	Angul	Government of India, Head Post Office	146	April 14, 2009; Renewed with effect from April 14, 2010	One year
2.	Balangir	Government of India, Head Post Office	14/06	November 20, 2009; Renewed with effect from November 20, 2010	One year
3.	Balasore	Government of India, Head Post Office	H/102/CTN-105/05-06	July 14, 2010	One year
4.	Balugaon	Government of India, Head Post Office	152/2010	April 13, 2010	One year
5.	Bargarh	Department of Posts, India	BGH-50/2008	May 28, 2010	One year
6.	Baripada	Government of India,	75	November 4, 2009;	One year

S. No.	Location	Authority	Reference / Registration/ Authorization Number	Date of coming into effect	Validity
		Head Post Office		Renewed on November 4, 2010	
7.	Basudevpur	Government of India, Head Post Office	BDK 48/2010	December 4, 2010	One year
8.	Beleghata	Government of India, Head Post Office	318	February 2, 2010; Renewed with effect from February 2, 2011	One year
9.	Berhampur	Government of India, Head Post Office	BF-HO-60	April 4, 2010	One year
10.	Bhadrak	Government of India, Head Post Office	BDK-41/09	December 5, 2009; Renewed on December 10, 2010	One year
11.	Bhawanipatna	Government of India, Head Post Office	125/2009-2010	November 14, 2009; Renewed on November 15, 2010	One year
12.	Bhubaneswar	Government of India, General Post Office	CTV-076	October 20, 2009; Renewed with effect from October 20, 2010	One year
13.	Burla	Government of India, Head Post Office	114/2010	May 17, 2010	One year
14.	Chandbali	Government of India, Head Post Office	BDK 49/2010	December 4, 2010	One year
15.	Chatrapur	Government of India, Head Post Office	55/2009-2010	November 26, 2009; Renewed on November 9, 2010	One year
16.	Cuttack	Government of India, Head Post Office	44	September 17, 2010	One year
17.	Damanjori	Government of India, Head Post Office	94	May 14, 2010	One year
18.	Dhenkanal	Government of India, Head Post Office	38/2004	March 24, 2010	One year
19.	Gajuwaka	Government of India, Head Post Office	560	October 13, 2009; Renewed with effect from October 13, 2010.	One year
20.	Ganjam	Government of India, Head Post Office	66/2010-11	December 8, 2010	One year
21.	Gunupur	Government of India, Head Post Office	302	November 12, 2010	One year
22.	Hirakud	Government of India, Head Post Office	115/2010	May 17, 2010	One year
23.	Jaleswar	Government of India, Head Post Office	34	May 5, 2010	One year
24.	Jeypore	Government of India, Head Post Office	294	January 9, 2010; Renewed with effect from January 9, 2011	One year
25.	Jharsuguda	Government of India, Head Post Office	62	March 11, 2011	One year
26.	Keonjhar	Government of India, Head Post Office	159	July 1, 2010	One year
27.	Khallikote	Government of India, Head Post Office	64/2010-11	November 9, 2010	One year
28.	Khurda	Government of India, Head Post Office	61/2003	September 22, 2010	One year
29.	Koraput	Government of India, Head Post Office	97	August 6, 2010	One year
30.	Nabarangpur	Government of India, Head Post Office	298	December 7, 2009; Renewed with effect	One year

S. No.	Location	Authority	Reference / Registration/ Authorization Number	Date of coming into effect	Validity
				from December 7, 2010.	
31.	Nayagarh	Government of India, Head Post Office	126/2010	April 12, 2010	One year
32.	Paradeep	Government of India, Head Post Office	010	June 24, 2010	One year
33.	Puri	Government of India, Head Post Office	77/2009	October 5, 2009; Renewed with effect from October 19, 2010	One year
34.	Raipur	Government of India, Head Post Office	28	February 5, 2010; Renewed with effect from February 5, 2011	One year
35.	Rambha	Government of India, Head Post Office	65/2010-11	November 9, 2010	One year
36.	Rayagada	Government of India, Head Post Office	292	February 22, 2010; Renewed with effect from February 22, 2011.	One year
37.	Rourkela	Government of India, Head Post Office	RKL/CTN-142/99-10	April 13, 2010	One year
38.	Sambalpur	Government of India, Head Post Office	73/97	April 9, 2010	One year
39.	Semliguda	Government of India, Head Post Office	96	June 18, 2010	One year
40.	Sunabeda	Government of India, Head Post Office	95	June 18, 2010	One year
41.	Talcher	Government of India, Head Post Office	184	January 30, 2010; Renewed with effect from January 30, 2011	One year
42.	Tangi	Government of India, Head Post Office	151/2010	April 13, 2010	One year
43.	Tekkali	Government of India, Head Post Office	15	May 7, 2010	One year
44.	Tihidi	Government of India, Head Post Office	BDK 50/2010	December 4, 2010	One year
45.	Titilagarh	Government of India, Head Post Office	15/06	November 14, 2009; Renewed with effect from November 20, 2010	One year

2. Internet service provider ("ISP") license under Section 4 of the Indian Telegraph Act, 1885

S. No	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	Department of Telecommunications, GoI	820-947/07-LR	November 26, 2007	15 Years

3. Distribution Company Agreement: For use of distribution poles under the jurisdiction of the authority

	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	Central Electricity Supply Company of Orissa Limited.	CESCO/COM./35331	December 5, 2005	December 4, 2011
2.	North Eastern Electricity	--	October 7, 2002	October 6, 2012

	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
	Supply Company of Orissa Limited.			
3	Western Electricity Supply Company of Orissa Limited.	--	September 02, 2005	April 30, 2011
4	Southern Electricity Supply Company of Orissa Limited.	--	December 5, 2000	December 4, 2013
5	Steel Authority of India Limited, Rourkela	3900	April 28, 2006	Five years with effect from April 01, 2006
6.	Electrical Department of East Coastal Railway, Sambalpur Division	-	January 15, 2010	10 years
7.	Chhattisgarh State Electricty Board		October 12, 2006	This agreement is subject to review every year, and has been renewed with additional charges.

4. Permisssion to establish, maintain and operate uplinking hub (teleport)

S. No	Authority	Reference / Registration/Authorization Number	Date Granted	Validity
1.	Ministry of Information and Broadcasting, Government of India	Grant of permission agreement with the MIB to establish, maintain and operate up linking hub (teleport) at Bhubaneswar in compliance with the 'Guidelines for Up linking from India'.	June 25, 2007	10 years

5. Permission to use ducts for laying cables

	Authority	Reference / Registration/Authorization Number	Date Granted	Validity
1.	New Town Telecom Infrastructure Development Company Limited.	--	March 23, 2007	15 years

6. Utilization of Municipal Poles and erection of supporting poles of our Company

Our Company utilizes municipal poles and is involved in the erection of supporting poles for running its business and is required to obtain authorization/ registrations from the relevant municipal authorities. We have obtained such authorizations, as appropriate, for our various locations.

7. Registration as an Infrastructure Provider

Our Company has been registered (registration certificate no. 107/06) as an Infrastructure Provider, Category I (IP-I) on May 4, 2006 to eastablish and maintain the assets, i.e., dark fibres, right of way, duct space and tower to grant on lease/rent/sale basis to licensees of telecom services under the Indian Telegraph Act, 1885. The registration has been provided by the Ministry of Communications & IT, DoT, GoI.

8. Registration under the Shops and Establishment Acts

Of our 27 business locations, we currently have registration certificates under the respective Shops and Establishment Act of the various states for 24 business location which require such certification. We have applied for the certificates in relation to three such locations.

9. Permission to use SNG/DSNG Van in C-Band

S. No	Authority	Reference / Registration/Authorization Number	Date Granted	Validity
1.	Ministry of Information and Broadcasting, Government of India	No. 1404/4(i)/2006-TV (1)	December 4, 2008	-----

D. Taxation and other approvals

S. No.	*Description*	*Reference/ TIN*
1.	Tax Deduction Account Number (“**TAN**”) under the I.T Act	BBNO00184C
2.	PAN	AAACO1004B
3.	Service tax registration number	AAACO1004BST001
4.	Registration as a ‘dealer’ under the Central Sales Tax Act, 1956, as amended.	28216708869
5.	Registration under the Andhra Pradesh Entertainment Tax Act, 1939, as amended.	26413146077
6.	Chattisgarh sales tax registration number	22491305672
7.	Registration under the Orissa Sales Tax Act, 1947, as amended.	BHII-41187
8.	Taxpayer’s Identification Numbers (“**TIN**”) under the Orissa Sales Tax Act, 1947, as amended	21151104455
9.	Registration under the Central Sales Tax (Registration and Turnover) Rules, 1975.	BHC II-3224
10.	Professional tax registration number for the state of Orissa	PR BH-II-304
11.	Professional tax registration number for the state of West Bengal	RCE0046230
12.	Professional tax registration number for the state of Andhra Pradesh	28297145944
13.	Service tax code number	AAACO100BST001/ AAACO100BST002
14.	Certificate of registration number under West Bengal Value Added Tax Rules, 2005	19677255004
15	Certificate of registration number under Orissa Sales Tax Act, 1947	BH II 4118
16.	Certificate of registration number under the Central Sales Tax (Registration and Turnover) Rules, 1975	BHC II-3224

The Company has received certificates of registration in relation to value added tax (“**VAT**”) and has been allotted Taxpayer’s Identification Numbers (“**TIN**”) for its establishments in certain states. The details of such registrations are mentioned below:

S. No.	*Description*	*TIN*
1.	Registration under the West Bengal Value Added Tax Act, 2008, as amended, for the establishment situated at GC-3, Eden Shop, Greenwood Park, New Town, Rajarhat, Kolkata 700 156.	19677255004
2.	Registration under the Andhra Pradesh Value Added Tax Act, 2005, as amended, for the establishment situated at Gajuwaka Circle, IInd Floor, B Block, VUDA Udyog Bhavan, Vishakhapatnam.	28216708869

E. Intellectual Property approvals and applications

S. No.	Approval	Registration Number	Validity
1.	Registration for the logo “ ” in Class 38	1303557	August 18, 2014
2.	Registration for the logo “Ortel.net” in Class 38	1303555	August 18, 2014
3.	Registration for the logo “Home Grown, World Class” in Class 38	141961	February 8, 2016

On February 8, 2011, our Company has filed applications with the Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of “Ortel Digital”, “Ortel Broadband” and “Ortel Home Cable” as trademark.

On February 25, 2011, our Company has filed an application with Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of "Ortel e Phone" as trademark.

On August 18, 2004, our Company has filed an application with Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of "Sky View" as trademark, which is being opposed.

F. Applications pending

As per the provisions of the Grant of Permission Agreement for Teleport dated June 25, 2007 and the Guidelines for Uplinking from India, any change in our Board of Directors requires the prior approval of the MIB. Our Company has made an application dated February 1, 2011 to the MIB for the approval for appointment of the independent Directors, Mr. K. V. Seshasayee, Mr. R.R.N. Prasad, Major (Retd.) R.N. Misra, Dr. P.T. Joseph and Mr. Debaraj Biswal, who have been appointed to the Board of Directors on February 2, 2011. The application is currently pending with the MIB for approval.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Corporate Approvals

- Our Board has, pursuant to its resolution dated December 29, 2010, authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.
- The shareholders of our Company have authorised this Issue by their resolution passed pursuant to Section 81(1A) of the Companies Act, at its EGM held on January 22, 2011 and authorised the Board to take decisions in relation to this Issue.
- Further, our Board of Directors has approved this Draft Red Herring Prospectus through its resolution dated March 15, 2011.
- The board of directors of NSR – PE Mauritius LLC ("**NSR**") by way of resolution dated February 22, 2011 has authorized the transfer of upto 8,182,598 Equity Shares pursuant to the Offer for Sale.

Approval for Lock-in

The Promoters through their letters dated March 2, 2011 have granted approval for the lock-in of their pre-Issue shareholding, less shares offered for sale for a period of three years and one year as required under the SEBI Regulations. The Promoters have agreed to lock-in 5,991,460 Equity Shares representing 25.47% of the post-Issue Equity Capital of our Company for three years and the balance shares for one year or such other time as required under the SEBI Regulations.

Approvals from the RBI and the FIPB

The Company shall apply for the approval of the RBI for compliance with the applicable foreign exchange control norms for the transfer of Equity Shares in the Issue. Our Company is in the process of making an application to the FIPB for participation by foreign investors in the Issue and to increase the FII limits in our Company upto the maximum permitted limit (which is currently 49%).

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for this Issue. The Reserve Bank of India has vide its letter dated [●], approved the transfer of the Equity Shares to non-residents including, NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the extant policy, OCBs are not permitted to participate in the Issue without the prior approval of the RBI. For further details regarding the requirement for such approval and other ancillary matters in this regard, see section titled "*Regulations and Policies*" and "*Issue Procedure*" on pages 94 and 220 respectively.

Prohibition by RBI

Except as stated in the section titled "*Our Promoters and Promoter Group - Other Undertakings and Confirmations*" on page 128, our Company, our Directors, our Promoters, relatives of our Promoters or our Group Companies have not been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Prohibition by SEBI or governmental authorities

We confirm that neither our Company, Selling Shareholder, Promoters, Promoter Group, Directors, Group Companies or persons in control of our Promoters have been prohibited from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other authorities. Further, except as disclosed in the section "Outstanding Litigation and Material Developments" on page 172, the SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated.

Mr. Debaraj Biswal, an independent Director of our Company, is on the board of directors of Bhubaneswar Stock Exchange Limited and Inter-connected Stock Exchange of India Limited. Mr. Shantanu Yeshwant Nalavadi, a nominee Director of our Company, is on the board of directors of Destimoney Securities Private

Limited, which is a broking firm with membership of BSE and NSE, and is a DP with CDSL and NSDL. Mr. Shantanu Yeshwant Nalavadi is also on the board of directors of Destimoney India Services Private Limited, which carries on the business of Portfolio Management Services under license from SEBI.

Except Mr. Debaraj Biswal and Mr. Shantanu Yeshwant Nalavadi, none of our Directors are associated with the securities market in any manner.

Eligibility for this Issue

Our Company is an unlisted company, not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations in the following manner:

- The Company has net tangible assets of at least ₹ 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50.00% are held in monetary assets. Provided that if more than 50.00% of the net tangible assets are held in monetary assets, the Company has made firm commitments to utilise such excess monetary assets in its business or project;
- The Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years. Provided that extraordinary items shall not be considered for calculating distributable profits;
- The Company has a net worth of at least ₹ 10.00 million in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company as per the audited balance sheet of the preceding financial year; and
- The Company has not changed its name in the last fiscal year.

Our Company does not have a track record of distributable profits of at least ₹ 10 million in each of the three preceeding full years. Though the Company has net tangible assets of at least ₹ 30.00 million in each of the preceding three full years (of 12 months each), however, in respect of one year more than 50% are heald in monetary assets. Hence, our Company is not in compliance with Regulation 26(1)(a) and (b) of the SEBI Regulations.

Since we are not in compliance with Regulation 26(1)(a) and (b) of the SEBI Regulations, we are required to meet both the conditions detailed in Regulation 26(2)(a) and Regulation 26(2)(b) of the SEBI Regulations.

Regulation 26(2) of the SEBI Regulations states as follows:

"*An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;

OR

(ii) at least fifteen per cent of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

OR

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

a. the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;

b. *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent of the proposed issue*."

Accordingly, in compliance with Regulation 26(2) of the SEBI Regulations, this Issue is being made through the Book Building Process, with at least 50% of the Net Issue is being proposed to be Allotted to QIB Bidders. In case we do not receive subscriptions of at least 50% of the Net Issue from QIBs, we shall refund the subscription monies forthwith.

Our Company will comply with the second proviso to Regulation 43(2)(c) of the SEBI Regulations and not less than 15% and 35% of the Net Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively.

The post-Issue face value capital of our Company shall be ₹ [●] million, which is more than the minimum requirement of ₹ 100 million. Hence, we are eligible under Regulation 26(2)(b)(i) of the SEBI Regulations.

In accordance with Regulation 26(4) of the SEBI Regulations, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded. In case of delay, if any, in refund beyond 15 days from the date of closure of the Issue, the Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI Regulations. The Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations. Further, this Issue is being made through the Book Building Process wherein at least 50% of the Net Issue shall be Allotted to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion, which shall be allocated on a discretionary basis) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company and the Selling Shareholder may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. For further details, see section titled "*Issue Procedure*" on page 220.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are or were associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through its applications dated [●] and [●], respectively and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the [●] shall be the Designated Stock Exchange;

(c) Our Company has entered into agreements dated January 27, 2011 and January 24, 2011 with NSDL and CDSL respectively, for dematerialisation of the Equity Shares; and

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

We are not required to make firm arrangements of finance through verifiable means towards 75% of the means of finance, excluding the amount to be raised through the Issue. For further details in this regard, see section titled "*Objects of the Issue*" on page 44.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED

HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, IDFC CAPITAL LIMITED AND CENTRUM CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, IDFC CAPITAL LIMITED AND CENTRUM CAPITAL LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 16, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

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

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. **WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

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

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from our Company, the Selling Shareholder, the Directors, the Book Running Lead Managers and the Co-Book Running Lead Manager.

Our Company, the Selling Shareholder, the Directors, the Book Running Lead Managers and the Co-Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.ortelcom.com, or the website of any of our Promoters, Promoter Group, Group Companies or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The Book Running Lead Managers and the Co-Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, our Company, the Selling Shareholder and Registrar to the Issue.

All information shall be made available by our Company, the Selling Shareholder, the Book Running Lead Managers the Co-Book Running Lead Manager to the public and investors at large and no selective or additional information would be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholder nor any member of the Syndicate are liable to Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Notwithstanding anything stated in this Draft Red Herring Prospectus, the Selling Shareholder does not express any opinion with respect to nor do they assume any responsibility for the statements and disclosures made by the Company or any other person, whether or not relating to the Company, their respective businesses, the Promoters, the financial information or any other disclosures and statements and the directors and officers of the Selling Shareholder shall not be liable in any situation whatsoever. The Selling Shareholder assumes responsibility only for the statements about or relating to the ownership and title of the Equity Shares sold by it in the Offer for Sale in this Draft Red Herring Prospectus.

The Book Running Lead Managers, the Co-Book Running Lead Manager and their respective affiliates may engage in transactions with, and perform services for, our Company and its Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, VCFs and permitted Non-Residents including FIIs, their Sub-Accounts, FVCIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S

under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Filing

A copy of this Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, third Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC located at the address mentioned below. Further, a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC located at the address mentioned below:

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

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e., from the date of refusal of an application for such a permission from a Stock Exchange, or expiry of 10 weeks from the Bid Closing Date in case no permission is granted, whichever is earlier, then our Company, and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Issue closure.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

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

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the Book Running Lead Managers, the Co-Book Running Lead Manager, the Auditor, the lenders to our Company, the domestic legal counsel to our Company, the international legal counsel to the Underwriters, the Bankers to our Company, the Registrar to the Issue have been obtained; and consents in writing of (b) the IPO Grading Agency, the Syndicate Members, the Escrow Collection Banks and the Bankers to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act. Further, such consents will not be withdrawn upto the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Price Waterhouse, Chartered Accountants, our Statutory Auditors have provided their written consent for inclusion of their name and examination report on financial information in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus. Further, such consent and report will not be withdrawn upto the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

[●], the IPO Grading Agency, will give its written consent for inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations, and such persons that are deemed to be experts under the Companies Act, we have not obtained any other expert opinions.

Issue Related Expenses

Except as disclosed in "Objects of the Issue" on page 44, the expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The Issue expenses comprising the fees and expenses of the Book Running Lead Managers, the Co-Book Running Lead Manager, the Indian and international legal counsels, underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers and the SCSBs payable in relation to the Issue shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.

All other Issue expenses, such as printing, advertisement, listing fee, auditor's fees, registrar's fees, SEBI filing fees and Stock Exchange fees for usage of book building facility etc. will be paid by our Company.

The estimated Issue expenses are as under:

Activity	Amount (₹ million)	% of the Issue Expenses	% of total Issue Size
Lead management fees*	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission*	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and distribution expenses*	[●]	[●]	[●]
IPO Grading expenses*	[●]	[●]	[●]
Advisors*	[●]	[●]	[●]
Bankers to the Issue*	[●]	[●]	[●]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

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

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members

The total fees payable to the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter dated February 22, 2011 among our Company, the Selling Shareholder and IDFC Capital Limited, engagement letter dated February 24, 2011 among our Company, the Selling Shareholder and Centrum Capital Limited; and engagement letter dated March 2, 2011 among our Company and SREI Capital Markets Limited, copies of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated March 15, 2011 entered into, between our Company, the Selling Shareholder and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO grading

This Issue has been graded by [●] and has been assigned the grade of [●] indicating [●], through its letter dated [●], which is valid for a period of [●]. The IPO grading is assigned on a five point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and an "IPO Grade 1" indicates poor fundamentals. A copy of the report provided by [●] will be made available for inspection at our Registered Office.

Previous Issues of securities otherwise than for cash

Our Company has not issued any securities for consideration other than cash.

Public or Rights Issues in the Last Three Years

Our Company has not made any previous public issues (including any rights issues to the public) since incorporation.

Performance vis-à-vis Objects – Last One Issue of Group Companies or Associate Companies

There has been no public issue (including any rights issue to the public) by our Company, Group Companies, associate companies and entities.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Outstanding Debentures or Bond Issues or Preference Shares

Except as stated in the section titled "Capital Structure" on page 22, our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as disclosed in the section titled "Capital Structure" on page 22, none of our Directors, Promoters, the respective directors of our Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

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

Except as disclosed in the section "Outstanding Litigation and Material Developments" on page 172, SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company and the Selling Shareholder will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical ASBA Form was submitted by an ASBA Bidder.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Lalit Kumar Mohanty, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

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

Disposal of investor grievances by listed Group Companies

There are no investor complaints pending against our Group Companies.

Change in Auditors

There have been no changes in our Company's auditor in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time since its incorporation.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the Allotment Advice, CAN, the listing agreements to be entered with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with the provisions of the Companies Act and the Articles. See section titled "*Main Provisions of the Articles of Association*" on page 257 for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, Articles of Association and the provisions of the listing agreements. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferees.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Issue Price will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see section titled "*Main Provisions of the Articles of Association*" on page 257.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 68B of the Companies Act, for all issues for a sum of ₹ 100 million or more, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum bid lot will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation, being the newspapers in which the pre-Issue advertisements were published, at least two Working Days prior to the Bid Opening Date.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Nomination facility to investors

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive a minimum subscription of 90% of the Fresh Issue, including devolvement to the Underwriters within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, we shall pay such interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other Non-Residents. Such Eligible NRIs, FIIs, Sub-Accounts or FVCIs and other Non-Residents shall be treated on the same basis as other categories for the purposes of Allocation.

As per existing regulations, OCBs cannot participate in this Issue.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Shares, Promoters' minimum contribution and Allotment made to Anchor Investor pursuant to the Issue, as detailed in the section titled "*Capital Structure*" on page 22, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. See the section titled "*Main Provisions of the Articles of Association*" at page 257.

Withdrawal of the Issue

Our Company or the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Managers and the Co-Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

ISSUE STRUCTURE

Public issue of [●] Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating upto ₹ [●]. The Issue comprises a Fresh Issue to the public of [●] Equity Shares aggregating up to ₹ 1,000 million and an Offer for Sale of upto 8,182,598 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholder. The Issue includes a reservation of upto [●]% of the Issue size constituting 100,000 Equity Shares for the Eligible Employees. The Issue and the Net Issue shall constitute [●]% and [●] % of the fully diluted post-Issue paid up Equity Share capital of the Company, respectively.

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

The Issue is being made through the Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	At least [●] Equity Shares.	Not less than [●] Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Upto 100,000 Equity Shares
Percentage of Issue available for Allotment/Allocation	At least 50% of the Net Issue shall be Allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Upto [●] % of Issue size constituting 100,000 Equity Shares
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows: (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a)	Proportionate.	Proportionate.	Proportionate.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	above. The Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.			
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares so that the Bid Amount exceeds ₹. 200,000.	[●] Equity Shares.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Mutual Fund, Venture Capital Fund, FVCI, FIIs and sub-account (other than a sub-account which is a foreign corporate or foreign individual), public financial institution as defined in section 4A of the Companies Act, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs.	Eligible Employees.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.			
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate, except for Anchor Investors. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.			

* Subject to valid Bids being received at or above the Issue Price, the Issue is being made through the Book Building Process wherein at least 50% of the Net Issue shall be Allotted to QIB Bidders on a proportionate basis. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, the Co-Book Running Lead Manager and the Designated Stock Exchange.

The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by Anchor Investor Pay-in Date.

** In case the Bid cum Application Form or the ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or the ASBA Form, as the case may be.

Bid/Issue Programme*

FOR ALL BIDDERS	**ISSUE OPENS ON [●]**
FOR QIBs**	**ISSUE CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**ISSUE CLOSES ON [●]**

**Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. Anchor Investors shall bid on the Anchor Investor Bidding Date.*
** *Bidding for QIBs shall close on the QIB Bid Closing Date.*

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches **except that:**

(i) in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Book Running Lead Managers and the Co-Book Running Lead Manager to the Stock Exchanges.

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least two Working Days before the Bid Opening Date.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers, the Co-Book Running Lead Manager and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders other than the Anchor Investors may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount at the time of making a Bid.

Our Company, the Selling Shareholder, and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process. In terms of Rule 19(2)(b)(i) of the SCRR, this being an Issue for at least 25% of the post Issue share capital, at least 50% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Out of the Net QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further 100,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employee, subject to valid bids being received at or above the Issue Price, provided that the value of allotment to a single Eligible Employee does not exceed ₹ 200,000. Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, consider participation of Anchor Investors in accordance with SEBI Regulations. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion subject to the Net Issue constituting at least 25% of the post-Issue paid up capital of our Company. Any under-subscription in any category in the Net Issue will be allowed to be met with spill-over from any other category or combination of categories in the Net Issue, at the discretion of the Company in consultation with the Book Running Lead Managers, the Co-Book Running Lead Manager and the Designated Stock Exchange.

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to SCSBs. In case of QIBs, the Company may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, reject their Bids at the time of acceptance of the Bid cum Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and the Eligible Employees, the right to reject the Bids shall only be on technical grounds. Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid lot for the Issue will be decided by the Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, and advertised in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation at least two Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price.

Investors should note that Allotment to successful Bidders will be only in the dematerialized form. Bid cum Application Forms or ASBA Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and BAN will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form or the ASBA Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form or the ASBA Form was submitted in joint names, Bidders are required to ensure that the beneficiary account was held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form or ASBA Form.

Bid cum Application Form and ASBA Form

Copies of the Bid cum Application Form will be available for all categories of Bidders, with the members of the Syndicate and from our Registered Office and our Corporate Office. ASBA Forms in physical form will be available with the Designated Branches, and electronic ASBA Forms will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder, be furnished to him at our Registered Office, our Corporate Office and the Designated Branches.

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate, unless they are using the ASBA process. Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by the relevant member of the Syndicate.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Bidders can also submit their Bids through the ASBA by submitting ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained. An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch which shall be stamped. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA 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 ASBA Bidder.

The prescribed colour of the Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	**Color of Bid cum Application Form including ASBA Bid cum Application Form***
Resident Indians and Eligible NRIs applying on a non-repatriation basis, excluding Eligible Employees Bidding in the Employee Reservation Portion	[●]
Non-Residents and Eligible NRIs applying on a repatriation basis, FVCIs and FIIs	[●]
Anchor Investors**	[●]
Eligible Employees	[●]

**Excluding electronic ASBA Bid cum Application Forms.*

***[*] Bid cum Application Forms for Anchor Investors shall be available at our Registered Office, our Corporate Office and at the offices of the Book Running Lead Managers and the Co-Book Running Lead Manager.*

Who can Bid?

- Indian nationals resident in India, who are not minors in single or joint names (not more than three) or as natural/ legal guardian on behalf of minors;
- Hindu Undivided Families ("**HUFs**"), in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form or the ASBA 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 will be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional or charter documents;
- Foreign corporates Bidding in the QIB Portion, in accordance with all applicable law;
- Mutual Funds registered with SEBI;
- Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other applicable law);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;
- VCFs;
- FVCIs;
- State industrial development corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutional or charter documents to hold and invest in equity shares;
- Scientific and/or industrial research organizations in India, which are authorized to invest in equity shares;
- Insurance companies registered with the IRDA;
- Insurance funds set up and managed by the Department of Posts, India;
- Provident funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Limited Liability Partnerships;
- Multilateral and bilateral development financial institutions;
- Eligible Employees; and
- Any other persons eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Anchor Investor Portion

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, may consider participation by Anchor Investors in the Issue for up to 30% of the QIB Portion in accordance with the applicable SEBI Regulations. Anchor Investor shall Bid during Anchor Investor Bidding Period. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors shall be QIBs as defined in the SEBI Regulations.

(b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds ₹ 100 million and in multiples of [●] Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion.

(c) Allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two such investors for allocation of upto ₹ 2,500 million and five investors for allocation of more than ₹ 2,500 million.

(d) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds. Bids by various schemes of a Mutual Fund shall be clubbed to calculate the Bid Amount, which shall not equal to or more than ` 100 million.

(e) The Bidding for Anchor Investors shall open one day before the Bid Opening Date and shall be completed on the same day.

(f) Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

(g) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the Book Running Lead Managers and the Co-Book Running Lead Manager before the Bid Opening Date.

(h) Anchor Investors cannot withdraw their Bid after the AnchorInvestor Bidding Date.

(i) Allocation to Anchor Investor will be completed on the Anchor Investor Bidding Date.

(j) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. In case the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and Anchor Investor Allocation Price shall be paid by the Anchor Investors by the Anchor Investor Pay-in Date. In the event the Issue Price is lower than the Anchor Investor Allocation Price, the allotment to Anchor Investors shall be at Anchor Investor Allocation Price.

(k) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(l) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(m) The payment instruments for payment into the Escrow Account should be drawn in favour of:
- In case of Resident Anchor Investors: "Escrow Account – [●] – Anchor Investor – R"
- In case of Non-Resident Anchor Investor: "Escrow Account – [●]–Anchor Investor - NR"

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates and affiliates of the Book Running Lead Managers and the Co-Book Running Lead Manager and Syndicate Member

The Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Managers, the Co-Book Running Lead Manager and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Book Running Lead Managers, the Co-Book Running Lead Manager, the Syndicate Members, the Promoters, the Promoter Group and any persons related to them cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI Regulations, at least one third of the Anchor Investor Portion will be available for allocation on a discretionary basis to Mutual Funds and 5% of the Net QIB Portion is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI, VCFs and FVCI

There is no reservation in the Issue for Eligible NRIs or FIIs, VCFs or FVCIs registered with SEBI. Eligible NRIs and FIIs, VCFs or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per regulations made by the RBI, OCBs cannot participate in this Issue.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents , accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("**NRO**") accounts.

Bids by FIIs

Under the extant law, the total holding by a single FII or a Sub-Account cannot exceed 10% of the post-Issue paid-up equity share capital of our Company and the total holdings of all FIIs and sub-accounts cannot exceed 24% of the post-Issue paid-up equity share capital of our Company. The said 24% limit can be increased upto the applicable sectoral cap by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. We propose to apply to the FIPB to approve the increase in our FII limit upto the maximum permitted limt (which currently is 49%).

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII may issue, or otherwise deal in offshore derivative instruments (as defined under the FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of the Underwriters, including the Book Running Lead Managers and the Co-Book Running Lead Manager that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in our Company.

Bids by VCFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. However, VCFs or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in public offerings.

Bids by Limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form or the ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form or the ASBA Form. Failing this, the our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Directors, the officers of the Company and the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft

Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form/ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(i) With respect to Bids by FVCIs, VCFs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form.

(ii) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid cum Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged with the Bid cum Application Form.

Our Company and the Selling Shareholder in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form/ASBA Form, subject to such terms and conditions that our Company, the Selling Shareholder, and the Book Running Lead Managers and the Co-Book Running Lead Manager deem fit, without assigning any reasons therefor.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

Eligible Employees applying under Employee Reservation Portion also have to ensure that the Bid Amount does not exceed ₹ 200,000.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB cannot withdraw its Bid after the QIB Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs bidding in the Issue under the QIB Portion shall not be made public during the Bidding Period.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-

Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.**

(c) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or more than ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Period. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date.**

(d) **Bids by Eligible Employees**

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

A permanent and full-time employee of our Company, working in India or a Director of our Company, whether whole-time or part-time, but excludes our Promoters and Promoter Group, as on the date of the Red Herring Prospectus, and who are based, working and present in India as on the date of submission of the ASBA Form, continues to be in the employment of our Company until submission of the Bid cum Application Form or the ASBA Form, as the case may be.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.
- Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation portion will be on a proportional basis.
- The value of Allotment to any Eligible Employee shall not exceed ` 200,000
- Eligible Employees may Bid in any of the bidding options at Cut-Off Price.
- The maximum Bid amount by any Eligible Employee cannot exceed ` 200,000.
- The maximum Bid under Employee Reservation Portion by an Employee cannot exceed [●] Equity Shares.
- Bids by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis. For the method of proportionate basis of allotment, see section titled "*Issue Procedure - Basis of Allotment*" at page 250.

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this DRHP.

Information for Bidders:

1. Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Managers and the Co-Book Running Lead Manager shall declare the Bid Opening Date, the Bid Closing Date and shall publish the same in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

3. Our Company shall announce the Price Band at least two Working Days before the Bid Opening Date in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band.

4. The Bidding Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bidding Period shall be extended, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. The revised Price Band and Bidding Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and the Co-Book Running Lead Manager and at the terminals of the members of the Syndicate.

5. The Book Running Lead Managers and the Co-Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including ASBA Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

6. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors and copies of the Red Herring Prospectus shall be provided at the request of potential investors. Any potential investor who would like to obtain copies of the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office, Corporate Office or from any member of the Syndicate.

7. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the Book Running Lead Managers or the Co-Book Running Lead Manager or Syndicate Member or their authorised agent(s) to register their Bids. ASBA Bidders should approach the Designated Branches of the SCSBs to register their Bids.

8. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Forms) should bear the stamp of the members of the Syndicate, otherwise they will be rejected.

9. Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be suspended for credit, and no credit of Equity Shares pursuant to the Issue will be made in the accounts

of such Bidders.

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

Additional information specific to ASBA Bidders

1. ASBA Forms in physical form will be available with the Designated Branches and electronic ASBA Forms will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date. Further, the SCSBs will ensure that the abridged prospectus is made available on their websites.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. Eligible Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The Book Running Lead Managers and the Co-Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the Book Running Lead Managers and the Co-Book Running Lead Manager shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

Bidders may note that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member do not match with the DP ID, BAN and PAN available in the Depository database, the Bid cum Application Form or the ASBA Form, as the case may be is liable to be rejected.

Method and Process of Bidding

1. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, shall decide the Price Band and the minimum Bid lot for the Issue and the same shall be advertised in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation, at least two Working Days prior to the Bid Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

2. The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 working days. The Bidding Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and also by indicating the change on the website of the Book Running Lead Managers and the Co-Book Running Lead Manager.

3. During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid. The members of the Syndicate accepting Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

   The Book Running Lead Managers and the Co-Book Running Lead Manager shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Bids by Eligible Employees in the Eligible Employee Reservation and in the "Net Issue" portion shall not be treated as multiple Bids.

4. Each Bid cum Application Form and/ or the ASBA 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" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

5. The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the members of the Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the Book Running Lead Managers, the Co-Book Running Lead Manager or SCBS 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 approval of the Basis of Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids". Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.

6. Except in relation to Bids received from the Anchor Investors, the members of the Syndicate/ the SCSBs, as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Form.

7. Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section titled "Issue Procedure" on page 220.

8. Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

9. The Bid Amount shall remain blocked in the aforesaid ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels

1. In accordance with SEBI Regulations, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band

shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The revised Price Band and the Bidding Period will be widely disseminated by notification to the SCSBs and the Stock Exchnage and also by indicating the change on the website of the BRLMs and the Co-BRLM.

2. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, will finalise the Issue Price within the Price Band, without the prior approval of or intimation to the Bidders.

3. The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees may bid at the Cut-off Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

4. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, the Retail Individual Bidders who Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

5. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Issue Price. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see the sub section "*Payment Instructions*" on page 241.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city where Bids are being accepted. The Book Running Lead Managers, the Co-Book Running Lead Manager, our Company, the Selling Shareholder and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the Syndicate members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

2. In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the member of the Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

3. The Stock Exchanges will offer an electronic 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 and the SCSBs during the Bidding Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the members of the Syndicate and the Designated Branches

shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

4. The members of the Syndicate shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the members of the Syndicate, (ii) the Bids uploaded by the members of the Syndicate or (iii) the Bids accepted but not uploaded by the members of the Syndicate. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account. The Book Running Lead Managers and the Co-Book Running Lead Manager and the SCSBs shall be responsible for any error in the Bid details uploaded by them*.

   ***Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever**.

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the Stock Exchanges, would be made available at the Bidding centres during the Issue Period.

6. At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

   - Name of the Bidder
   - Bid cum Application Form number
   - PAN (of the first Bidder, in case of more than one Bidder)
   - Investor Category and sub-category
   - DP ID
   - BAN
   - Number of Equity Shares Bid for
   - Price per Equity Share (price option)
   - Cheque amount
   - Cheque number

   With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

   - Name of the Bidder
   - ASBA Form number
   - PAN (of the first Bidder, in case of more than one Bidder)
   - Investor category and sub-category
   - DP ID
   - BAN
   - Number of Equity Shares Bid for
   - Price per Equity Share (price option)
   - Bank account number.

7. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIBs (other than QIBs bidding through ASBA), only the Book Running Lead Managers and the Co-Book Running Lead Manager have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except only on the technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the Book Running Lead Managers and the Co-Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DRHP; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

    Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate will be given upto one Working Day after the Bid Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

11. Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges. Anchor Investors who use the ASBA facility will have to submit the ASBA Form to the Book Running Lead Managers and the Co-Book Running Lead Manager alongwith a confirmation from the SCSBs that the Bid Amount has been blocked in their respective bank accounts in terms of the ASBA Process. In the event such Bid Amount has not been blocked, the Anchor Investor's Bid shall be rejected.

Build up of the book and revision of Bids

1. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the member of the Syndicate at the end of the Bidding Period.

3. During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

5. During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form or the ASBA Revision Form, as the case may be. Retail Individual Bidders may revise their Bids within the Price Band at any time until finalization of the Basis of Allotment.

6. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form or the ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form or the ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form/ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form/ASBA Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form or the ASBA Revision Form, as the case may be. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Form/ ASBA Revision Form.

7. 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 or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form/ASBA Revision Form and the revised Bid must be made only in such Revision Form/ASBA Revision Form or copies thereof.

8. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

9. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked, in case of ASBA Bidders.

10. Our Company shall, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.

11. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. 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 RHP.

12. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

1. Based on the demand generated at various price levels and the book built, the Company and the Selling Shareholder, in consultation with the the Book Running Lead Managers and the Co-Book Running Lead Manager shall finalise the Issue Price.

2. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid Closing Date to modify/ verify certain selected fields uploaded in the online system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

3. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN, then such Bids are liable to be rejected.

4. Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI will be subject to applicable law, rules, regulations, guidelines and approvals.

5. Allocation to Anchor Investors shall be at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, subject to compliance with the SEBI Regulations.

6. QIBs shall not be allowed to withdraw their Bid after the QIB Bid Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bidding Period.

Signing of the Underwriting Agreement and the RoC Filing

Our Company intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, the Anchor Investor Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

Pre-Issue Advertisement

The Company shall either on the date of filing the Draft Red Herring Prospectus with SEBI or on the next day shall make a public announcement in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper with wide circulation at the place where the Registered Office is situated, disclosing that the DRHP has been filed with SEBI and inviting the public to give their comments to SEBI in respect of disclosures made in the DRHP.

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date.

Advertisement regarding Issue Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Issue Price and Anchor Investor Issue Price, in the event Anchor Investors participate in this Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate and the SCSBs a list of the successful Bidders who have been or are to be Allotted Equity Shares in the Issue. For Anchor Investors, see section titled "Notice to Anchor Investors: Allotment Reconciliation and Intimation" below.

2. The Registrar to the Issue will send Allotment Advice to Bidders who have been Allotted Equity Shares in the Issue.

3. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the

Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bidding Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid Closing Date.

(b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

(d). Ensure that the Bidder's depository account is valid and active;

(e). Ensure that the details about the DP ID, BAN and PAN are correct as Allotment will be in the dematerialised form only;

(f). Ensure that the Bids are submitted at the bidding centres only on Bid cum Application Forms bearing the stamp of a member of the Syndicate;

(g). Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate.

(h). Ensure that you request for and receive a TRS for all your Bid options;

(i). Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS or acknowledgment;

(j). Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid cum Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a)the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

(k). Ensure that the Demographic Details are updated, true and correct in all respects;

(l). Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

(m). Ensure that the DP ID, the BAN and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, BAN and PAN available in the Depository database; and

(n). Ensure correct bank details.

Don'ts:

(a). Do not Bid for lower than the minimum Bid size;

(b). Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c). Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d). Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to the members of the Syndicate only;

(f). Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of ₹ 200,000);

(g). Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion;

(h). 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;

(i). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(j). Do not submit incorrect details of the DP ID, BAN and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

(k). Do not submit Bids without payment of the full Bid Amount;

(l). Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms/ ASBA Forms, or on Bid cum application Forms in a colour prescribed for another category of Bidder;

(m). Do not Bid if you are not competent to contract under the Indian Contract Act, 1872.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA;

2. Ensure that you use the ASBA Form specified for the purposes of ASBA;

3. Read all the instructions carefully and complete the ASBA Form;

4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained, or the person whose bank account will be utilised by the Bidder for Bidding, has the ASBA Account, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Issue or Syndicate;

5. With respect to ASBA Bidders Bidding on physical ASBA Form, ensure that your Bid is submitted at a Designated Branch of the SCSB where the relevant ASBA Account is held. Further, ensure that the ASBA Form is signed by the account holder if the Bidder is not the account holder;

6. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch;

9. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form;

10. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form;

11. Submit ASBA Revision Form to the same Designed Branch through whom the ASBA Form was placed and obtain a revised acknowledgment;

12. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch;

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch; and

4. Do not submit more than five ASBA Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bids and revisions of Bids must be made only in the prescribed Bid cum Application Form, Revision Form, ASBA Form or ASBA Revision Form, as applicable.

2. In case of Retail Bidders (including Eligible NRIs)Bids should be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000. In case the Bid Amount is more than ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional portion. The option to Bid at the Cut-Off Price is available only to Retail Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

3. In case of Non-Institutional Bidders and QIB Bidders, for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000.

4. Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Form are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and the Bid cum Application Form or the ASBA Form, as the case may be. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms or ASBA Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Forms.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

6. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. On the basis of the Bidder's active DP ID, BAN and PAN provided in the Bid cum Application Form or the ASBA Form, and as entered into the electronic bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

7. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

8. Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in "Maximum and Minimum Bid Size" on page 226.

9. Bids through ASBA must be:

   a. made only in the prescribed ASBA Form or ASBA Revision Forms (if submitted in physical mode) or the electronic mode.

   b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

   c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

10. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

11. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, BAN and PAN provided by them in the Bid cum Application Form or ASBA Form, and as entered by the Members of the Syndicate while registering the Bid, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These Demographic Details would be used for giving Allotment Advice to the Bidders, refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholder shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, BAN AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA FORM.

Bidders may note that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Member do not match with the DP ID, BAN and PAN available in the Depository database, the Bid cum Application Form or the ASBA Form, as the case may be is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, the Selling Shareholder, Escrow Collection Banks, Registrar to the Issue nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this DRHP, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Form, Revision Form or the ASBA Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or the ASBA Form. Our Company or the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholder and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA 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.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares (including the amount due to the Selling Shareholder but other than in respect of Allotment to successful ASBA Bidders) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft mechanism for the entire Bid amount or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of resident QIBs: "Escrow Account–[●] – QIB – R";
   - In case of Non-Resident QIBs: "Escrow Account–[●]– QIB – NR";
   - In case of resident Retail and Non-Institutional Bidders: "Escrow Account–[●]– R";
   - In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account–[●] –NR"; and
   - In the case of Eligible Employees: "Escrow Account – [●] – E".

4. Anchor Investor would be required to pay the Bid Amount at the time of the submission of the Bid cum Application Form. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price by the Anchor Investor Pay-in Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: "Escrow Account – [●] – Anchor Investor – R"
   - In case of Non-Resident Anchor Investors: "Escrow Account – [●] Issue – Anchor Investor – NR"

6. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments must through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs or FVCIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Accounts with the Bankers to the Issue.

11. No later than 12 Working Days from the Bid Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for Allotment to such Bidders.

12. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted. Please note that cheques without the the nine digit Magnetic Ink Character Recognition ("**MICR**") code are liable to be rejected.

13. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the ASBA Revision Form shall be submitted, either in physical form to the Designated Branches or in the electronic form (through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form/ ASBA Form or

Revision Form or ASBA Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per Depository records and all such bids will be treated as multiple bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple Bids and will be rejected.

After submitting an ASBA Form either in physical or electronic mode, where such ASBA Bid is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or a non-ASBA Form. Submission of a second Bid cum Application Form to either the same or to another Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. Duplicate copies of ASBA Forms available on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Forms from such ASBA Bidders with respect to any single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form. Duplicate copies of ASBA Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, the Company, in consultation with and the Book Running Lead Managers and the Co-Book Running Lead Manager may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by through any of the modes described in this DRHP and will be sent to the Bidder's address, where applicable, at the sole/first Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, BAN or PAN mentioned in the Bid cum Application Form or ASBA Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

- Bid submitted without payment of the entire Bid Amount or if the amount paid does not tally with the Bid Amount;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
- Bids by persons not competent to contract under the Indian Contract Act, 1872;
- PAN not mentioned in the Bid cum Application Form or ASBA Form, except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and BAN not mentioned in the Bid cum Application Form or ASBA Form;
- GIR number furnished instead of PAN;
- Bids by OCBs;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional Bidders and QIBs;
- Bids for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders or Eligible Employees under the Eligible Employee Portion;
- Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;
- Bids by persons who are not eligible to acquire Equity Shares in terms of the applicable laws, rules,

regulations, guidelines and approvals;

- Bids for number of Equity Shares which are not in multiples of [•];
- Bidder category not indicated in the Bid cum Application Form or the ASBA Form;
- Submission of multiple Bids;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Submission of Bids by Anchor Investors through ASBA process;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of Bidders missing. In case of joint Bidders, the Bid cum Application Forms not being signed by each of the joint Bidders and appearing in the same sequence as appearing in the depository's records;
- ASBA Forms not being signed by the ASBA account holder, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch (except for electronic ASBA Bids), as the case may be;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, BAN and PAN;
- With respect to ASBA Bids, inadequate funds in the ASBA Account to enable the SCSB to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;
- Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Authorization to the SCSB for blocking funds in the ASBA Account not ticked or provided;
- Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by persons in the United States;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by QIB Bidders uploaded after 5.00 p.m. on the Bid Closing Date for QIB Bidders, Bids by Non-

Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date.

IN CASE THE DP ID, BAN AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, BAN AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED.

FURTHER, BIDS BY PERSONS PROHIBITED FROM BUYING, SELLING OR DEALING IN THE SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated January 27, 2011 among NSDL, our Company and the Registrar to the Issue.
- Agreement dated January 24, 2011 among CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID, BAN and PAN) appearing in the Bid cum Application Form, ASBA Form, Revision Form or ASBA Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form, Revision Form, ASBA Form or ASBA Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form, ASBA Form, Revision Form and the ASBA Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or ASBA Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar.

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 or ASBA Form number, Bidders' DP ID, BAN, PAN, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the member of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the relevant Designated Branch.

PAYMENT OF REFUND

Within 12 Working Days of the Bid Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/ Allotment to Bidders

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, BAN and PAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC Code**"). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC Code, which can be linked to anMICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto ₹ 1,500 and

through Speed Post/ Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants within 12 Working Days of Bid Closing Date.

In case of applicants who receive refunds through ECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid Closing Date.

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

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Our Company and the Selling Shareholder shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 Working Days from the Bid Closing Date; provided such interest shall be in proportion to the number of Equity Shares sold in the Fresh Issue and the Offer for Sale, respectively.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

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

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the QIB Portion

- Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;

(iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

(iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the Net QIB Portion may be up to [●] Equity Shares.

D. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Allocation Price will be at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, subject to compliance with the following requirements:

  (a). Up to 30% of the QIB Portion will be allocated to Anchor Investors;
  (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
  (c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹ 2,500 million and minimum number of five Anchor Investors for allocation more than ₹ 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors, if any, and the Anchor Investor Allocation Price shall be made available in the public domain by the Book Running Lead Managers and the Co-Book Running Lead Manager before the Bid Opening Date by intimating the same to the Stock Exchanges.

E. For Employee Reservation Portion

- The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may bid at Cut-Off Price.

- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis upto a minimum of [•] Equity Shares and in multiple of [•] Equity Share thereafter. For the method of proportionate Basis of Allotment, refer below.

- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Managers, the Co-Book Running Lead Manager and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	202 million equity shares
2.	Employee Reservation Portion	2 million equity shares
3.	Net Issue Size	200 million equity shares
4.	Portion available to QIBs (50%)	100 million equity shares
	Of which:	
	a. Allocation to MF (5%)	5 million equity shares
	b. Balance for all QIBs including MFs	95 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIBs #	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

A1-A5: (QIBs other than MFs), MF1-MF5 (QIBs which are Mutual Funds)

C. Details of Allotment to QIBs / Applicants

(Number of equity shares in million)

Type of QIBs	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.50	3.74	4.24
MF5	20	0.50	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in the Red Herring Prospectus in "*Issue Structure*" beginning on page 216.

2. Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in QIB category.

3. The balance 95 million equity shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million equity shares (including five MF applicants who applied for 200 million equity shares).

4. The figures in the fourth column entitled "Allocation of balance 95 million equity shares to

QIBs proportionately" in the above illustration are arrived as under:

For QIBs other than Mutual Funds (A1 to A5) = No. of equity shares bid for (i.e. in column II) X 95 / 495

For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above) X 95 / 495

The numerator and denominator for arriving at allocation of 95 million equity shares to the 10 QIBs are reduced by 5 million equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500, by "Under Certificate of Posting", and shall dispatch refund orders of ₹ 1,500 and above, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid Closing Date.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Interest in case of delay in dispatch Refund Orders/ instruction to SCSB by the Registrar to the Issue

Our Company agrees that: Allotment and credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid Closing Date.

Our Company and the Selling Shareholder shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 days from the Bid Closing Date; provided such interest shall be in proportion to the number of Equity Shares sold in the Fresh Issue and the Offer for Sale, respectively.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank 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.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic

credit of refund;
- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus; and
- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- they are the legal and beneficial owner of the Equity Shares proposed to be transferred pursuant to the Offer for Sale;
- the Equity Shares proposed to be transferred by the Selling Shareholder in the Issue (a) have been held by the Selling Shareholder for a minimum period as specified in Regulation 26(2)(6) of the SEBI Regulations; (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialized form at the time of transfer;
- that it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained; and
- that it shall be liable to refund the application monies as required under applicable laws and statutory time limits, and in the event of failure to do so, shall pay interest to the non-ASBA Bidders as provided under the Companies Act or any other applicable laws and regulations, provided such refund and interest shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold in the Fresh Issue and Offer for Sale, respectively.

Utilisation of proceeds of the Fresh Issue

The Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and
- Our Company 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.

Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer, subject to the applicable ceiling for foreign investment in such Indian company, without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and

sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Withdrawal of the Issue

Our Company or the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Managers and the Co-Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

No regulation contained in Table "A" in the First Schedule to Companies Act apply to our Company but the regulations for the management of our Company and for the observance of the members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act and subject to any exercise of the statutory powers of our Company with reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed by the Companies Act as are contained in the Articles unless the same are repugnant or contrary to the provisions of the Companies Act.

SHARE CAPITAL		
3		The authorized share capital of the company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association, with power to increase or reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being, be provided by the regulations of the Company. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or Country.
6		Subject to the provisions of Section 80 of the Act, the Company shall, have the power to issue preference shares which are or at the option of the Company are to be liable, to be redeemed at anytime but not later than 10 years from the date of issue and the resolution authorizing such issue shall prescribed the manner, terms and conditions of redemption.
SHARES		
11		The Board of Directors shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made, the returns as to allotment provided for in Section 75 of the Act.
12		Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
18		Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the Capital of the Company as payment for any property sold or transferred to the Company, for services rendered to the Company in the conduct of its business or in satisfaction of a debt. Any shares which may be so issued shall be deemed to be fully paid-up shares.
26		Except as ordered by a court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future

		or partial interest in any share, or (except only as is by these articles otherwise expressly provided) any right in respect of Shares other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as holder thereof, but the Board shall be at liberty at their sole discretion, to register any share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
	a)	Save as herein otherwise provided, the Company shall be entitled, to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except, as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognize any trust or equity or equitable, contingent, future of partial or other claim or claims or right to or interest in such share on the part of any other person, whether or not it shall have express or limited notice thereof, the provisions of Sec 153 of the Act shall apply.
28		Subject to the provisions of Section 76 of the Act, the company may at any time, pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed, in the case of shares 5% (five percent) of the price at which the shares are issued, and in the case of debentures 2.5% (two and half percent) of the price at which debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be, or partly in one way and partly in the other.
17		If by the conditions of any allotment of any shares, the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person, who for the time being and from time to time shall be the registered holder of the shares or his legal representatives, and shall for the purposes of these articles be deemed to be payable on the date fixed for payment and in the case of non payment the provisions of these articles as to the payment of interest and expenses, forfeiture and all the other relevant provisions of the articles shall apply, as if such installments were a call duly made and notified as hereby provided.
25		If any share stands in the name of two or more persons, the person first named in the Register shall record receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of a shares shall severally as well as jointly be liable for the payment of all installments and calls due, in respect of such share and for the incidents thereof according to the Company regulations.
INCREASE AND REDUCTION OF CAPITAL		
15		In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the company in General Meeting may subject to the provisions of Section 81 of the Act, determine that any shares, (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 78 and 79 of the Act) as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Section 78 and 79 of the Act) such option being exercisable at such time and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.
15A(1)		Where at any time after the expiry of two years from formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then
	a	Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.
	b	The offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

	c	The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any person and the notice referred to in sub-clause (b) shall contain a statement of this right.
	d	After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they may think, most beneficial to the company.
2		Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
	a	if a Special Resolution to that effect is passed by the Company in General Meeting: or
	b	where no such Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who being entitled to do so. vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company
3		Nothing in sub-clause (c) of (1) hereof above shall be deemed:
	a	to extend the time within which the offer should be accepted: or
	b	To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
4		Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the debentures issued by the Company
	(i)	to convert such debentures or loans into shares in the Company: or
	(ii)	to subscribe for shares in the Company.
	PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term provided for such option and such term:	
	a	Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules; if any, made by, that Government in this behalf; and
	b	In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the loans.
5		Except in so far as otherwise provided by the conditions of issue or by these articles and capital raised by the creation of a new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
4		The Company in general meeting may, by ordinary resolution, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the company and with a right of voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

4A		The company may subject to the provisions of section 81 of the Companies Act, 1956 and other applicable provisions, if any, for the time being in force from time to time, by special resolution issue shares to eligible employees under ESOP at such terms and conditions and with such rights and privileges annexed thereto as the resolution passed in the relevant meeting.
8		The Company may (subject to the provisions of section 78, 80and 100 to105 and other applicable provisions, if any, of the Act) from time to time, by special resolution reduce (a) its share capital (b) any capital redemption reserve account or (c)any share premium account, in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not derogate from any power the Company would have, if it were omitted.
ALTERATION OF SHARE CAPITAL		
9		Subject to the provisions of Section 94, of the Act, the Company in general meeting may, from time to time, by any ordinary resolution alter the conditions of its Memorandum as follows:
	a	Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares.
	b	Sub-divide its shares, or any of them into shares of smaller amount than fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share, shall be the same as it was in the case of the share from which the reduced share is derived.
	c	Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c) the company shall, within thirty days thereafter give notice thereof to the Registrar of Companies, as required by Section 95 of the Act, specifying as the case may be, the shares consolidated, divided, sub-divided or cancelled.
VARIATION OF SHARE HOLDER'S RIGHTS		
10		Whenever the capital, by reasons of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three fourth of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meeting shall, mutatis mutandis, apply to every such meeting. This article is not to derogate from any power the Company would have, if this article was omitted.
SHARE CERTIFICATES		
22		Every Member shall be entitled, without payment, to one or more certificates in marketable lots for all the Shares of each class of denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue –thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of it shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery vis-a-vis all such holders.
23		If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu, thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe. Provided

		that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to the debenture certificates of the Company.
CALLS ON SHARES		
32		Subject to the provisions of Section 91 of the Act, the Board of Directors may, from time to time by a Resolution passed at a meeting of a Board (and not by a circular resolution) make such calls, as it thinks fit, upon the members, in respect of all moneys unpaid on the Shares, whether on account of the nominal value of the shares or by way of premium held by them respectively, and not by conditions of allotment thereof, made payable at fixed time, and each member shall pay the amount of every call so made on him, to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked, as the Board may determine.
33		Not less than Thirty day notice in writing, of any call, shall be given by the Company, specifying the time and place of payment and the person or person to whom such call shall be paid.
34		A call shall be deemed to have been made at the time when the resolution authorizing call was passed at a meeting of the Board of Directors and may be made payable by the members on such date or at the discretion of the Directors on such subsequent date, as shall be fixed by the Board of Directors.
35		The Board of Directors may, from time to time and at its discretion, extend the time fixed for the payment of any call and may extend such time to all or any of the members as the Board of Directors may deem fairly entitled to such extension, but no members, shall be entitled to such extension as of right, except as a matter of grace and favour.
36		If by the terms of issue of any share of otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the share or by way of premium) every such amount or installment shall be payable, as if it were a call duly made by the Directors, and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount of installment accordingly.
37		If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share, in respect of which he call shall have been made for the installment shall be due, shall pay interest on the same at such rate not exceeding 21 % (twenty one percent) per annum, as Directors shall fix, from the day appointed for the payment thereof to the time actual payment, but the directors may waive payment of such interest wholly or in part.
38		On the trial or hearing of any action or suit brought by the Company, against any member or his legal representatives, for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered and entered on the register of members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
39		The Board of Directors may, if it thinks fit, subject to provisions of Section 92 of the Act agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for, and upon the money so paid-~~up~~ or satisfied in advance or so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of its shares on account of

		which such advances are made, the Company may pay or allow interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, fifteen per cent per annum or such other amount as Board of Directors may decide. The Board of Directors may, at any time, repay the same upon giving to such members three months notice in writing. Money so paid in advance of the amount of calls shall not confer a right to participate in profit or dividend. No member paying any such sum in advance shall be, entitled to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.
FORFEITURE OF SHARES		
43		If any member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him, requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment.
44		For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.
45		The notice shall name a day (not being less than thirty days from the day of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 21% (twenty one percent) per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
46		If the requirements of any such notice as aforesaid are not complied with any share or shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture, subject to Section 205 of the Act
47		When any share shall have been so forfeited, notice of the forfeiture, shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any commission or neglect to give such notice or to make any such entry aforesaid.
48		Any share so forfeited shall be deemed to be the property of the company and may be sold re-allotted or otherwise disposed of, either of the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
49		Any member, whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand, all call, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate not exceeding twenty one per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation to do so.
50		The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and all claims and demand against the Company, in respect of the share and all other rights incidental to the shares, except only such of those rights as by these Articles are expressly saved.
51		The Board of Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof, upon such conditions as it thinks fit.
52 I)		A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Secretary of the Company, and that a share in. the Company has been duly forfeited in accordance with these Articles on a date state in the declaration, shall be conclusive evidence of

		the facts therein stated as against all persons claiming to be entitled to the share.
II)		The Company may receive the consideration if, any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
III)		The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares.
IV)		Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
V)		Such purchaser or allottee shall not be bound to see to the application of the purchase money if any, not shall his title to the share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, reallotment or other disposal of the shares.
53		The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54		Upon sale, re-allotment or the other disposal under the provisions of these articles, the certificates or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
CONVERSION OF SHARES INTO STOCK		
75.		The Company may by Ordinary Resolution:
	a)	Convert any paid-up share into stock, and
	b)	Reconvert any stock into paid-up shares of any denomination
76.		The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the shares from which the stock arose, might before the conversion have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. Rights of Stock holders.
77.		The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or' advantages.
COMPANY'S LIEN ON SHARES		
40		The Company shall have a first and paramount lien upon all shares/ debentures (other than fully paid-up shares/ debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interests in any share shall be created except upon the footing and condition that this article is to have full legal effect. Any such lien shall extend to all dividends and bonuses, from time to time, declared in respect of shares/ debentures, subject to section 205A of the Act. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures PROVIDED THAT the Board of Directors may at any time, declare any share/ debenture to be wholly or in part exempt from the provisions of this article.

41		The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same, PROVIDED THAT no sale shall be made:
	a)	unless a sum in respect of which the lien exists is presently payable, or
	b)	until the expiration of thirty days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such members.
	c)	the purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
42	a)	The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable and
	b)	The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).
TERM OF ISSUE OF DEBENTURE		
81.		Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares, of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at general meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting by a Special Resolution.
TRANSFER AND TRANSMISSION OF SHARES		
56		The Board shall not issue or register a transfer of any share to a minor (except in case, where they are fully. paid) or insolvent or person of unsound mind.
57		The instrument of transfer of any share shall be in the prescribed form, under the Companies (Central Government's) General Rules and Forms, 1956 and in accordance with the requirements of Section 108 of the Act.
58 I)		An application for registration of a transfer of the shares in the Company may be made, either by the transferor or the transferee.
II)		Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless Company gives notice of the application to the transferee, and the transferee makes no objection to the transfer with two weeks from the receipt of the notice.
III)		For the purposes of clause (2) above, notice to the transferee shall be deemed to have been duly given if its is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
59		The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the transfer and the transferee and shall be attested. The transferor shall be deemed to remain the holder of such share until the name of the transfer shall have been entered in the Register of Members in respect thereof.
60		A transfer of share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
61		The Board of Directors shall have power, on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, to close the Register of members and/or the Register of Debenture Holders at such lime or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate, forty five days in each year and thirty days at one

		time, as it may deem expedient to the Board.
62		All registrations of transfers of shares shall be brought to the Board for approval. The Directors may not refuse to register the transfer of any shares where such transfer results from the implementation of obligations which the Company has entered into.
62 A		Subject to the provisions of Section 111A, these Articles and other applicable provision of the Act. or any other law for the time being in force, the Board of Directors may refuse whether in pursuance of any power of the company under these Articles or otherwise, to register the transfer of or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the Transferee and the Transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, notice of the refusal to register such transfer, provided that registration of a transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots.
63		In case of the, Death of anyone or more of the person named in the Register of Members as the joint holders of any shares, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held, by him with any other person.
64		The executors or administrators of a deceased member or holders of a Succession Certificate or the legal representative in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such members and the Company shall not be bound to recognise such executors or administrators or holders of succession certificate or legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India, provided that in any case, where, the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise, as the Directors may deem proper, dispense with production of Probate or letter of administration or succession certificate and register under Article 69 shares standing in the name of a deceased members, as a member.
65		Subject to provisions of Article 64 and 65, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as Board of the Directors shall require, and upon giving such indemnity as the Director shall require, either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors, registered as a member in respect of such shares, PROVIDED NEVERTHELESS THAT if such person shall elect to have his nominee registered, he shall testify his selection, by executing in favour or his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".
66		Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person, entitled by transmission to any share of his nominee as if he were the transferee named in an ordinary transfer presented for registration. Person entitled may receive dividend without being registered as member
67		A person-entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as is herein after provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.
68		No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

68A		A common form of transfer shall be used and the instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
69		Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may reasonably require to prove the title of the transferor, his right to transfer the shares and under and subject to such conditions and regulations as the Board may, from time to time, prescribe, and every registered instrument of transfer shall remain in custody of the Company, until destroyed by order of the Board. The Company not liable for discharge of notice prohibiting registration of a transfer.
70		The Company shall incur no liability or responsibility whatever, in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing, in the Register of members to the prejudice of persons having or claiming any equitable rights, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be liberty to regard and attend to any such notice, and give effect thereto, if the Board of Directors shall so think fit.
DEMATERIALISATION OF SECURITIES		
78(2)		Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debenture and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/ or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
3		Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
4		All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
5		Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
6		Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
7		Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares/ debentures as the case may be or for transfer of the shares/debentures as the case may be shall be governed by the provisions of Section 109A and 109B and other applicable provisions of the Companies Act,

		1956.
8		Nothing contained in Section108 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
9		Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.
BORROWING POWERS		
79.		Subject to the provisions of Section 58A, 292, 293, 370 and 372A of the Act and Regulations made thereunder and directions issued by the Reserve Bank of India and of these Articles, the Board of Directors may, from time to time and at its discretion by a resolution passed at a meeting of the board accept deposits from members either in advance of the calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company from any source. Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free-reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by the article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article had been exceeded.
80.		The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of bonds, debentures or debenture stock of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between Company and the person to whom the same may be made assignable free from any equities between Company and the person to whom the same may be issued.
82.		If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
PROCEEDINGS AT GENERAL MEETING		
84.I)		The Company shall in each year hold in addition to any other meeting, a general meeting as its Annual General Meeting, in accordance with the provisions of ,Sections 166 and 210 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar of Companies, has given an extension of time for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any annual general meeting shall be held, such annual general meeting may be held within the additional time.
II)		Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place with the city or town or village in which the registered office of the Company is situated for the time being.
III)		Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
85.		The company shall in each year hold, in addition to any other General Meeting an Annual General Meeting before which shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the Register of Directors' Shareholding, which

		later Register shall remain open and accessible during the continuance of the meeting.
86.I)		Subject to the provisions of section 169 of the Act, the Directors, shall, on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expense of the requisitionists,
	a)	Give to the members of the Company, entitled to received a notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.
	b)	Circulate to members, entitled to have notice of any general meeting sent to them, any statement of not more than one thousand words with respect to the
	c)	Matter referred to in any proposed resolution or the business to be dealt with at that meeting.
II)		The number of members necessary for a requisition under clause (I) hereof shall be :
	a)	such number of members as represent not less than one-twentieth of the total voting power of all the members having at the date of the requisition a right to vote on the resolution or business to which the requisition relates, or
	b)	not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid-up an aggregate sum of not less than rupees one lakh in all.
III)		Notice of any such resolution' shall be given and any such statement shall be circulated to the members of the Company, entitled to have notice of the meeting sent to them, by serving a company of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the General effect of resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be given as the case may be, in the same manner, and so far as practicable at the same time as notice of the meeting, and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.
IV)		The Company shall not be bound under this article to give notice of any resolution or to circulate any statement unless:
		A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company.
	i)	In the case of a requisition, requiring notice of resolution, not less than six weeks before the meeting, and
	ii)	In the case of any other requisition, a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.
		PROVIDED THAT if after a copy of the requisition, requiring notice of a resolution has been deposited at the registered office of the Company, and an annual general meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.
V)		The Company shall not be bound under this article to circulate any statement, if on the application either of the Company or of any other person, who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
VI)		Notwithstanding anything in these Articles contained, the business which may be dealt with at any Annual General Meeting shall include any resolution of which notice is given in accordance with this article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it to one or more members.
87.I)		The Directors may, whenever they think fit, convene an Extraordinary General Meeting and

		they shall, on requisition of the members as hereinafter provided, forthwith proceed to convene Extraordinary General Meeting of the Company.
II)		If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a general meeting, any Director or any two or more members of the Company holding not less than one-tenth of the total paid-up share capital of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by Directors.
88.		In case of requisition, the following provisions shall have effect:
I)		The requisition, shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
II)		The requisition may consist of several documents in like form, each signed by one or more requisitionists.
III)		The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as at that carries the right of voting in regard to that matter.
IV)		Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly, be valid only in respect of these matters in regard to which the conditions specified in that clause is fulfilled.
V)		If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five of deposit of the requisition, the meeting may be called.
	a)	by the requisitionists themselves, or
	b)	by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as referred to in sub-clause (3) whichever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
VI)		A meeting called under Clause (5) by requisitionists or any of them;
	a)	shall be called in the same manner as nearly as possible as that in which meeting is to be called by the Board , but
	b)	shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in such – clause (b) shall be deemed to prevent a meeting, duly commenced before the expiry of the period of three months aforesaid, from adjourning to same day after the expire of that period.
VII)		Where two or more persons hold any shares in the Company jointly, a requisition on a notice calling a meeting by one or some only of them shall, for the purpose of this article have the same force and effect as if it had been signed by all of them.
VIII)		Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and any sums so repaid shall be retained by the Company out of any sums due or other remuneration for their services to such of the Directors as were in Default.
93.		No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

94.		Minimum 5 members entitled to vote and present in person shall be quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is represented in accordance with section 187A of the Act.
95.		If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting if called by or upon the requisition of members shall stand dissolved and in any other case, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other lime and place as the Board may determine. If at the adjourned meeting also, a quorum) is not present within half an hour from the time appointed for holding the meeting, the members presents shall be a quorum and may transact the business for which the meeting was called.
96.		Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.
97.		The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall, decline to take the chair, the Vice-Chairman, if any, shall be entitled to take the chair, If the Vice-Chairman is also not present or is unwilling to take the chair the Directors present shall elect one of them as Chairman and if no Director is present or if the Directors present decline to take the Chair, then the members present shall elect one of the members to be a Chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act, and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.
98.		No business shall be discussed at any general meeting, except the election of a Chairman, whilst the chair is vacant.
99(1)		The Chairman may, with the consent of any meeting at which a quorum is present and shall, is so directed by the meeting, adjourn the meeting, from time to time and from place to place.
2)		No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
3)		When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
4)		Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.
101.		A declaration by the Chairman of the. meeting that on a show of hands, a resolution, has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
102(1)		Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say:
	a)	by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution, or
	b)	by any member or members present in person or by proxy and. holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum of not less than rupees fifty thousand has been paid up.

2)		The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
103.		A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place, as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
104.		In the case of equality of votes, the Chairman shall, both on a show *of* hands and a poll (if any) have a casting vote in addition to the vote or votes, to which he may be entitled as a member.
105.		Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power, at any time before the result *of* the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
106.		The demand for a poll, except on the question *of* the election of the Chairman and of an adjournment other than the question on which the poll has been demanded, shall be taken at such time not being later, than forty eight hours from the time when the demand was made, as the Chairman may direct.
107.		Whereby any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.
VOTES OF MEMBERS		
109.		Member paying money in advance not to be entitled to vote in respect thereof. A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until, the same would but for such payment become presently payable.
110.		No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
111.		Subject to the provision of Article 111, every member of the Company, holding any equity share capital, and otherwise entitled to vote shall, on a show of hands, when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a Power of Attorney or ,by proxy, his voting right shall be in proportion to his share of the paid-up equity share ,capital of the Company. Provided however, if any Preference share-holder is present at *any* meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his preference shares. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.
112.		A member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian, may on a poll, vote by proxy.

113.		If there be joint registered holders of any shares, one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said' persons so present who stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or other of the joint holder shall be entitled to be present at the meeting provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of deceased member in whose name shares stand shall for the purpose of these articles be deemed joint holders thereof.
114(1)		A body corporate (whether a company within the meaning of the Act or not) may, it is member or creditor of the Company (including a holder of debentures) authorise such person as it thinks fit, by a resolution of its Board of Directors or other Governing Body to act as its representative at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company. The production of a copy of the resolution referred above, certified by a Director or the secretary of such body corporate, before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.
2)		Where the President of India or the Governor, of a State is a member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the company and shall be entitled to exercise the same rights and powers including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.
115.		Any person entitled under the Transmission Article to transfer any share may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to have at such meeting in respect thereof.
116.		Subject to the provisions of these Articles vote may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act.
117.		On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
118.		Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies.
124.		No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy, not disallowed at such meeting, shall be valid for all purposes and any such objection made in due time shall be referred to the chairman of the, Meeting.
125.		The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall the sole judge of the validity of every vote, tendered at such poll. The decision of the Chairman shall be final and conclusive.

126.		It any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meeting of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, it embracing other objects copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.
DIRECTORS		
127		Subject to the provisions of section 252 and 259 of the Act, the number of Directors (including Debenture, Alternate and Corporate Directors, if any) shall not be less than 3 (three) and not more than 12 (twelve). The total number of Directors shall not exceed 12 unless prior approval of Central Government is obtained by the Company.
129.		Any Trust Deed for securing debentures or debenture stocks may, if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures of debenture stocks, from time to time, to remove the re-appointment of any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" earns the Director for the time being in office under this article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
130.		Any bond or any other writing giving security issued or executed by the Company in favour of any credit Corporation or any agreement executed by the Company in favour of a credit corporation may provide for the appointment of a Director (in these presents referred to as "The Corporation Director") for and on behalf of the holder of such bonds or such credit corporation for such period as there in provided for not exceeding the period for which any amount may be outstanding under such bond or writing or agreement and for removal from the office of such Director, and on a casual vacancy being caused whether by appointment of another Director in the vacancy place. The Corporation Director shall not be liable to retire by rotation and subject to the provisions of the Act be removed from his office by the Company.
131.		The provisions of Articles (129, 130 and 132) are, subject to the provisions of Section 256 of the Act and the number of such Directors appointed under Article (130) shall not exceed in the aggregate one third of the total number of Directors for the time being in the office.
133.		Subject to section 313 of the Act, the Board may appoint an Alternate Director recommended for such appointment by the director (hear in after in this Article called "The Original Director") to act for him during his absence for a period of not less than three months from the- State in which the Board meetings are normally held. Every such alternate Director subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original Director. The Alternate Director appointed under this article shall vacate office as and when the original Director returns to the said State. If the term of the original Director is determined before he returns to the State aforesaid, any provision in the Act or in these Articles for automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not the Alternate Director.
134.		The Directors shall have power, at any time and from time to time, to appoint any person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.
135.		The Directors shall also have power, at any lime and from time to time, to appoint any other person to be an Additional Director as an addition to the Board but so that the total number of Directors shall not at any lime exceed the maximum fixed by Article 127. Any person so appointed as an addition to the Board shall hold his office only up to the date of the next annual general meeting but shall be eligible for re-election or election at such meeting.
136.		A Director need not hold any qualification shares.
137.		Subject to the provisions of the Companies Act, 1956 and rules framed there under, the fees of a

		Director for attending meetings of Board or Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by law for each meetings of the Board or a Committee thereof attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in general meeting shall from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may, from time to time determine, and in default of such determination shall be divided among the Directors equally.
138.		Subject to the provisions of Section 198, 309, 310,311 and 314 of the act, if any Director, being willing shall be called upon the perform extra services' (which expression shall include work done by a Director as a member of any committee, formed by the Director in relation to signing share Certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors, and 'such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.
139.		The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or general meeting of the Company or in connection with the business of the company at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider for compensation for traveling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
143.		A person shall not be capable of being appointed as a Director of the company if
	a)	he has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force,
	b)	he is an undercharged insolvent, or has applied to be adjudged an insolvent and his application is pending
	d)	He has not paid any call in respect of shares of the company held by him whether alone or jointly with others and six months have elapsed from the last date fixed for the payment or
	e)	An order disqualifying him for appointment as Director has been passed by a court in pursuance of section 203 of the Act and is in force, unless the leave of the court has been obtained for his appointment in pursuance of that section.
144(1)		The office of a director shall become vacant if
	a)	he is found to be of unsound mind by a court of competent jurisdiction or
	b)	he applied to be adjudged an insolvent or he is adjudged an insolvent or
	c)	he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months or
	d)	he fails to pay call in respect of shares of company held by him, whether alone or jointly with others, within six months from the last date for the payment of the call unless the Central Government by a notification removed the disqualification incurred by such failure, or
	e)	he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board or
	f)	he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the company in contravention of section 295 of the act or
	g)	he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the company and fails to disclose the nature of his concern or interest at a meeting of, the Board of Directors as required by section 299 of the act, or

	h)	he becomes disqualified by an order of the court under section 203 of the Act or
	i)	he is removed by an ordinary resolution of the company before the expiry of his period of office or
	j)	if by notice in writing to the company, he resigns his office, or
	k)	having been appointed a Director by virtue of his holding any office or other employment in the company, he ceases to hold such office or other employment in the company 2
2.		Notwithstanding anything contained in sub-clause (c) (d) and (i) of clause (1) hereof, the disqualification referred to in these clauses shall not take effect:
	a)	for thirty days from the date of adjunction sentence or order
	b)	he applied to be adjudged an insolvent or he is adjudged an insolvent or
	c)	is any further appeal or petition is preferred in respect of the sentence, conviction or order and appeal or petition if allowed, removes the disqualifications, until such further appeal or petition is disposed off,
145		
3	a)	The company may (subject to the provisions of section 284 of the Act and these articles) by ordinary resolution remove any Director, (not being a Director appointed by the Central Govt. under section 408) before the expiry of his period of office.
	b)	Special notice as provided by articles hereof or section 190 of the Act shall be required of any resolution to remove a Director under the article or to appoint some other person in place of Director so removed at the meeting at which he is removed.
	c)	On receipt of notice of a resolution to remove a Director under this article, the company shall forthwith send a copy thereof to the Director concerned and the director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting.
		a) Where notice is given of a resolution to remove a Director under this article, and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to members of the Company, the company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the company state the fact of the representations having been made and (b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (before or after the representation by the company) and if a copy of the representation by the company is not sent as aforesaid because they were received too late or because of the company's default the Director may (without prejudice to his right to be heard orally) required that the representations shall be read out at the meeting provided that copies of the representations need to be sent or read out at the meeting if on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this sub clause are being abused to secure needless publicity for defamatory matter.
		b) A vacancy created by the removal of a Director under this article may, if head been appointed by the company in General meeting or by the Board in pursuance of article 135 or section 262 of the act be filled by the appointment of another Director in his steady the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (3) hereof. A director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
		c) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable or article 135 or section 262 of the act and all the provisions of the article and section shall apply accordingly.
		d) A Director who was removed from office under this article shall not be re-appointed as a Director by the Board of directors.
		e) Nothing contained in this article shall be taken

		f) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or, ii) as derogating from any power to remove a Director which may exist apart from this article
149.		Not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to termination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Article, be appointed by the Company in General Meeting.
150.		Subject to the provisions of Section 256 of the Act and these Articles, at every annual general meeting of the Company one-third of such of the Directors for the. time being as are liable to retire by rotation, or if their number is not three of multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, subject to Article 160 Managing Directors or whole time Director, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these articles, a Retiring Director means a Director retiring by rotation.
151.		Subject to Section 288 (5) of the Act, the Directors to retire by rotation under Article 150 at every annual general meeting shall be those who have been longest in office since their last appointment but between those who become Directors on the same day and those who are to retire, shall, in default of and subject to any, agreement amongst themselves be determined by lot.
153.		Subject to Section 258, 259 and 284 of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing. the retiring director or some other person thereto.
MANAGING/ WHOLE TIME DIRECTOR		
159. 160. 161. 162.		Subject to the provisions of the Act and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or other in his or their place of places. Subject to the provisions of the Act and these Articles, the Managing Director or the Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 151 but he shall be subject to the provision of any contract between him and the company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he shall ipsacto and immediately cease to be a managing Director or whole-time Director if he ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors (including Managing Director or whole-lime Director) as are not subject to retirement by rotation shall exceed one-third of the total) number of the Directors for the time being then such of the Managing Director or whole-'time Director or two or more of them as the Directors may from lime to time determine shall be liable to retirement by rotation in accordance with the Article 151 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. However, he shall be counted in determining the number of Directors to retire. The remuneration of the Managing Director or whole-time Director shall (subject to Section 198 and 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, following recommendation of the remuneration committee, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act. Subject to the superintendence, control and direction of the Board the day to day Management of the Company shall be in the hand of the Managing Director(s) or whole-time Director(s) appointed under Article 161 with Power to the Board to distribute such day to day management functions among such Director(s} in any manner as deemed fit by the Board and subject the Provision of the Act and these Articles, the Board may by resolution vest with any such. Managing Director such of the power hereby vested in the Board generally as he thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as fit may determine and they may subject to the provision of the Act and these articles confer such power either collaterally with or to the exclusion of or in

		substitution for all or any of the powers of Director in that. behalf and may, form lime to limit, revoke, withdraw alter or vary all or any of such powers.
PROCEEDINGS OF THE BOARD OF DIRECTORS		
163.		The Directors may meet together as a Board for the despatch of business, from time to time, and unless the Central Government by virtue of the provision to Section 285 of the Act otherwise directs, shall so meet at least once in every quarter. The Directors may adjourn and otherwise regulate their meetings as they think it. The provision of this article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
164(1)		Notice of every meeting of the Board of Directors including a meeting adjourned to a specific date, time and place under article 166, shall be given in writing to every Director for the time being in India, and to every other Director at his usual address in India or to such other address outside India specified by any such Director. At least seven days clear notice in writing shall be given to the Directors in India and at least fourteen days clear notice in writing shall be given to every other Director, specifying in both cases the date, time and place of the meeting. Shorter notice than the period aforesaid may be given in specially urgent cases and in such cases, the minutes shall record the reasons for dispensing without giving less than seven/fourteen days notice.
2)	A	Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India, to every other Director at his usual address in India or at other address outside India specified by any such Director.
165.	a)	Subject to section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Director, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, PROVIDED THAT where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be the quorum during such time.
	b)	For the purpose of clause (a)
	i)	"Total Strength" means total strength of the Board of Directors of the company determined in pursuance of the Act, after deducting their from number of the Directors. if any. whose place may be, vacant at the time and
	ii)	"Interested Director means any Director whose presence cannot by reason of any provision in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.
166.		A meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day next week at the same time and place or if that day is a public holiday till the next succeeding day at the same time and place unless otherwise adjourned to a specific date, time and place.
167.		The Board of Directors shall nominate a person who shall be the Chairman of the Board. The Chairman when present at the Board meeting will take the chair. It within fifteen minutes from the scheduled time of the meeting. The Chairman is not present, the Directors present shall elect one of their numbers to be the Chairman of the meeting. In case of equality of votes, the Chairman shall have a second or casting vote.
168.		Subject to provisions of Section 316. 327(5) and 386 of the Act questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes the Chairman shall a second or casting vote.
169.		A meeting of the Board of Directors for the time being at which a quorum, is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally.
171.		The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and

		proceedings of the Directors so far as the same are applicable there to and are not superseded by any regulations made by the Directors under the last preceding article.
172(1)		A resolution passed by circular without meeting of the Board or a Committee, of the Board appointed under the articles, shall subject to the provisions o sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.
2)		A resolution shall be deemed to have been duly passed by the Board or by committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors, or to all the member of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
173.		All acts, done by and meeting of the Board or by a committed of the Board or by any person acting as a Director shall, notwithstanding that it shall, afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; Provided nothing in this Article , shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have, terminated.
POWERS OF THE BOARD		
174.		The Business of the company shall be managed by the Directors who may exercise all such powers of the Company and do all such acts and thing's as are not by the Act, or any other Act or by the Memorandum of Association or by the Articles of Company required to be exercised by the company in General Meeting subject nevertheless to any regulation of these Articles to the provisions of the Act or any other Act and to such regulation, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting, but no regulations made by the company, in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made Provided that the Board of Directors shall not except with the consent of the Company in General meeting.
	a)	sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking of the whole of substantially the whole of any such undertaking.
	b)	remit, or, give time for the payment of any debt due by a Director.
	c)	invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as *is* referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or, can be carried on only with difficulty or only after a considerable time.
	d)	borrow money where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the, aggregate of the paid-up capital of the Company and its reserves that is to say reserves not set apart for any specific purpose, or,
	e)	contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions. of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater provided that the Company in general meeting or the Board of Directors shall not contribute any, amounts to any political party or for any political purpose to any individual or body.
	i)	Provided that in respect of the matter referred to in clause (d) and (e) such consent shall be obtained by a. resolution of the company which shall specify the total amount upto which moneys may be contributed to any other fund in any financial year under clause (e):

	ii)	Provided further that the expression temporary loans in clause (d) above shall mean loans repayable on demand or within six months from date of the loan, such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.
175(1)		Without derogating from the powers vested in the Board of Directors under these articles, the Board shall exercise the following powers on behalf of the company and they shall do so only by means of resolutions passed at the meeting of the Board.
	a)	the power to make calls on shareholders in respect of money unpaid on their shares.
	b)	the power to issue debentures.
	c)	the power to borrow money otherwise than on debentures.
	d)	the power to invest the funds of the company.
	e)	the power to make loans.
		Provided that the power to the resolution passed at the meeting may be delegated to any committee of Directors Managing Directors or any other principal Officer of the Company the powers specified in (c), (d) and (e) of the sub-clause to the extent specified below :
2)		Every resolution delegating the power referred to in sub-clause (1) (c) small specify the total amount outstanding at anyone time upto which moneys, may be borrowed by the delegates.
3)		Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made, by the delegates.
4)		Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount up to which loans may be made by the delegates the purpose for which the loans may be made and the maximum, amount of loans which may be made for each such purpose in individual cases.
176.		Without prejudice to the general powers conferred by the last preceding article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these articles but subject to the restrictions contained in the last preceding articles, it is hereby declared that the Directors shall have the following powers, that is to say power.
1.		to pay the costs, charges and expenses preliminary and incidental to the formation promotion, establishment and registration of the Company.
2.		to pay and charge to the Capital Account of the Company any commission or interest, lawfully, payable there out under the provisions of Sections 76 and 206 of the Act.
3.		subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition, accept, such title as the Directors may believe or may be advised to be reasonably satisfactory.
4.		at their discretion and subject to the provisions of the Act to pay for any property rights or privileges by or services rendered to the company. either wholly or partially in cash or in shares, bonds debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid up thereon as may be agreed upon, any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
5.		to secure the fulfillment of any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they may think fit.
6.		to accept from any member, so far as maybe permissible by law, a surrender of his shares or any

		part hereof on such term and conditions, as shall be agreed.
7.		to appoint any person to accept and hold in. trust for the Company, properly belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as maybe required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
8.		to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company, and also to compound and allow time for payment to satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe the terms of any awards made therein in India Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein.
9.		to act on behalf of the Company in all matters relating to bankrupts and insolvents and winding up and liquidation of Companies.
10.		to make and give receipts, release and otherwise discharge for moneys payable to the Company and for the claims and demands of the Company.
11.		Subject to the provisions of Sections 291, 293(1), 295, 370, 372 and other applicable provisions of the Act and these articles, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being the shares of this Company) or without security and in such manner as they may think fit and, from time to time to vary or realise such investment save as provided in Section 49 of the Act, all investments shall be made and held in the Company's name.
12.		to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surely for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, convents and agreements as shall be agreed upon.
13.		to open bank accounts and to determine, from time to time, who shall be entitled to sign, on the. Company's behalf bills, notes, receipt, acceptances, endorsements, cheques, dividend warrants, release contracts and documents and to give the necessary authority for such purpose.
14.		to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
15.		to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and the waves, widows and families or the dependants or connections of such person by building or contribution to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provide' other association institutions and by providing or subscribing or contributing towards places of instructions and recreation, hospitals, dispensaries, medical and to other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 293(1) (e) of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious , scientific national or other institutions or objects with shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or the public and general utility or otherwise.
16.		before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may in their absolute discretion think conducive to the interests of the Company and subject to Section 292 and 293 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of this Company) as they may think fit and from time to time to deal with or vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the company in such manner and for such purposes as the Board in their

		absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part there of may be matters to or. upon which the capital moneys of the company might rightly be applied or expended and to divide the General Reserve or Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund and/or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in purchases or repayment of redeemable preference shares, debentures or debenture stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.
17.		to appoint and at their discretion remove or suspend general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents, and servants for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties, and to fix their salaries, or emoluments or remuneration and to require security in such amounts as they may think fit and also from time to time to provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere such manner as they think fit.
18.		from time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards or manager or agencies and to fix their remuneration.
19.		subject to Section 292 and 293 of the Act, from time to time and at any time, to delegate to any persons so appointed any of the powers, authorities and desecrations for the time being vested in the Board other than their power to make calls or to make loans or borrow moneys and to authorise the member for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and such appointment or delegation may be made on such terms subject to such conditions as the Board, may think fit and the Board may at any time remove any persons so appointed and may annual or vary and such delegation.
20.		at any time and from time to time by Power of Attorney under the seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company for such Purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits, authorised by the Board the Power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from lime to time think fit and may such appointments may (if he Board thinks fit) be made in favour of the members or any of the members. of any local board established as aforesaid or in favour of any company or the shareholders, directors nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretion for the time being vested in them.
21.		subject to Sections 294, 297, 300 and other applicable provisions of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient.
22.		from time to time, to make vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.
23.		to purchase or otherwise acquire any lands, building, machinery, premises hereditaments, property, effects, assets, right credits, royalties, business and goodwill of any joint stock company carrying on the business switch the Company is authorised to can-on in any part of India.
24.		to purchase, take on lease for any term or terms of years or otherwise acquire any factories or land or lands with or without buildings and out houses thereon situate in any out part of India at such price or rent and under and subject to such terms and conditions as the Directors may think

		fit and in any such purchase, lease or other acquisition, to accept such title as the Director may believe or may be advised to be reasonably satisfactory.
25.		to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings machinery, goods stores, produce and other movable property of the Company, either separately or conjointly also to insure all or any portion of the goods produced machinery and other articles imported or exported by the company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
26.		to purchase or otherwise acquire or obtain licence for the use of and to sell exchange or grant licence for the use of any trade mark, patent, invention or technical know how.
27.		to sell, from time to time, any articles, materials, machinery, plants, stores and other articles and things Belonging to the company as the Board may think proper and to manufacture, prepare and sell-waste and by-products.
28.		from time to time, extend the business undertaking of the Company by adding to, altering or enlarging all or any of the building factories, workshops, premises, plant and machinery for the time, being the property of or in the possession of the Company by erecting new or additional buildings and to expend such sum of money for the purposes aforesaid or any of them as may be thought necessary or expedient.
29.		to undertake on behalf of the company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by and lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire any estate whether leasehold or freehold.
30.		to improve, manage, develop, exchange, lease, sell, re-sell and repurchase, dispose of, deal or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal or the Company or in which the Company is interested.
THE SECRETARY		
180.		Subject to Section 383A of the Act, the Directors may, from time to time, appoint and at their discretion remove an individual (here in after called ("The Secretary") to perform any functions which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the, Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies. (Secretary's qualifications) Rules, 1976.
DIVIDEND WARRANTS		
182(1)		Subject to the rights of persons, it any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid but if any so long as nothing is paid upon any of shares in the Company, dividends may be declared and paid according to the amount of the shares.
2)		No amount paid or credited as paid on a share in advance of calls, shall be treated for the purpose of this regulation as paid on the share.
183.		The company in general meeting, may, declare dividends to be paid to members according to their respective rights and interest in the profits, and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board and the Company may declare a smaller dividend in general meeting.
184.		No dividend shall be payable except out of the profits of the company arrived at in the manner provided for in section 205 of the Act.
185.		The Board of Directors may, from time to time, pay to the member such interim dividends, as in their judgment the position of the Company justifies.
186.		The Directors may retain any dividends on which the Company has a lien and may apply the

		same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to section 205A of the Act.
187.		Where the capital is paid in advance of the calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.
188.		All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the periods in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
189.		No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or bonus in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons and the Board of, Directors may deduct from the interest or dividend to any member all such sums of money so due from him to the Company.
190.		A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer. The right to dividend shall be regulated by section 206 A of the Act.
191.		Anyone of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account on dividends in respect of such share.
192.		The dividend. Payable in cash. may be paid by cheque or warrant sent through post directed to registered address of the shareholder, entitled to the payment of the dividend or in case of joint holders, to the registered address of that one of the joint holders which is first named on the register of members, or the joint holder may in writing direct. The Company shall not be liable or responsible for any Cheque or warrant or pay slip or receipt, lost in transmission or for any dividend lost to the member or person entitled thereto be forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
193.		Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the registered holders of share in the manner here in provided.
194.		The Directors may, before recommending or declaring any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable, for meeting contingencies or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the Company) as the Directors, may from time to time, think fit.
195.		The Company shall pay the dividend or send the warrant in respect thereof to the shareholders entitled to the payment of dividend within thirty days from the date of the declaration unless:
	a)	where the dividend could not be paid by reason of the operation of any law;
	b)	where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
	c)	where there is a dispute, regarding the right to receive the dividend;
	d)	where the dividend has been lawfully adjusted by the company against any sum due to it from shareholder, or
	e)	where, for any other reason, the failure to pay she dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
196.		Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a

		special account in that behalf in any scheduled bank called unpaid dividend of the Company and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.
		Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.
		The Company shall transfer any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under Section 205C of the Act. No unclaimed and unpaid dividend shall be forfeited by the Board and the Directors shall comply with the provisions of Section 205A of the Act,–and rules made thereunder as regards unclaimed dividends and unpaid dividends.
197.		Subject to the provisions of Section 205A of the Companies Act, 1956, no dividend shall bear interest as against the Company.
198.		Any general meeting declaring a dividend may, on the recommendations of the Directors make call on the members of such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the company and the members be set off against the calls.
CAPITALIZATION		
200.		The company in General Meeting may, upon the recommendation of the Board resolve,
	a)	that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise, available for distribution; and
	b)	that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been, entitled thereto, if distributed by way of dividend and in the same, proportions.
2.		The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in the clause(3) either in or towards.
	i)	paying up any amounts for the time being up paid on any shares. held by such members respectively;
	ii)	paying up in full, unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
	iii)	partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
3.		A share premium account and a Capital Redemption Reserve Account may, for the purpose of this regulation, only be applied in the paying up of un issued share to be issued to members of the company as fully paid bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
BOOKS AND DOCUMENTS		
202. 1.		The company shall keep at its registered office, proper book of accounts, as would give a true and fair view of the state of affairs of the Company or its transaction with respect to:
	a)	all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place
	b)	all sales and purchases of goods by the Company
	c)	the assets and liabilities of the Company, and
	d)	if so required by the Central Government, such particulars relating to utilisation of material or

		labour or to other items of cost, as may be prescribed by that Government.
		Provided that all or any of the books of accounts aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall within seven days of the decision, file with the Registrar of Companies a notice in writing giving the full address of that other place.
2.		Where the company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of accounts relating to the transactions effected at the branch are kept at that office and proper summarised returns made up to date, at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1) The books of accounts and other books and paper shall be open to inspection by any Director business hours.
STATEMENTS OF ACCOUNTS		
204.		The Board of Directors shall, from time to time, in accordance with Sections 210,211,212,216 and 217 of the Act, cause to be prepared and laid before each annual general meeting, a profit and loss account for the financial year of the Company and a 'Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months, or such extended period as shall have been granted by the Registrar of Companies, under the provisions of the Act.
		Right of members to copies of Balance Sheet and Auditor's Report
205.		Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the company has accepted a sum of money by way of deposit, shall on demand accompanied by the payment of a fee of ₹ 1/- (one rupee), be entitled to be furnished, with a copy of balance sheet of the Company and of every document required by law to be annexed or attached thereon including the profit and Loss Account and the Auditors and Director's Report.
AUDIT		
206.		One at least in every year, the account of the Company shall be examined, balanced and audited, and the correctness of the Profit and Loss Account and Balance sheet ascertained by one or more Auditor or Auditors.
207.1)		Auditors shall be appointed and their qualifications rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act.
2)		The company shall, at each annual general meeting, appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall, within seven days of the appointment, give intimation thereof to the Auditor so appointed unless he is retiring Auditor.
3)		At any annual general meeting a Retiring Auditor, by what ever authority appointed, shall be re-appointed unless.
	a)	he is not qualified for re-appointment;
	b)	he has given the Company notice in writing of his unwillingness to be re-appointed;
	c)	a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed; or
	d)	where notice has been given of an intended resolution to appoint some persons or person, in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with
4.		Where at annual general meeting no Auditor is appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
5.		The Company shall, within seven days of the central Government's power under the sub-clause (4) becoming exercisable, give notice of that fact to that Government.
6.		The Directors may fill any casual vacancy in the office of the Auditor, but while any such

		vacancy continues, the serving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the company in general meeting.
7.		A person other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given be a member to the Company not less than fourteen days before tire meeting, in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof to the members in accordance with Section 225 of the Act. The Provisions of this sub-clause shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.
208.		Every account when audited and approved by Annual general meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever, any such error is discovered within that period, the account shall be corrected and henceforth shall be conclusive.
WINDING UP/ SALE		
215.		If the Company shall be wound up and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly may be, the losses shall be borne. by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively, and if in a winding up, the assets available for distribution among the members shall be more than sufficient to re-pay the whole of the capita paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid-up on , the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
216(1)		If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon, such trusts for the benefit of the contributories or any of them as the Liquidator with the like sanction shall think fit.
2.		If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories except where unalterable fixed by the Memorandum of Association) and in particular any class may, by given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudicial thereby, shall have a right to dissent and ancillary right as if such determination were a special resolution passed pursuant to Section 494 of the Act.
3.		In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable act accordingly.
217.		A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act, may subject to the provisions of the Act in the like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed against the members, otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the right of dissent and consequently rights conferred by the said sanction, Directors and other, rights to indemnity.
218.		Subject to the provisions of Section 201 of the Act, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company, to pay all benefited cost, charges, losses, and damages which any such person may incur or become liable to, by reason of any contract entered into to any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such it any as he shall incur or sustained through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing Provisions against all

		liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which relief is granted to him by the Court.
INDEMNITY		
219.		Subject to the provisions of Section 210 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any title to any property acquired by the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss or damages arising from the insolvency or torsos at of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error or judgment, commission, default or oversight on his part or for any other loss damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation etc. unless the same shall happen through his own dishonesty.

Chapter II of the Articles comprising of Articles 222 to 333 was adopted vide a special resolution passed at the extraordinary general meeting of the members of the Company held on March 7, 2008. The matters listed in Articles 222 to 333 are in addition to all other rights that NSR – PE Mauritius LLC have as shareholders of the Company under these Articles.

Provided that Articles 224 (a), 224(d), 225, 227, 228, 229, 230, 232, 233, 234, 239, 241, 242, 243, 244, 245, 248, 251, 252, 253, 259, 261, 264, 265, 267 269, 272(b), 273, 274, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 297(a),297 (b) 299, 300, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 318, 320, 321, 323, 326 and 332 shall terminate, cease to remain in effect and deemed to fall away without any further action by any party (including the Company or any of its Members) immediately on the commencement of trading of the Equity Shares of the Company on any recognized stock exchange pursuant to the IPO through the book building process, in accordance with the provisions of the SEBI Regulations and the Companies Act.

SPECIAL INVESTOR RIGHTS		
224.		In consideration of NSR investing in the Company on and subject to the terms and conditions of the Share Subscription Agreement, the Promoters hereby irrevocably and unconditionally and as a continuing obligation jointly and severally agree and undertake as follows:
	a	save and except as provided in Article 302 (a), the Promoters, Finlay Corporation Limited, Pikika Limited and Orissa Stevedores Limited shall not transfer any Shares until the occurrence of initial public offering without the prior written approval of NSR.
	b	BP, JP, PIL and OTL shall at all times directly hold in aggregate at least 25.1 per cent. of the share capital of, and at least 51 per cent. of the voting rights, in the Company;
	c	that each of the Persons comprising the Promoter Group is a cohesive group and shall only act through BP and/or JP and no Persons comprising the Promoter Group shall exercise or attempt to exercise any right individually or otherwise than through either BP or JP;
	d	in the event any of the Shareholders other than NSR transfers any Shares to non- residents, the Promoters hereby covenant and undertake that they shall procure that Finlay Corporation Limited and/or Pikika Limited shall transfer to the Promoters such number of Shares held by them so as to ensure that the ability of NSR to exercise the Conversion of the Preference Shares is not prejudiced;
	e	not to create or permit to subsist any pledge, mortgage, charge, lien or other Encumbrance over, all or any part of the Promoter's interest in the issued share capital and voting rights of the Company save and except in favour of bonafide lenders/ and financial institutions for monies borrowed for the Business of the Company in consonance with Business Plan;
	f	the Promoters shall use or exercise, or refrain from using or exercising, their voting rights (whether as members or Directors of the Company) to observe the terms of, and to fulfil their obligations under, the Subscription Agreement and the Shareholders Agreement , and generally to do all things within their power which are necessary or desirable to give effect to the Share Subscription Agreement and to fulfil their obligations there under;
225.		Each of the Promoters acknowledge that NSR has subscribed to the Shares and (ii) acquired Shares by virtue of the Share Purchase Agreement, on the basis that they will be able to exercise voting rights on the Preference Shares as if the same were converted into Equity Shares and towards the same agrees to, until the conversion of the Preference Shares into

Equity Shares, vote in accordance with the instructions of NSR at a general meeting or provide proxies without instructions to NSR for the purposes of a general meeting, in respect of such number of Equity Shares held by each of them such that 33.7 per cent of the Equity Shares of the Company are voted on in the manner required by NSR. The obligation of each of the Promoters to vote their Shares as aforesaid shall be pro-rated in accordance with their aggregate Shareholding in the Company. It being agreed that a Shareholder, to the extent permitted by applicable law, is entitled to nominate more than one proxy.

227. .In this Article Relevant Rights means the right to receive notice of, and to be present and to vote, either in person or by proxy, at any general meeting of the Company. Relevant Rights include, without limitation, the right for the holder of a Preference Share to exercise its voting rights in respect of such number of Equity Shares held by NSR such that 33.7 per cent of the Equity Shares of the Company are voted on in the manner required by NSR. The Company, the Promoters and NSR agree that since the Preference Shares would be compulsorily converted to Equity Shares in accordance with the Share Subscription Agreement, all matters which affect the rights of the holders of Equity Shares would directly affect the rights of the holders of the Preference Shares and hence each holder of Preference Shares shall have the same rights as the rights of a holder of Equity Shares. The obligation of each of the Promoters to vote their Shares as aforesaid shall be pro-rated in accordance with their aggregate Shareholding in the Company. It being agreed that, a Shareholder, to the extent permitted by applicable law, is entitled to nominate more than one proxy.

228. In the event, NSR is not permitted under applicable law to exercise votes at any meeting of the Shareholders, the Promoters agree and undertake to appoint NSR as the proxy for the requisite number of Shares such that NSR is entitled to vote in proportion to the amount of capital paid up on the share capital of the Company held by them on a fully diluted basis.

229. The Preference Shares shall bear a coupon rate of 0.001% per annum, the Preference Shares shall be senior to all other classes of Equity Shares in relation to dividends, liquidation, redemption and other distributions. No dividend whether in cash, in property or in Shares of the Company shall be paid on any class or series of shares of the Company without the specific written approval of NSR. On obtaining the approval of NSR as specified above, the dividend will be paid to the holders of the Preference Shares prior to payment of any dividend with respect to the Equity Shares of the Company.

230. NSR shall also be entitled to proportional anti-dilution protection for all further issuance of equity (including rights issues, stock splits, stock dividends restructuring of the share capital, sub division , consolidation, etc.) and conversion of existing securities/options to equity (including existing stock options).

239. On Conversion NSR's shareholding will be as follows (assuming that the Company's Actual 2010 PBDIT is greater than or equal to Target FY 2010 PBDIT):

	Pre-funding		Pre Conversion of the Preference Shares		Post Conversion of the Preference Shares[1]	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
Promoters	10,497,970	61.0	10,497,970	61.0	10,497,970	45.8
FCL	1,586,991	9.2	1,586,991	9.2	1,586,991	6.9
PL	625,000	3.6	625,000	3.6	625,000	2.7
Investor	-	-	2,361,100	13.7	7,647,748	33.4
South Asia Regional Fund and Medium and Small Infrastructure Firm	3,952,000	23.0	1,590,900	9.3	1,590,900	6.9
OSL	393,500	2.3	393,500	2.3	393,500	1.7
Employees and others	142,850	0.8	142,850	0.8	566,700	2.5
Total	**17,198,311**	**100**	**17,198,311**	**100**	**22,908,809**	**100**

[1] The figures in this column assume that all the employee stock options have been allotted. It is hereby clarified that the number of Equity Shares to which the Preference Shares will convert shall be suitably adjusted to take into account the issue of such of the 481,250 outstanding options as have then been allotted such that the aggregate of the Equity Shares received by NSR upon Conversion of the Preference Shares shall translate to a shareholding percentage of 23.1 percent. of the Company. If the Company's Actual 2010 PBDIT is lower than or equal to

		Target FY 2010 PBDIT then NSR's shareholding will be higher than as set out in the above table.
241.		Without prejudice to NSR's rights with respect to Reserved Board Matters, each of the Promoters and the Company undertake to exercise all rights and powers available to them to procure that, when the Company intends to raise any capital by issue of Shares or any other instruments convertible into equity (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) by the Company ("**Further Issuance**") NSR shall have the right (in preference over any other Person) to subscribe to such Further Issuance (or any part thereof) at a price which is 10 per cent. lower than the Fair Market Value. The rights of NSR under this Article 241 shall be subject to:
	a	the aggregate investment of NSR in such Further Issuance not being higher than INR 800,000,000 (Indian Rupees eight hundred million); and
	b	the aggregate Shareholding Percentage of the Promoter Group not reducing to below 51 per cent on a fully diluted basis.
242.		In the event NSR does not or is unable to subscribe to the Further Issuance or subscribes only to a part of the Further Issuance, the Company shall have the liberty to offer the Further Issuance or any portion thereof which has not be subscribed to by NSR ("**Unsubscribed Securities**"), to any other Person(s) at a price (calculated on a proportionate basis in the case of Unsubscribed Securities) that is not lower than the Fair Market Value.
243.		Subject at all times to the rights of NSR under Articles 241 and 242, each further issue of Shares or other equity or equity linked securities in the Company (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) shall be offered for subscription to the Shareholders at a mutually agreed price, in proportion as near as practicable to their respective Shareholding Percentages, such process to be repeated until the entire un-subscribed proportion is subscribed for. In the event that any Shareholder does not subscribe to its portion of new Shares offered, the same shall first be offered to the other Shareholders in proportion to their shareholding in the Company. This process shall be repeated until such entire un-subscribed portion of such future capital is subscribed. In the event any portion of such further issue of Shares remain unsubscribed after the process of offering to Shareholders as described in this Article 243 is completed, such unsubscribed portion may be offered to any Person who is not a Shareholder, on terms which are not more favourable than the terms offered to Shareholders.
244.		Without prejudice to the provisions of Articles 241, 242 and 243, each of the Promoters jointly and severally covenant with each of the Company and NSR that no Shares or other equity or equity-linked securities in the capital of the Company (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSR)) shall be issued on terms that are more favourable to that Person than the terms obtained by NSR for NSR Shares or NSR's Equity Shares post Conversion under the Subscription Agreement and the Shareholders Agreement. For the avoidance of doubt, but without limitation to the generality of the preceding sentence, terms offered to any such Person shall be deemed to be more favourable than those obtained by NSR if:
	a	the payment terms offered to that Person are more favourable; and/or
	b	the shares or other form of equity or equity-linked security (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSR)) issued to such Person provide a higher overall return than that on NSR Shares or NSR's Equity Shares post Conversion; and/or
	c	in the case of any convertible instrument, the conversion price or ratio offered to that Person is more favourable than that offered to NSR in relation to NSR Shares; and/or
	d	the rights attached to the shares or other form of equity or equity linked security (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSR)) are more favourable than the rights attached to NSR Shares pre Conversion or NSR's Equity Shares post Conversion under the Shareholders Agreement, the Share Subscription Agreement and these Articles.
245.		Each of the Promoters and the Company undertake to NSR that, other than with the prior written approval from NSR, no funds shall be raised by the Company and no Shares or other

		equity or equity-linked securities in the capital of the Company (including convertible bonds, stock options, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) shall be issued to any non - residents in a manner that it increases the foreign shareholding in the Company and hence adversely affects the ability of NSR to exercise the Conversion of the Preference Shares.
248.		Without prejudice to NSR's rights with respect to Reserved Matters, the Promoters and the Company jointly and severally undertake to procure that the Company shall not change or discontinue its Business in whole or in part, or enter into any new business or activity, without the prior written consent of NSR.
250.		Subject to these Articles, the Company shall have no more than 12 (twelve) members on its Board including NSR Directors.
251.		Till such time as the Shareholding Percentage of NSR is 5 per cent or more, NSR shall be entitled to nominate, in accordance with Section 255 (2) of the Companies Act, such number of Directors on the Board (the "**NSR Directors**") as would be proportionate to the number of Directors that the Promoters are entitled to nominate based on their respective Shareholding Percentages. In the event such proportion results in a fraction in the number of NSR Directors and such fraction is greater than 0.5, the number of NSR Directors shall be rounded off to the next whole number. It is however agreed that, for the time being, NSR is desirous of nominating Directors on the Board in accordance with Article 252. Notwithstanding anything contained in the Shareholders Agreement, the right of NSR under this Article shall survive the termination of the Shareholders Agreement. NSR Director shall not be on the board of the Competitor without prior consent of the Promoters.
252.		In the event that NSR nominates 2 (two) NSR Directors, then the Promoter Group shall have the right to nominate 5 (five) Directors (the "**Promoter Directors**"). In the event that NSR nominates 3 (three) NSR Directors, then the Promoter Group shall have the right to nominate 6 (six) Promoter Directors. Similarly, in the event that the Promoter Group is desirous of nominating 6 (six) Promoter Directors, then NSR shall have the right to nominate 3 (three) NSR Directors.
252A.		Notwithstanding Articles 251 and 252, after the listing of the Equity Shares on a Recognized Stock Exchange in an IPO, NSR shall have the right to appoint one Director, so long as NSR holds 5% of the equity share capital of the Company~~.~~ provided that in case the Equity Shares of the Company are not listed and traded on a Recognized Stock Exchange in an IPO on or before 31st March 2012, NSR shall have the right to appoint up to maximum two Directors.
253.		Any change in the composition of the Board which results in the expansion of the Board and any change in the appointment and/or replacement of the independent Directors, shall at all times be subject to prior written approval of NSR.
256.		Each of the Promoters and the Company shall exercise all rights and powers available to it, including the exercise of votes at Board meetings and general meetings of the Company, to procure that effect is given to any nominations made by NSR under the Articles 251 to 255.
257.		If retirement by rotation is applicable and subject to the provisions of the Companies Act, NSR Directors shall not be required to retire by rotation and all other Directors shall constitute the number of Directors required to retire by rotation.
259.		NSR and the Promoter Group will set-up a 3 member committee to make recommendations to the Board on matters relating to the appointment of the CEO, including but not limited to remuneration payable to the CEO, terms of employment of the CEO, award of stock options, etc. NSR and the Promoter Group will have 1 (one) representative each along with an independent Director on such committee.
261.		In the event NSR has reasonable information which is disclosed to the Board that the CEO is responsible for any dishonest or fraudulent conduct, or any act in breach of trust or breach of faith, or is negligent in performing his duties or violates the policies of the Company or commits any act of harassment, discrimination or victimisation on race, sex, disability or other prohibited grounds, NSR has the right to procure the Company to terminate the appointment of the CEO.
264.		Unless otherwise agreed by Unless otherwise agreed by NSR in advance:

	a	in writing; or
	b	by telephone, fax, e-mail or other electronic communication, such agreement to be confirmed in writing as soon as is reasonably practicable,
		and after NSR having been provided with the agenda for the relevant meeting, without prejudice to NSR's rights with respect to Reserved Matters, the quorum for any meeting shall require the presence of at least one of NSR Directors and one of the Director nominated by the Promoters;
265.		If NSR has agreed under Article 264 above that the quorum for a meeting need not include any of NSR Directors to form quorum, then:
	a	no matter shall be tabled, discussed or resolved at that meeting unless such matter was specifically described in the agenda provided to NSR prior to its agreement under Article 264 above and, notwithstanding any provision in that agenda for the tabling of, discussion regarding or resolution on "other business", "other matters with the permission of the Chairman" or similar, no such other matters shall be tabled, discussed or resolved at that meeting; and
	b	such meeting shall be deemed in quorate if any matter is tabled, discussed or resolved in contravention of Article 265(a) above;
269.		A circular resolution in writing, executed by or on behalf of a majority of the Directors, shall constitute a valid decision of the Board provided that a draft of such resolution was sent to all of the Directors at their usual address together with a copy of all supporting papers and provided further that unless (and only to the extent that) the resolution or decision concerned has been previously approved in writing by NSR, no resolution concerning any Reserved Matters and decision requiring a Super-Majority Resolution under the Shareholders Agreement, may be passed by a circular resolution;
272.		If no quorum is present by the appointed time for any meeting of the Board, the meeting shall stand adjourned to the same day in the next week at the same time and place, provided that written notice of the adjournment was given to each Director at his usual address for service of notices of Board meetings not less than five (5) Business Days before the date of the adjourned meeting. In the event that quorum is again not present by the appointed time for such adjourned meeting of the Board, the meeting shall again stand adjourned to the same day in the next week at the same time and place and the quorum at such adjourned meeting ("**Second Adjourned Meeting**") shall be that prescribed under the Companies Act provided that:
	a	written notice of the adjournment was given to each Director at his usual address for service of notices of Board meetings not less than five (5) Business Days before the date of the Second Adjourned Meeting;
	b	if any item on the agenda for the meeting relates to a Reserved Matter and NSR Director has sent in writing to the Board at least one day prior to the date of the Second Adjourned Meeting (notified to NSR Director in accordance with Article 272(a), a refusal to give his or her affirmative vote on the Reserved Matter concerned, then such Reserved Matter shall not be taken up at any adjourned Board meeting (including the Second Adjourned Meeting or any further adjournment thereof), and no resolution approving such Reserved Matter shall be deemed to have been passed even if taken up; and
273.		The Board shall, subject to the provisions of the Companies Act and applicable listing guidelines of stock exchanges on which the Shares of the Company may be listed, appoint at least one of NSR Directors on each such committee(s) and sub-committee(s) of the Board and such other management committee(s) or sub-committee(s) of the Company (including any compensation, audit, related party and any other committee constituted by the Board), as may be notified by NSR in writing to the Promoters provided that, the Board can constitute each such committee(s) and sub-committee(s) and such other management committee(s) or sub-committee(s) of the Company (including any compensation, audit, related party and any other committee constituted by the Board) without NSR Directors subject to the consent of NSR provided further that in case the Equity Shares of the Company are not listed and traded in a recognized stock exchange in an IPO on or before March 31, 2012, the Board shall appoint one of the NSR Directors on each such committee. For the avoidance of doubt, any decision taken at any such committee or sub-committee that relates to a Reserved Matter shall not be valid unless it is ratified and approved by a Super-Majority Resolution.

274.		Without prejudice to the foregoing, unless otherwise agreed in writing by NSR, all provisions of the Shareholders Agreement relating the Board and its meetings shall be applicable to meetings of committees and sub-committees of the Board.
276.		The Promoters and the Company expressly agree and undertake that NSR Director(s) shall not be identified on their part as officers in default of the Company or employers under applicable laws. Further, the Promoters and the Company undertake to ensure that the other Directors or suitable persons are nominated as "officers in default", "occupiers" and/or "employers", as the case may be, in order to ensure that NSR Director(s) do not incur any liability.
278.		The Company shall, and each of the Promoter Group shall, exercise all rights and powers available to it/ him to procure that, from the date of the Shareholders Agreement until such time as the Company completes an IPO or NSR and NSR's Affiliates in the aggregate have, on a fully diluted basis, a Shareholding Percentage of 10 per cent. or more, none of the Reserved Matters shall occur with respect to the Company unless it has first been approved by a Super-Majority Resolution.
280.		The form and substance of any notices to convene general meetings of the Company at which any Reserved Matter will be considered and any other notices to Shareholders of the Company relating to any Reserved Matter shall be subject to prior approval by Super-Majority Resolution, and the Promoters shall procure that no such notices shall be issued without such approval.
281.		Each of, the Promoters shall exercise all rights and powers available to it, including the exercise of voting rights, to ensure that the necessary general meeting resolutions of the Company are passed to give effect to any Reserved Matter which has been approved by Super-Majority Resolution with respect to the Company. It is further agreed that (unless the provisions of Article 279 apply) in the case of the Company, no general meeting resolution shall be passed with respect to any Reserved Matter unless that Reserved Matter has first been approved by Super-Majority Resolution.
282.		In the event the rights of NSR in respect of any of the Reserved Matters are rendered unenforceable or are not exercisable at a meeting of the Board, all resolutions related to such Reserved Matter shall be passed only at a meeting of the Shareholders and would be required to be affirmed by such number of Shareholders as are required by the Companies Act, provided that NSR or the representative of NSR attending and voting at such meeting votes in favour of such resolution.
283.		Each of the Promoters and the Company undertakes with NSR that:
	a	the Company will complete an IPO on or prior to 31 March 2012; and
	b	it will do all acts, deeds and things that are commercially reasonable to ensure a successful IPO.
284.		The terms, timing and pricing for the IPO shall be subject to approval by a Super-Majority Resolution.
285.		The IPO will be based on the advice of a reputable investment bank and shall be structured so as to maximise value to the Shareholders.
286.		The Company has the right, with the prior written approval of the Promoters and NSR, at the cost of the Company, to engage a reputable and renowned investment bank (the **IPO Investment Bank**) to advise on the IPO prospects of the Company. In the event that an IPO Investment Bank is not engaged by the Company by 31 March 2011, NSR, at any time thereafter, shall have the right at the cost of the Company, to engage the IPO Investment Bank. The Promoters agree with NSR that, if the IPO Investment Bank advises that the timing and structure for any proposed IPO are favourable, the Promoters shall if so directed by NSR in writing procure that the Company shall implement the proposed IPO in accordance with the recommendations of the IPO Investment Bank. In particular, but without limitation, the Promoters and the Company agree to provide all necessary information and access to records and materials of the Company to the IPO Investment Bank and to permit the IPO Investment Bank to carry out all necessary tasks to enable it and NSR to agree on appropriate underwriting price.
287.		NSR shall not give any representation, warranty or indemnity whatsoever in connection with the IPO, including to the IPO Investment Bank, other than that its Shares, if any, offered in the IPO, have clear title. Without prejudice to the foregoing, in the event that NSR is required

		under law to give any other representation, warranty, indemnity or covenant (collectively, **Third Party Undertaking**), the Promoters shall be jointly and severally liable to in turn secure, reimburse, indemnify, defend and hold harmless NSR on demand for and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Third Party Undertaking.
288.		In the IPO, NSR shall not be required to provide its Shares for being locked-in or restricting transfer thereof in any manner whatsoever.
297.		Notwithstanding anything contained herein:
	a	no transfer shall take place which results in any increase in the non-resident shareholding of the Company which adversely affects the ability of NSR to exercise the Conversion of the Preference Shares;
299.		The Company and the Promoters shall not, without the specific written consent of NSR, issue any new Shares or transfer any Shares or pledge, mortgage, charge, lien, encumber or grant any options or rights over existing Shares or any other instruments convertible into equity (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) to any non-residents in a manner that it increases the foreign shareholding in the Company and hence adversely affects the ability of NSR to exercise the Conversion of the Preference Shares;
300.		In the event any Shareholder other then NSR transfers any Shares to non-residents, the Promoters hereby covenant and undertake that they shall procure that FCL and/or PL shall transfer to the Promoters such number of Shares held by them so as to ensure that the ability of NSR to exercise the Conversion of the Preference Shares is not prejudiced;
303.		Prior to 31 March 2012, in the event NSR desires to sell any or all of its Shares ("**Sale Shares**") in the Company to any Person(s), it shall first offer the Sale Shares to the Promoters ("**Right of First Offer**"). The Promoters shall be required to notify either (i) their acceptance along with the price (the "**Sale Price**") and the terms (the "**Sale Terms**") or (ii) refusal to purchase the Sale Shares, within 30 (thirty) days of being intimated by NSR. In the event that the Promoters stipulate the Sale Price and Sale Terms within the prescribed period, NSR shall be free to sell the Sale Shares, at its sole option, to either (1) the Promoters at the Sale Price on the Sale Terms or (2) to any Person (the "**Proposed Purchaser**") on such time terms at a price greater than the Sale Price and on terms which are equal to or no less favourable than the Sale Terms, provided that:
	i	the Proposed Purchaser is not a Competitor listed in the Competitor List; and
	Ii	the Proposed Purchaser is not a Restricted Party listed in the Restricted Party List.
		For the purpose of this Article "**Competitor**" shall be each Person who is engaged in a business which directly competes with the Business and is named in the list appearing at Schedule 5 of the Shareholders Agreement ("**Competitors List**"); and "**Restricted Party**" shall be each Person named in the list appearing at Schedule 6 of the Shareholders Agreement ("**Restricted Party List**"). The Promoters shall have the right to update the Competitors List and Restricted Party List in the first calendar month of each financial year of the Company to delete names of Competitors and Restricted Parties or include names of Persons who in the opinion of the Promoter qualify as a Competitor or a Restricted Party (as the case may be). The Promoters further undertake and commit that they will at all times exclude from the Competitors List and Restricted Party List Persons who are Bona Fide Financial Investors and Persons who do not have any significant strategic operating interest in the Business. The Promoters also undertake and commit that they will not be unreasonable in updating the Competitors List and Restricted Party List in a manner such that it becomes restrictive for NSR to transfer any Shares outside of the Competitors List and Restricted Party List. Notwithstanding anything contained in the Shareholders Agreement, in the event that the Promoters do not stipulate the Sale Price and the Sale Terms within the stipulated period, NSR shall be free to sell the Sale Shares at any price, on any terms and to any Person not being a Person named in the Competitors List and/or Restricted Party List.
304.		Notwithstanding anything contained in the Shareholders Agreement:
	a	at any time on or after 31 March 2012 but prior to 1 October 2012,

	i	the Shares of NSR representing 24.9% (twenty-four point nine per cent) of the Company's equity voting capital shall be free from any lien or lock-in, shall be freely tradeable, and capable of being transferred in full or part to any Person, which for the avoidance of doubt includes financial investors, strategic investors and any Person named in the Competitors List and/or Restricted Party List; and
	ii	all the Shares of NSR shall be free from any lien or lock-in, shall be freely tradeable, and capable of being transferred in full or part to any Person not being a Person named in the Competitors List and/or Restricted Party List; and
	b	at all time on or after 1 October 2012, all the Shares of NSR shall be free from any lien or lock-in, shall be freely tradeable, and capable of being transferred in full or part to any Person, which for the avoidance of doubt includes financial investors, strategic investors and any Person named in the Competitors List and/or Restricted Party List.
308.		Subject to Articles 296 to 297 and Articles 302 to 304, in the event any Person forming part of the Promoter Group (the "Transferring Party") desires to sell any or all of its Shares ("Offered Shares") in the Company to any Person(s) ("Proposed Transferee"), it shall first by written notice (the "Transfer Notice"):
	a	disclose to NSR the identity of the Proposed Transferee as well as the price and all other terms and conditions on which it proposes to transfer the Offered Shares to the Proposed Transferee; and
	b	offer to transfer the Offered Shares to NSR on the same price, terms and conditions as offered to such Proposed Transferee (the "**ROFR**").
309.		Within a period of 30 (thirty) days from the date of receipt of the Transfer Notice (the "**Offer Period**") NSR shall have the right to agree to purchase all of the Offered Shares at the same price and on the same terms and conditions as offered to such Proposed Transferee. In the event that NSR chooses to purchase all of the Offered Shares pursuant to this Article, NSR shall convey such acceptance to the Transferring Party by way of a written notice (the "**Acceptance Letter**") and the Parties shall take all steps to cause the transfer of the Offered Shares to NSR on the terms mentioned in the Transfer Notice and in accordance with the Acceptance Letter within a period of 45 (forty five) days following the date of the Acceptance Letter. The time required for obtaining any approvals, consents, permissions or for compliance with any requirements of applicable law shall be excluded in calculating the foregoing period of 45 (forty five) days. The Parties shall make and the Promoters shall procure the Company to make, all requisite applications to obtain such Approvals in a prompt and timely manner for giving effect to the provisions of this Article.
310.		In the event that NSR is unable or unwilling to purchase the Offered Shares in accordance with Article 309 subject to the provisions of Articles 311 to 313 the Transferring Party may transfer the Offered Shares to the Proposed Transferee at a price and on terms no more favourable than those mentioned in the Transfer Notice.
311.		In the event that NSR is unable or unwilling to purchase the Offered Shares in accordance with Article 309 NSR shall have a tag along right that may be exercised by NSR in accordance with the terms and conditions contained in Articles 311 to 313.
312.		In the event that NSR chooses to exercise its tag along right pursuant to Articles 311 to 313 NSR shall send a notice (**"Tag Along Notice"**) to the Transferring Party within a period of 15 (fifteen) days from the date of receipt of the Transfer Notice. The Tag Along Notice shall specify the number of Shares sought to be transferred by NSR ("**Tag Shares**"), provided that the Tag Shares shall not exceed the Tag Shares Limit (as defined below). If NSR serves the Tag Along Notice on the Transferring Party, the Transferring Party shall ensure that the Proposed Transferee purchases the Tag Shares at a price per Share and on terms that are no less favourable than the price and the terms offered by the Proposed Transferee to the Transferring Party. In the event that NSR does not or is unable to send a Tag Along Notice to the Transferring Party within a period of 15 (fifteen) days from the date of receipt of the Transfer Notice, NSR shall be deemed to have waived its tag along rights under Articles 311 to 313.
313.		For the purpose of Articles 311 to 313 the "**Tag Shares Limit**" shall be determined as under:
	a	If pursuant to the sale of the Offered Shares the aggregate Shareholding Percentage of the

		Promoter Group is not likely to reduce to below 51 per cent., the Tag Shares Limit shall be such number of Shares of NSR as are proportionate to the Offered Shares; and
	b	If pursuant to the sale of the Offered Shares the aggregate Shareholding Percentage of the Promoter Group is likely to reduce to below 51 per cent., the Tag Shares Limit shall be all or part of the Shares of NSR (including the Shares held by any Affiliate of NSR).
326.		In addition to any other rights they have as under the Share Holder Agreement and/or the Subscription Agreement, on an Event of Default NSR shall have the right, but shall be under no obligation, to terminate the Shareholders Agreement and the Share Subscription Agreement with immediate effect (without prejudice to any rights and obligations accrued or incurred prior to such termination and subject to the survival of Clause 13 of the Shareholders Agreement) and:
	a	NSRs shall have the right, at any time, to transfer in full or part their Shares to any Person, which for the avoidance of doubt includes financial investors, strategic investors and/or any Person named in the Competitors List and/or Restricted Party List;
	b	if such termination occurs prior to the Completion Date, NSR shall be under no obligation to subscribe for NSR Shares under the Share Subscription Agreement; and
	c	the Promoters and/ or the Company, as applicable, shall, immediately pay all sums due to NSR under the Shareholders Agreement and/ or the Share Subscription Agreement to NSR including interest on such sums from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of 2 per cent. above LIBOR, which interest shall accrue from day to day and be compounded monthly.
327.		NSR shall not be required to pledge or otherwise encumber its shares in favour of, or provide any other support to, any third party dealing with the Company including, without limitation, lenders to the Company, the Company shall make this fact clear in any discussions or negotiations with such third parties and any financing plans of the Company shall take this fact into account.
331.		Notwithstanding the provisions of Article 330, NSR shall at all times be free to assign or transfer any of its rights in terms of the Shareholders Agreement to any of its Affiliates.
332.		Notwithstanding the provisions of Article 330, NSR shall at all times be free to assign or transfer its rights in the following manner to any Bona Fide Financial Investor to which it has transferred any of its Shares in accordance with the Shareholders Agreement:
	a	in the event that the Shareholding Percentage of a Bona Fide Financial Investor is at least 10% (ten percent.), such Bona Fide Financial Investor shall be entitled to independently exercise all the rights of NSR as if it was NSR in terms of the Shareholders Agreement, for such time as it continues to be a Bona Fide Financial Investor, save and except for the following modifications:
	i	prior consent of such Bona Fide Financial Investor shall not be required for the Company to resolve to take action in relation to any of the matters listed at item numbers 1, 3, 4, 6, 7, 9, 10, 12, 13, 15, 17, 19, 22 and 23 of the Reserved Matters;
	ii	the Company shall not make any fresh issue of capital (including without limitation equity, equity-linked instruments or any security capable of being converted into equity but excluding only employee stock options) at a lower price than such Bona Fide Financial Investor 's entry price or on terms more favourable than those applicable to such Bona Fide Financial Investor;
	iii	such Bona Fide Financial Investor shall be entitled to nominate such number of Directors as would be proportionate to its then current Shareholding Percentage. It is further clarified that: (1) in the event such proportion results in a fraction in the number of Investors Directors and such fraction is greater than 0.5, the number of Investor Directors shall be rounded off to the next whole number; and (2) notwithstanding the foregoing, such Bona Fide Financial Investor shall at all times be entitled to nominate at least 1 (one) Director for such time as it holds at least 10% (ten per cent.) of the Company's equity share capital;
	iv	such Bona Fide Financial Investor shall not be entitled to further transfer any of its rights under the Shareholders Agreement without the prior written consent of the Chairman of the Company;

	v	qua such Bona Fide Financial Investor, in Article 301, the threshold of '51%' shall be read as '25.1%';
	vi	such Bona Fide Financial Investor shall at all times be entitled to exercise the rights set out in Articles 319 to 324 for such time as it holds at least 5% (five per cent.) of the Company's equity share capital;
	vii	qua such Bona Fide Financial Investor, in Article 313 (a) and (b), the thresholds of '51%' shall be read as '26%';
	viii	qua such Bona Fide Financial Investor, Article 298 hereof shall be read as: "*The Promoter Group shall not transfer any Shares which would result in the combined Shareholding Percentage of BP, JP , PIL and OTL going below 25.1% (twenty-five point one per cent.)*"; and
	ix	qua such Bona Fide Financial Investor, Articles 259 to 261 hereof shall not be applicable.
	b	in the event that the Shareholding Percentage of a Bona Fide Financial Investor is at least 23% (twenty-three percent.), and provided NSR gives the Company prior written intimation that such Bona Fide Financial Investor is entitled to the rights set out in this Article, such Bona Fide Financial Investor shall be entitled to independently exercise all the rights of NSR in terms of the Shareholders Agreement, for such time as it continues to be a Bona Fide Financial Investor, save and except for the following modifications:
	i	prior consent of such Bona Fide Financial Investor shall not be required for the Company to resolve to take action in relation to any of the matters listed at item numbers 4, 6, 9, 13, 15, 22 and 23 of the Reserved Matters;
	ii	the Company shall not make any fresh issue of capital (including without limitation equity, equity-linked instruments or any security capable of being converted into equity but excluding only employee stock options) at a lower price than such Bona Fide Financial Investor 's entry price or on terms more favourable than those applicable to such Bona Fide Financial Investor;
	iii	such Bona Fide Financial Investor shall be entitled to nominate such number of Directors as would be proportionate to its then current Shareholding Percentage. It is further clarified that: (1) in the event such proportion results in a fraction in the number of Investors Directors and such fraction is greater than 0.5, the number of Investor Directors shall be rounded off to the next whole number; and (2) notwithstanding the foregoing, such Bona Fide Financial Investor shall at all times be entitled to nominate at least 1 (one) Director for such time as it holds at least 10% (ten per cent.) of the Company's equity share capital;
	iv	such Bona Fide Financial Investor shall not be entitled to further transfer any of its rights under the Shareholders Agreement without the prior written consent of the Chairman of the Company;
	v	qua such Bona Fide Financial Investor, in Article 301, the threshold of '51%' shall be read as '25.1%';
	vi	such Bona Fide Financial Investor shall at all times be entitled to exercise the rights set out in Article 319 to 324 for such time as it holds at least 5% (five per cent.) of the Company's equity share capital;
	vii	qua such Bona Fide Financial Investor, in Article 313 (a) and (b), the thresholds of '51%' shall be read as '26%';
	viii	qua such Bona Fide Financial Investor, Article 298 hereof shall be read as: "*The Promoter Group shall not transfer any Shares which would result in the combined Shareholding Percentage of BP, JP , PIL and OTL going below 25.1% (twenty-five point one per cent.)*"; and
	ix	qua such Bona Fide Financial Investor, Article 259 to 261 hereof shall not be applicable.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts in relation to this Issue

1. Engagement letters dated February 22, 2011 among our Company, the Selling Shareholder and IDFC Capital Limited, engagement letter dated February 24, 2011 among our Company, the Selling Shareholder and Centrum Capital Limited and engagement letter dated March 2, 2011 among our Company and SREI Capital Markets Limited.

2. Agreement among our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Manager dated March 16, 2011.

3. Memorandum of Understanding between our Company, the Selling Shareholder and Registrar to the Issue dated March 15, 2011.

4. Escrow Agreement dated [●] among our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members.

5. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members.

6. Underwriting Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Managers, the Co-Book Running Lead Manager, the Syndicate Members and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.

2. Our certification of incorporation.

3. Resolution passed by our Board dated December 29, 2010 authorizing this Issue.

4. Shareholders’ resolution dated January 22, 2011 authorizing this Issue.

5. Resolution passed by the Selling Shareholder dated February 22, 2011 authorizing the Offer for Sale.

6. Board resolution dated December 22, 2007 appointing Ms. Jagi Mangat Panda as Managing Director of our Company and Shareholders’ resolution dated February 27, 2008 confirming her appointment.

7. Board resolution dated November 25, 1999 appointing Mr. Baijayant Panda as Chairman of the board of directors our Company and he was further re-appointed as Chairman by Board resolution dated August 17, 2007.

8. Statement of Tax Benefits dated December 27, 2010 from A.K.Sabat & Co., Chartered Accountants, regarding tax benefits available to our Company and its shareholders.

9. Examination Report of the Auditors, Price Waterhouse, Chartered Accountants, dated March 4, 2011 in relation to restated financial information of our Company, prepared in accordance with Part II of

Schedule II to the Companies Act, SEBI Regulations and mentioned in this Draft Red Herring Prospectus.

10. Consent of the Auditors, Price Waterhouse, Chartered Accountants, dated March 16, 2011 for inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus.

11. Consent of the IPO grading agency, [●], for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.

12. Consents of Bankers to our Company, Book Running Lead Managers, the Co-Book Running Lead Manager, members of the Syndicate, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, legal counsel to our Company, international legal counsel to the Underwriters, Directors, the Company Secretary and Compliance Officer, as referred to, in their respective capacities.

13. Applications dated [●] and [●] filed with the NSE and the BSE, respectively, for obtaining their in-principle listing approval.

14. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.

15. Due diligence certificate dated March 16, 201 provided to the SEBI from the Book Running Lead Managers.

16. Approval dated [●] by the FIPB for participation by foreign investors in the Issue and to increase the FII limits in our Company up to the maximum permitted limit (which is currently 49%).

17. Approval dated [●] by the RBI for the Offer for Sale.

18. SEBI observation letter No. [●] dated [●].

19. Certificate dated February 28, 2011 issued by A.K.Sabat & Co., Chartered Accountants in relation to the expenditure incurred as of January 31, 2011, towards the Objects of this Issue.

20. Report of the IPO grading agency, [●], furnishing the rationale for its grading, to be disclosed in the Red Herring Prospectus.

21. Copies of annual reports of our Company for the Fiscals 2010, 2009, 2008, 2007 and 2006.

22. Agreement dated January 27, 2011 among NSDL, our Company and the Registrar to the Issue.

23. Agreement dated January 24, 2011 among CDSL, our Company and the Registrar to the Issue.

24. Share Purchase Agreement dated February 12, 2008 among South Asia Regional Fund, NSR –PE Mauritius LLC and our Company;

25. Subscription Agreement dated February 12, 2008 among NSR –PE Mauritius LLC, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited and our Company, as amended by a Supplement to the Subscription Agreement dated September 18, 2010;

26. Shareholders Agreement dated February 12, 2008 among NSR, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, Utkal Manufacturing & Services Limited, Orissa Telefilms Private Limited and our Company and Inter-se Promoters Agreement dated March 21, 2008 between our Company and Finlay Corporation Limited, Pikika Limited, Ms. Jagi Mangat Panda, Panda Investments Limited, MS Telecom Investments Private Limited, Calorex India Limited, Odisha Television Limited, Orissa Stevedores Limited and Utkal Manufacturing & Services Limited, as amended by an amendment agreement dated February 24, 2011; and

27. Memorandum of Agreement dated March 31, 2005 between our Company and Ortel Metronet Limited.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the persons mentioned herein below, as Directors or otherwise, certify that all relevant provisions of the Companies Act, 1956, as amended and the guidelines issued by the Government or the regulations and guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, as amended or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- **Mr. Baijayant Panda**	Sd/- **Ms. Jagi Mangat Panda**
Sd/- **Mr. Subhrakant Panda**	Sd/- **Mr. Shantanu Yeshwant Nalavadi**
Sd/- **Mr. Jyoti Bhusan Pany**	Sd/- **Dr. Gautam Sehgal**
Sd/- **Ms. Manjula Shroff**	Sd/- **Mr. K. V. Seshasayee**
Sd/- **Mr. R.R.N. Prasad**	Sd/- **Major R.N. Misra**
Sd/- **Dr. P.T. Joseph**	Sd/- **Mr. Debaraj Biswal**

SIGNED BY THE MANAGING DIRECTOR	**SIGNED BY ASSOCIATE VICE PRESIDENT (FINANCE)**
Sd/- **Ms. Jagi Mangat Panda**	Sd/- **Mr. Kishore Chandra Behera**

Date: MARCH 16, 2011

Place: NEW DELH

DECLARATION BY THE SELLING SHAREHOLDER

The Selling Shareholder certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus in relation to itself in connection with the Offer for Sale and the Equity Shares of the Company sold by it in the Offer for Sale, are true and correct. The Selling Shareholder assumes no responsibility for any other statements including any of the statements made by or relating to the Company or its business in this Draft Red Herring Prospectus.

NSR-PE Mauritius LLC The Common Seal of *

Sd/-

On behalf of NSR – PE Mauritius LLC