

CHANNEL NINE ENTERTAINMENT LIMITED

Our Company was originally incorporated in New Delhi as “Channel Nine Entertainment Limited” on 25th July, 2002 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies National Capital Territory of Delhi & Haryana. For further details, please refer to the section titled “Our History and Corporate Structure” beginning on page 78 of this Prospectus.

Registered Office & Corporate Office: 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002;

Tel: 91-11-32315575, **Fax:** 91-11-32315575

E-Mail: channelnineentertainment@yahoo.com; **Website:** www.channelnineentertainment.com

Contact Person & Compliance Officer: Mr. Gagan Goel, Company Secretary & Compliance Officer

PROMOTERS OF THE COMPANY: MR. GAJ RAJ SINGH & MRS. KIRTI

PUBLIC ISSUE OF 46,68,000 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF CHANNEL NINE ENTERTAINMENT LIMITED (“CNEL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 25/- PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO RS. 1167.00 LACS (“THE ISSUE”), OF WHICH, 2,40,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE SECTION “DEFINITIONS AND ABBREVIATIONS”) (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 44,28,000 EQUITY SHARES OF RS. 10 EACH IS HERINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.10% AND 28.55%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For Further Details See “Issue Related Information” beginning On Page 126 of this Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 132 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 2.5 (TWO & HALF) TIMES OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of our Company, there has been no formal market for the securities of the company. The face value of the Equity Shares is Rs. 10/- and the issue price is at 2.50 times of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on “Basis For Issue Price” beginning on page 50 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the BSE SME Platform nor does BSE SME Platform guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 9 of this Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through Prospectus are proposed to be listed on the BSE SME Platform In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (“BSE”).

LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>* GUINNESS CORPORATE ADVISORS PVT. LTD. 10, Canning Street, 3rd Floor, Kolkata- 700 001 Tel : +91-33-3001 5555 / 2210 0039 Fax: +91-33-3001 5531 Email: gmbpl@guinnessonline.net Website: www.16anna.com Contact Person: Ms. Alka Mishra SEBI Regn. No: INM 000011930</p>	 <p>BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062 Tel: +91-11-2996 1281/83 Fax: +91-11-2996 1284 Email: beetal@rediffmail.com Website: www.beetalfinancial.com Contact Person: Mr. Punit Mittal SEBI Registration No: INR000000262</p>

ISSUE PROGRAMME

ISSUE OPENS ON: 22nd FEBRUARY, 2013

ISSUE CLOSES ON: 26th FEBRUARY, 2013

**The name of Lead Manager i.e. “Guinness Merchant Bankers Pvt. Ltd.” has been changed to “Guinness Corporate Advisors Pvt. Ltd.” i.e. 19th December, 2012. The Lead Manager is in process of completing the formalities of change in name with SEBI.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "CNEL", "we", "us" or "the Issuer"	Channel Nine Entertainment Limited, a public limited company incorporated under the Companies Act, 1956

CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Channel Nine Entertainment Limited
Banker to the Issue	Axis Bank Limited, Building "M" Palm Court Complex, New Link Road, Malad (W), Mumbai - 400 064
Board of Directors / Board/Director(s)	The Board of Directors of Channel Nine Entertainment Limited
BSE / Exchange	BSE Limited (the designated stock exchange)
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Channel Nine Entertainment Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
GOI/ Government	Government of India
Statutory Auditor / Auditor	M/s. Ranjan Gupta & Co Chartered Accountants the statutory auditors of our Company.
Promoters	Promoters of the Company being Mr. Gaj Raj Singh & Mrs. Kirti
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 91 of this Prospectus.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 80 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Channel Nine Entertainment Limited
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	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

TERMS	DESCRIPTION
	indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered office of our Company	3/12, Ground Floor, Asaf Ali Road, New Delhi-110002
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
ROC	Registrar of Companies, National Capital Territory of Delhi & Haryana
TFT	Trade for Trade

ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/Allot	Issue of Equity Shares pursuant to the Issue to the successful applicants as the context requires.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Location(s)/Specified Cities	Location(s) at which ASBA Application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure-Basis of Allotment" on page 138 of the Prospectus
Designated Market Maker	Narayan Securities Limited having registered office at E-1/7, III Floor, East Patel Nagar, Opposite Metro Pillar No.178 New Delhi-110008
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering	Public issue of 46,68,000 Equity Shares of Rs. 10/- each ("Equity Shares") of Channel Nine Entertainment Limited ("CNEL" or the "Company" or the "Issuer") for cash at a price of Rs. 25/- per share (the "Issue Price"), aggregating to Rs.

TERMS	DESCRIPTION
	1167.00 Lacs (“the Issue”)
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
Lead Manager/LM	Lead Manager to the Issue being Guinness Corporate Advisors Private Limited. (Formerly known as Guinness Merchant Bankers Private Limited)
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	The Reserved portion of 2,40,000 Equity shares of Rs. 10/- each at Rs. 25/- per Equity Share aggregating to Rs. 60.00 Lacs for Designated Market Maker in the Initial Public Issue of Channel Nine Entertainment Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 44,28,000 Equity Shares of Rs.10/- each at Rs. 25/- per Equity Share aggregating to Rs. 1107.00 Lacs by Channel Nine Entertainment Limited
Business Day	Any day on which commercial banks in Mumbai are open for the business
NSL	Narayan Securities Limited
GCAPL	Guinness Corporate Advisors Private Limited
GMBPL	Guinness Merchant Bankers Private Limited
Depository Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act, 1956
Designated Market Maker	Narayan Securities Limited
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Bankers to the Issue / Escrow Collection Bank (s)	Being Axis Bank Limited
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 25/-
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Memorandum of Understanding	The arrangement entered into on 16 th January, 2013 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
Non - resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 250 million; (ix) a pension fund with

TERMS	DESCRIPTION
	minimum corpus of Rs. 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.
Registrar/Registrar to the Issue	Registrar to the Issue being Beetal Financial & Computer Services Pvt Limited, Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062
Retail Individual Investor(s)	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Refund Account	The account opened / to be opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.
Refund bank	Axis Bank Limited, Building "M" Palm Court Complex, New Link Road, Malad (W), Mumbai - 400 064
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, 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 www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Underwriters	Guinness Corporate Advisors Private Limited (<i>Formerly known as Guinness Merchant Bankers Private Limited</i>)
Underwriting Agreement	The Agreement among the Underwriter and our Company
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday
Market Maker	A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to provide liquidity.

COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

TERMS	DESCRIPTION
2D	Two Dimensional
3D	Three Dimensional
2G	Second Generation mobile telephony services
3G	Third Generation mobile telephony services
Aggregation Rights	Titles over which we have limited ownership rights
ARPU	Average Revenue Per User
BWA	Broadband wireless access
BRIC	Brazil, Russia, India and China;
C&S	Cable and Satellite
CAGR	Compounded Annual Growth Rate
CD	Compact Disc
Content Library	Titles where we have Perpetual Rights or Aggregation Rights
DTH	Direct to Home
DVD	Digital Versatile Disc

TERMS	DESCRIPTION
G7	Canada, France, Germany, Italy, Japan, United Kingdom, and United States
GDP	Gross Domestic Product
GEC	General Entertainment Channels
GPRS	General Packet Radio Service
HD	High Definition
HITS	Head-end in the sky
IPL	Indian Premier League
IPTV	Internet Protocol Television
ISP	Internet Service Providers
IVR	Interactive Voice Response
L&M	License and Merchandising
M&E	Indian Media and Entertainment
MPDA	Maharashtra Prevention of Dangerous Activities Act
MVAS	Mobile Value Added Services
NAS	Network Attached Storage
Perpetual Rights	Titles over which we have complete ownership rights
PC	Personal Computer
PPV	Pay Per View
Project	Production of films, strengthening distribution operations
SAN	Storage Area Network
SD	Standard Definition
SMS	Short Message Service
STB	Set Top Box
TV	Television
TRAI	Telecom Regulatory Authority of India
TRP	Target Rating Point
VAS	Value Added Service
VCD	Video Compact Disc
VHS	Video Home Systems
VSAT	Very Small Aperture Terminal

ABBREVIATIONS

TERMS	DESCRIPTION
AGM	Annual General Meeting
AMBI	Association of Merchant Bankers of India
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.E.	Bachelor of Engineering
B.Sc.	Bachelor of Science
B.Tech.	Bachelor of Technology
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
C.S.	Company Secretary
Cum	Cubic meter
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan

TERMS	DESCRIPTION
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GOI/ Government	Government of India
HUF	Hindu Undivided Family
INR / Rs. / Rupees	Indian Rupees, the legal currency of the Republic of India
M. A.	Master of Arts
M.B.A.	Master of Business Administration
SME	Small And Medium Enterprises
M. Com.	Master of Commerce
M.E.	Master of Engineering
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
ROC/Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi & Haryana
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in this Prospectus is extracted from the financial statements of our Company for the fiscal years 2012, 2011, 2010, 2009, 2008 and period ended 31st October, 2012 and the restated financial statements of our Company for Fiscal Years 2012, 2011, 2010, 2009, 2008 and period ended 31st October, 2012 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled – Financial Information on page 95. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein 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 Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

INDUSTRY & MARKET DATA

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

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Prospectus.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, conditions in the media & entertainment sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in media and entertainment sector;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 9 of this Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend 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 and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

SECTION II

RISK FACTORS

An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Prospectus beginning on pages 66, 108 & 95 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

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

INTERNAL RISK FACTORS

1. The Registered Office of Our Company is not owned by us.

We operate from our registered office situated at 3/12, Ground floor, Asaf Ali Road, New Delhi-110002, which is a rented premise. Any discontinuance of rent facility will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

2. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

Particulars	30.11.2012	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Net Cash flow from Operative activities	(106.74)	(96.91)	(0.49)	1.01	6.28	(0.75)
Net Cash Flow from investing activities	(350.00)	(375.00)	-	(0.21)	(0.16)	0.26
Net Cash Flow from Financing activities	468.34	472.50	-	-	(5.35)	-
Net Cash Flow for the Year	11.61	0.60	(0.49)	0.80	0.77	(0.49)

3. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

4. In the 12 months prior to the date of filing the Prospectus, the Company had issued Equity Shares at a price, which is lower than the Issue Price.

In the 12 months prior to the date of filing of the Prospectus, the Company had issued Equity Shares at a price, which is lower than the Issue Price, as set forth below:

Subscriber	Date of Allotment	Number of Equity Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment
Various allottees as per list disclosed on page 34-35 of this Prospectus	01.11.2012	9,38,000	10	Cash	Preferential allotment to infuse funds
Various allottees as per list disclosed on page 35-36 of this Prospectus	08.11.2012	4,73,500	10	Cash	Preferential allotment to infuse funds
Various allottees as per list disclosed on page 36-37 of this Prospectus	10.11.2012	4,98,500	10	Cash	Preferential allotment to infuse funds

In addition to that, We have allotted 81,30,300 Equity Shares as bonus in the ratio of 3:1 to our existing Equity shareholders pursuant to a Board resolution dated 12th November, 2012 by capitalization of free reserves.

5. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoters and Directors. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 93 of this Prospectus.

6. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

7. We may face risks of delays/non-receipt of the requisite regulatory approvals for our objects arising out of the Issue. Any delay in receipt or non-receipt of such approval could result in cost and time overrun.

We would be applying for various licenses, approvals, registrations at various stages of implementation for the Project. Any delay in receipt or non-receipt of licenses or approvals that may be required for the Project could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. For details, please refer to section titled "Government & other Approvals" on page 114 of this Prospectus.

8. Delay in raising funds from the IPO could adversely impact the implementation schedule.

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the

expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

9. The Company has not appointed any independent agency for the appraisal of the proposed Project.

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our internal estimates and which may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

10. We could not do any substantial business since year 2007; hence we may not assure that we would accomplish expected results in business.

We are engaged in the business of production, distribution and marketing of low budget films & tele-series, and there is a possibility of no market and non-acceptance for such films and tele serials, and can hinder our accomplishment of productive platform in business.

11. We depend on our relationships with creative talent and other industry participants to exploit our film content.

We generate revenues from exploitation of film content which we distribute through various distribution channels. Acquisition of content is an integral part of our business. Our ability to successfully acquire the content depends on our ability to maintain relationships with creative talent and other industry participants. The pool of creative talent in India is limited and as a result, there is significant competition to secure the services of actors, directors among others. This in turn can cause the cost of contracting such creative talent, and hence the cost of film content. We believe maintaining existing relationships is key to enabling us to continue to secure content and to exploit such content in the future. While we have benefited from long-standing relationships with certain industry participants in the past, there can be no assurance that we will be able to successfully maintain these relationships and continue to have access to content through such means, and it could have a material adverse effect on our business, prospects, financial condition and results of operations.

12. Piracy of our content may adversely impact our revenues and business.

We are highly dependent on maintenance of intellectual property rights in the entertainment products and services we create. Piracy of media products, including digital and internet piracy and the sale of counterfeit consumer products, may decrease revenue from the exploitation of our products.

13. A variety of approvals, licenses, registrations and permits are required for our business, and the failure to obtain or renew such licenses in a timely manner or at all, may adversely affect our operations.

We require certain licenses in respect to the operation of certain parts of our business, including permits in relation to film shooting. In case of our failure to obtain or retain any of these licenses in timely manner or at all, our business may be adversely affected.

14. Our film content may be objectionable to some viewers or society.

In India or abroad, it is possible that some viewers may object to film content produced or distributed by us based on religious, political, ideological or any other view held by such viewers, any of which could have material adverse affect on our business, financial condition and results of our operations.

15. High competition may result in content cost escalation which may restrict our ability to access content at favorable terms or at all. Any escalation in the content acquisition cost as a result of such competition could result in us losing out on opportunities to acquire content, or, could

impact the profitability of the content so acquired, which would adversely affect our growth and profitability.

Our Company faces competition from both existing as well as emerging players in the films and television media segments. Intensified competition from these players in recent years has increased demand for the limited content pool, which has in turn contributed to an increase in costs for content acquisition. There can be no assurance that the costs of content acquisition will not continue to increase in the future, making it more difficult for us to access content cost-effectively. Further, the prices of commercially compelling content could rise disproportionately due to scarce supply of such content. This could reduce our ability to sustain profit margins, which could have a material adverse effect on our business prospects, financial condition and results of operations.

16. We may confront tough competition due rapid advancement in technology and may be unable to adapt to such changes.

Digitization continues to be a key growth driver for the Indian media & entertainment industry and this trend was even more pronounced since 2010. Film studios saw greater adoption of digital prints over physical. We may not be successful in adapting such changes and advancement in digital distribution technology to expected extent and may have a material adverse effect on our business prospects, financial condition and results of operations.

17. Our operating results may be materially and adversely affected by the seasonality of our business.

Our revenue and operating results are seasonal in nature due to variation in factors such as advertising spend, acquisition activities of television broadcasters and overall entertainment consumption patterns of consumers. Entertainment consumption patterns and advertising spends have traditionally been higher during vacations, national holidays and the festivals. They are also affected by competing leisure and entertainment activities such as cricket among others. As a result, quarterly results can vary from one year to the next and the results of one quarter are not necessarily indicative of results for the next or any future quarter.

18. Our success depends on our ability to retain and attract key qualified personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop and grow our business.

We have, over time, built a team of experienced professionals on whom we depend to oversee the operations and growth of our business. We believe that our success in the future is substantially dependent on the experience and expertise of, and the longstanding relationships with key talent and other industry participants built by our senior management and key personnel. Any loss of any of our senior management or key personnel or any conflict of interest that may arise for such management or key personnel or the inability to recruit further senior managers or other key personnel could impede our growth by impairing our day-to-day operations and hindering our development of our business and our ability to develop, maintain and expand client relationships, which would have a material adverse effect on our business, results of operations, financial condition and prospects.

19. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

20. Success of our film distribution business depends upon the commercial success of films.

We indulge in to distribution of feature film and we acquire distribution rights of a certain region and for a certain period of time. Our ability of distribution of films effectively depend upon the commercial

success of the film. In case where a film is distributed on a minimum guarantee basis, we may incur a substantial loss, if the said film is not a box office success. Further, lack of quality content in a film will be reflected in the box office performance and will in turn impact our profitability. The profitability of the distribution business will also depend on the price at which the rights of the film are being purchased /acquired. There is no guarantee that the box office performance will be commensurate with the price paid for acquiring the distribution rights.

21. We have not protected our assets through insurance coverage and our assets are certain operating risks and this may have a material adverse impact on our business.

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

22. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Our Company has made application for registration of logo. We cannot guarantee that all the pending application will be decided in the favor of the Company. If our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

EXTERNAL RISK FACTORS

23. Political, economic and social changes in India could adversely affect our business.

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

24. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

25. Natural calamities and force majeure events may have an adverse impact on our business.

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

26. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

27. Restrictions on foreign investment limit our ability to raise debt or capital outside India.

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

28. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

29. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the 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 will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or 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 market price of our Equity Shares.

30. Third party statistical and financial data in this Prospectus may be incomplete or unreliable.

We have not independently verified any of the data from industry publications and other sources referenced in this Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

RISKS RELATING TO THE EQUITY SHARES

31. Any future issue of Equity Shares may dilute your shareholding 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 issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

32. Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

33. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the fire fighting industry, crushing industry, developments relating to India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

34. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

35. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. Narayan Securities Limited is acting as Designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled "*General Information - Details of the Market Making Arrangement for this Issue*" on page 29 of this Prospectus.

36. There are restrictions on daily movements in the price of the 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 BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may 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 can 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.

PROMINENT NOTES:

- 1) **SIZE OF THE ISSUE:**
Public Issue of 46,68,000 Equity Shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 25/- per Equity Share aggregating to Rs. 1167.00 Lacs ("the Issue") by Channel Nine Entertainment Limited ("CNEL" or the "Company" or the "Issuer"). Out of the Issue, 2,40,000 Equity Shares of Rs. 10 each at a price of Rs. 25 each per Equity Share aggregating to Rs. 60.00 Lacs, which will be reserved for subscription by Market Makers to the issue (the "market maker reservation portion") and Net Issue to the Public of 44,28,000 Equity Shares of Rs. 10 each at a price of Rs. 25/- each per Equity Share aggregating to Rs. 1107.00 Lacs (hereinafter referred to as the "Net Issue"). The Issue and the Net Issue will constitute 30.10% and 28.55%, respectively, of the post issue paid up Equity Share capital of the Company.
- 2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Gaj Raj Singh	24,47,600	6.25
Mrs. Kirti	7,48,000	6.25

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page 32.*

- 3) Our Net worth as on 31st October, 2012 is Rs. 905.49 Lacs as per Restated Financial Statements.
- 4) The Book -Value per share as on 31st October, 2012 is Rs. 104.96 (Pre Bonus) as per Restated Financial Statements.
- 5) There was no change in the name of the Company at any time during last three years.
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to "Basis of Allotment" on page 138 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 50 of this Prospectus before making an investment in this Issue.

- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled "*Capital Structure*" beginning on page 32 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled "*Capital Structure*" beginning on page 32 of this Prospectus, we have not issued any Equity Shares in the last twelve months.
- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on pages 89 and 80 respectively of this Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 32 of this Prospectus.
- 15) There are no contingent liabilities as on 31st October, 2012.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 95 of this Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page 91, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page 89 of this Prospectus.
- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 13 of restated financial statement under the section titled "*Financial Information*" on page 107 of the Prospectus.

SECTION III: INTRODUCTION

SUMMARY

This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Prospectus, including the information on “Risk Factors” and related notes on page 9 of this Prospectus before deciding to invest in Equity Shares.

INDUSTRY OVERVIEW

The Indian Economy

India is the world’s largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Factbook). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

INDIAN MEDIA & ENTERTAINMENT INDUSTRY:

Industry size and projections

The Indian M&E industry grew from INR 652 billion in 2010 to INR 728 billion in 2011, registering an overall growth of 12 percent. Backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media and fast increasing new media businesses, the industry is estimated to achieve a growth of 13 percent in 2012 to touch INR 823 billion. Going forward, the sector is projected to grow at a healthy CAGR of 14.9 percent to reach INR 1,457 billion by 2016.

While television continues to be the dominant medium, sectors such as animation and VFX, digital advertising and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the implementation of Phase 3. Print, while witnessing a decline in growth rate, will still continue to be the second largest medium in the Indian M&E industry. A lot will depend on how well the print players are able to adapt to fast changing reader habits and news consumption patterns.

Overall industry size (INR billion)

Overall Industry size (INR Billion) (For Calendar Years)	2007	2008	2009	2010	2011	Growth in 2011 over 2010	2012P	2013P	2014P	2015P	2016P	CAGR (2011-16)
TV	211.0	241.0	257.0	297.0	329.0	10.8%	390.0	435.0	514.0	618.0	725.0	17%
Print	160.0	172.0	175.2	192.9	208.8	8.3%	226.0	246.8	270.0	294.9	323.4	9%
Film	92.7	104.4	89.3	83.3	92.9	11.5%	100.0	109.7	121.1	134.5	150.3	10%
Radio	7.4	8.4	8.3	10.0	11.5	15.0%	13.0	16.0	20.0	24.0	29.5	21%
Music	7.4	7.4	7.8	8.6	9.0	4.7%	10.0	11.3	13.1	15.4	18.2	15%
OOH	14.0	16.1	13.7	16.5	17.8	7.6%	19.5	21.5	23.6	26.0	29.0	10%
Animation and VFX	14.0	17.5	20.1	23.6	31.0	31.2%	36.3	43.0	51.1	61.0	69.0	17%
Gaming	4.0	7.0	8.0	10.0	13.0	30.0%	18.0	23.0	29.0	37.0	46.0	29%
Digital Advertising	4.0	6.0	8.0	10.0	15.4	54.0%	19.9	25.8	33.5	43.7	57.0	30%
Total	514	580	567	652	728	11.7%	823	932	1076	1254	1457	14.9%

Source: FICCI- KPMG Report 2011

The different segments mentioned in the above table will contribute in the growth of the M&E Industry in the following manner:

A. Television

India is the world's third largest TV market with almost 138 million TV Households (HHs) next to China and USA. Cable and Satellite (C&S) penetration has reached close to 80 percent with the soaring growth shown by the DTH platform. Overall the industry grew at a growth rate of 15 percent in 2010 as compared to 7 percent last year, owing to resurgence after the recessionary pressures of last year. It is expected to reach a size of INR 630 billion in next five years i.e. by 2015 at a CAGR of 16 percent because of the following factors:

- Huge growth Potential
- DTH growth has enhanced the satellite footprint
- Potential for increase in Average time spent on TV in India

B. Films

The Indian film industry is projected to grow at a CAGR of 9.6 percent to touch INR 132.1 billion in revenues by 2015. With rapid digitization, roll out of 3G and BWA networks and introduction of new platforms for content consumption, the industry is expected to leverage these technological innovations to monetize films on alternate screens. Further growth in this segment is expected to be driven by the following factors:

- New piracy laws
- Effect of Social Networks
- Success of the non-Hindi film market

C. New Media

New Media has two major sub-segments at present, which are highlighted below:

1. Mobile Value Added Services (MVAS)
2. Internet enabled

The size of the MVAS market in India is estimated to be INR 56 billion and is expected to grow at a CAGR of 26 percent to INR 177 billion by 2015. Internet enabled services also has a tremendous growth potential. Out of the 73 million unique visitors on internet in the month of March 2011, around 35 million users accessed internet from shared access locations like internet cafés.

The factors contributing to growth of New Media are:

- Introduction of 3G
- Wide range of Services
- Rise in off-deck services to impact current revenue sharing agreements

D. Music

Digital Music revenue has overtaken physical in 2010 and expected to become around 12 times of physical sales by 2015. The Music industry is expected to grow at a CAGR of 17 percent to be worth INR 18.66 billion by 2015 with digital music acting as a key growth driver. Explosion of music consumption with the advent of 3G. The 549 million-plus active mobile subscribers in India will have their first true broadband experience when 3G services are rolled out and stabilized. The imminent entry of large players providing these services is expected to revolutionize the market dynamics and create a new set of revenue streams, content delivery platforms and consumption patterns.

- Surge in the number of devices leading to newer platforms for consuming music.
- Copyright law likely to impact film music

BUSINESS OVERVIEW

Our Company was originally incorporated in New Delhi as "Channel Nine Entertainment Limited" on 25th July, 2002 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are engaged in the business of production, distribution television serials, films, corporate films, feature films, documentaries, and marketing of sports and entertainment events. We are outsourcing the processing services like content development, multi-media, editing and sound recording from a Media Development Centre based at B-20, Sector-57, Noida - 201 301.

Our company believe and invest in multi dimensional cinemas from all around the world some of them include American Desi, Agni Pankh, Amy's Orgasm, and Chameli etc. Further, we are also associated with documentary films and other creative activities.

We have been associated with following movies as distributors for various territories of India.

- American Desi (Hinglish)
- Green Card Fever (Hinglish)
- Where is the party yaar (Hinglish)
- Ek Din 24 Ghante (Hindi)-(Produced by one of our erstwhile director)
- Freaky Chakra (Hinglish)
- Insomina (English)
- American Pie (English)
- Amy Orgasm (English)
- Chameli (Hindi)
- God Only Knows (English)
- Paisa Wasool (Hindi)
- Swaraj (Hindi)
- Everybody says I'M fine (English)
- Rules Pyar ka Super Hit Formula (Hindi)
- Fun2shh (Hindi)
- Agni Pankh (Hindi)
- Shadi Ka Laddoo (Hindi)
- Silence the Dressing Room (Hindi & English)
- Wah Wah Ram ji (Hindi)

We have also been actively associated with following the TV Serials, contests like:

- Terra Quiz
- Documentary Films
- Indian legends
- Khamoshi Kyon
- Talk Positive
- Other Creative Activities like Ad Films, Corporate films etc.

SWOT

Strengths

- Integrated Business Model
- Experienced Management Team

Weakness

- Revenue and profitability is directly linked to the exploitation and growth of our content.
- Rapid Technological changes
- No prediction or forecast of audience taste about the success of films/ TV shows etc.

Opportunities

- Growing awareness among viewers/customers about new technologies.
- New phase of low budget movies/TV Shows etc.
- Increase in no. of channels and Multiplexes.

Threats

- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.
- Any change or shift of focus of Government policies may adversely impact our financials

SUMMARY OF FINANCIAL DATA

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Assets						
Fixed Assets-Gross Block	738.53	388.53	13.53	13.53	17.32	17.16
Less: Depreciation	(30.91)	(18.85)	(8.06)	(7.19)	(6.35)	(5.25)
Net Block	707.62	369.68	5.47	6.34	10.97	11.91
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	707.62	369.68	5.47	6.34	10.97	11.91
Capital Work in Progress	-	-	-	-	-	-
Total (A)	707.62	369.68	5.47	6.34	10.97	11.91
Investments						
Investment in Shares	30.41	30.41	30.41	30.41	26.41	26.41
Total Investments (B)	30.41	30.41	30.41	30.41	26.41	26.41
Current Assets, Loans and Advances						
Receivables	133.28	73.31	48.68	45.37	44.45	37.03
Inventories	-	-	-	-	-	-
Cash & Bank Balances	14.57	2.96	2.36	2.85	2.05	1.28
Deposits & Advances	164.04	90.58	90.83	88.33	87.23	86.19
Other Assets	-	-	-	-	-	-
Total Current Assets (C)	311.89	166.85	141.87	136.55	133.73	124.50
Total Assets (D) = (A) + (B) + (C)	1049.92	566.94	177.75	173.30	171.11	162.82
Liabilities & Provisions						
Loan Funds :						
Secured Loans	-	-	-	-	-	-
Unsecured Loans	-	-	-	-	-	-
Share Application Money	123.75	-	-	-	-	5.35
Current Liabilities & Provisions:						
Current Liabilities	12.82	1.92	94.35	88.19	86.17	72.72
Provisions	7.85	8.61	6.87	4.58	2.95	2.94
Total Liabilities & Provisions (E)	144.42	10.53	101.22	92.77	89.12	81.01
Net Worth (D) - (E)	905.50	556.41	76.53	80.53	81.99	81.81
Represented By:						
Share Capital	80.01	53.01	46.71	46.71	46.71	46.71
Reserves & Surplus	831.57	503.40	29.82	34.01	35.63	35.64
Less: Revaluation Reserve	-	-	-	-	-	-
Less: Preliminary / Miscellaneous Expenses to the extent not written off	(6.09)	-	-	(0.18)	(0.36)	(0.54)
Reserves (Net of Revaluation Reserve)	-	-	-	-	-	-
Total Net Worth	905.49	556.41	76.53	80.53	81.99	81.81

Notes: The accompanying Significant Accounting Policy and Notes to the Restated Financial Information are an integral part of this Restated Statement of Assets & Liabilities

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Income						
Income from Operations:						
Sale of film /content production	113.00	-	-	-	-	-
Sale of old film material	40.00	-	-	-	-	-
Film Consultancy & promotion income	0.90	2.80	-	3.67	-	4.14
Website Development & Maintenance	42.00	22.50	-	-	-	-
Rental from Camera and other equipments	-	-	2.40	1.25	6.00	-
Profit on sale of Multimedia Projector	-	-	-	2.17	-	-
Joint Venture share of Income	10.00	-	-	-	-	-
Total	205.90	25.30	2.40	7.09	6.00	4.14
Expenditure						
Purchases and cost of digital contents	183.00	-	-	-	-	-
Employees Costs	2.80	0.91	0.72	0.84	0.60	0.48
Other Operative Expenses	2.89	4.48	2.66	5.37	4.26	2.56
Total	188.69	5.39	3.38	6.21	4.86	3.04
Profit before Depreciation, Interest and Tax	17.21	19.91	(0.98)	0.88	1.14	1.10
Depreciation	12.06	10.78	0.88	0.83	1.10	1.06
Profit before Interest & Tax	5.15	9.13	(1.86)	0.05	0.04	0.04
Interest & Finance Charges	-	-	-	-	-	-
Net Profit before Tax	5.15	9.13	(1.86)	0.05	0.04	0.04
Less: Provision for Taxes:						
Current Tax	0.98	1.74	-	0.05	0.04	0.03
Deferred Tax	-	-	2.34	1.62	(0.09)	(0.02)
Fringe Benefit Tax	-	-	-	-	-	0.01
Net Profit After Tax & Before Extraordinary Items	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02
Extra Ordinary Items (Net of Tax)	-	-	-	-	-	-
Net Profit	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax	5.15	9.13	(1.86)	0.05	0.04	0.04
Adjustment for:						
Add: Depreciation	12.06	10.78	0.88	0.83	1.10	1.06
Add: Loss on Sale of Assets	-	-	-	-	-	-
Less: Profit on Sale of Assets	-	-	-	-	-	-
Add: Preliminary Expenses	0.32	-	0.18	0.18	0.18	0.18
Add: Interest expenses	-	-	-	-	-	-
Less: Interest Income	-	-	-	-	-	-
Operating Profit before Working capital changes	17.53	19.91	(0.80)	1.06	1.32	1.28
Adjustments for:						
Decrease (Increase) in Trade & Other Receivables	(59.97)	(24.63)	(3.30)	(0.93)	(7.42)	2.75
Decrease (Increase) in Loans & Advances	(73.46)	0.25	(2.50)	(1.10)	(1.04)	(2.89)
Increase (Decrease) in Current Liabilities	10.91	(92.44)	6.16	2.02	13.45	(1.39)
Increase (Decrease) in provisions (Other than Taxes)	-	-	-	-	-	(0.44)
Net Changes in Working Capital	(122.53)	(116.82)	0.36	(0.01)	4.99	(1.97)
Cash Generated from Operations	(105.00)	(96.91)	(0.44)	1.05	6.31	(0.69)
Taxes (paid) / refund	(1.74)	-	(0.05)	(0.04)	(0.03)	(0.06)
Net Cash Flow from Operating Activities (A)	(106.74)	(96.91)	(0.49)	1.01	6.28	(0.75)
CASH FLOW FROM INVESTING ACTIVITIES						
Sale / (Purchase) of Fixed Assets	(350.00)	(375.00)	-	3.79	(0.16)	(0.34)
(Purchase) of Shares			-	(4.00)	-	0.60
Net Cash Flow from Investing Activities (B)	(350.00)	(375.00)	-	(0.21)	(0.16)	0.26
CASH FLOW FROM FINANCING ACTIVITIES						
Issue of share capital and Proceeds / (Refund) from Share Application Money	474.75	472.50	-	-	(5.35)	-
Interest paid	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Increase / (Repayment) of Secured/unsecured loans	-	-	-	-	-	-
Preliminary Expenses incurred	(6.41)	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	468.34	472.50	-	-	(5.35)	-
Net Increase / (Decrease) in Cash & Cash Equivalents	11.61	0.60	(0.49)	0.80	0.77	(0.49)
Cash and cash equivalents at the beginning of the year / Period	2.96	2.36	2.85	2.05	1.28	1.77
Cash and cash equivalents at the end of the year/ Period	14.57	2.96	2.36	2.85	2.05	1.28

Note:The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) - 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.

ISSUE DETAILS IN BRIEF

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered: Fresh Issue of Equity Shares by our Company	Issue of 46,68,000 Equity Shares of Rs. 10 each at a price of Rs. 25 per Equity Share aggregating Rs. 1167.00 Lacs
Of Which:	
Issue Reserved for the Market Makers	2,40,000 Equity Shares of Rs. 10/- each at a price of Rs. 25 per Equity Share aggregating Rs. 60.00 Lacs
Net Issue to the Public	44,28,000 Equity Shares of Rs. 10 each at a price of Rs. 25 per Equity Share aggregating Rs. 1107.00 Lacs
Equity Shares outstanding prior to the Issue	1,08,40,400 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	1,55,08,400 Equity Shares of face value of Rs. 10 each
Objects of the Issue	Please refer section titled “ <i>Objects of the Issue</i> ” on page 45 of this Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 130 of this Prospectus.

GENERAL INFORMATION
CHANNEL NINE ENTERTAINMENT LIMITED

Our Company was originally incorporated in New Delhi as "Channel Nine Entertainment Limited" on 25th July, 2002 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

REGISTERED OFFICE & CORPORATE OFFICE:

3/12, Ground Floor,
Asaf Ali Road, New Delhi-110002
Tel: 91-11-32315575
Fax: 91-11-32315575
Website: www.channelnineentertainment.com
E-Mail: channelnineentertainment@yahoo.com

COMPANY REGISTRATION NUMBER: 116330

COMPANY IDENTIFICATION NUMBER: U92132DL2002PLC116330

ADDRESS OF REGISTRAR OF COMPANIES

4th Floor, IFCI Tower,
61, Nehru Palace,
New Delhi- 110019
Tel: 011-26235707, 26235708, 26235709
Fax: 011-26235702,
Email: roc.delhi@mca.gov.in

DESIGNATED STOCK EXCHANGE: BSE Limited

LISTING OF SHARES OFFERED IN THIS ISSUE: SME platform of BSE

CONTACT PERSON: Mr. Gagan Goel, Company Secretary & Compliance Officer, 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002; Tel: 91-11-32315575; Fax: 91-11-32315575; E-Mail: channelnineentertainment@yahoo.com

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Gajraj Singh	Executive Director	02925387	House No 62, Dhakka Village, Gtb Nagar, 110009, Delhi, India
Mrs. Kirti	Non-executive non-Independent Director	06403097	62, Dhaka Village, Delhi, 110009, Delhi, India
Mrs. Neena Sood	Independent Director	06395848	329, Asola Fatherpur Beri, Mehrauli, Delhi, Delhi, 110074, Delhi, India
Mr. Dinesh Kumar Jindal	Independent Director	01249766	1/14, Shalimar Park, Shahdara, Delhi, 110032, Delhi, India

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 80 of this Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gagan Goel,
3/12, Ground Floor,
Asaf Ali Road, New Delhi-110002
Tel: 91-11-32315575
Fax: 91-11-32315575
Mail:channelnineentertainment@yahoo.com

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

STATUTORY AUDITORS**RANJAN GUPTA & CO.**

A-3/12, Janakpuri,
New Delhi - 110058
Telephone: +91- 9811680272
Contact Person: Ranjan Gupta
Registration No.: 82408

PEER REVIEW AUDITORS**RAMANAND & ASSOCIATES**

Chartered Accountants
6/C, Ostwal Park Bulding No. 4 CHSL,
Near Jesal Park Jain Temple,
Bhayander (East), Thane-401105
Tel : +91-22-28171199
Telefax : +91-22-28171199
E-mail: rg@ramanandassociates.com
Contact Person: Mr. Ramanand Gupta
Firm Registration No.-117776W

LEAD MANAGER**GUINNESS CORPORATE ADVISORS PRIVATE LIMITED**

(Formerly known as Guinness Merchant Bankers Pvt. Ltd.)

10, Canning Street, 3rd Floor,
Kolkata- 700 001
Tel: +91-33-3001 5555
Fax: +91-33-30015531
Email: gmbpl@guinnessonline.net
Website: www.16anna.com
Contact Person: Ms. Alka Mishra
SEBI Regn. No: INM 000011930

LEGAL ADVISORS TO THE ISSUE**LEGALEYE ASSOCIATES**

Shivprakash Building,
Road No. 1, Jayprakash Nagar,
Goregaon (E), Mumbai - 400 063
Email: legaleye9@gmail.com
Contact Person: Mr. Prakash Shenoy

REGISTRAR TO THE ISSUE**BEETAL FINANCIAL & COMPUTER SERVICES PVT LIMITED**

Beetal House, 99, Madangir, Behind Local Shopping Centre,

Near Dada Harsukh Dass Mandir,
New Delhi-110062
Tel Nos.: 011-29961281/82
Fax No.: 011-29961284
Email: cnel@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person : Mr. Punit Mittal
SEBI Registration: INR000000262

ESCROW COLLECTION BANK / BANKER TO THE ISSUE AND REFUND BANKER

AXIS BANK LIMITED
Building “M” Palm Court Complex,
New Link Road, Malad (W)
Mumbai - 400 064
Attn: Ashish Arora
Emailashish2arora@axisbank.com
Contact No.: +91-22 6141 5400
Fax No.: +91-22 6141 5444

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

As the Issue is of Equity shares, credit rating is not mandatory.

TRUSTEES

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

IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crores. Since the Issue size is only of Rs. 1167.00 Lacs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

DETAILS OF THE APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Guinness Corporate Advisors Private Limited (formerly known as *Guinness Merchant Bankers Private Limited*) is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

EXPERT OPINION

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Prospectus, our Company has not obtained any other expert opinion.

UNDERWRITING AGREEMENT

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated 16th January, 2013. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriters	Number of Equity shares Underwritten	Amount Underwritten (Rupees In Lacs)
GUINNESS CORPORATE ADVISORS PVT. LTD. 10, Canning Street, 3 rd Floor, Kolkata- 700 001 Tel : +91-33-3001 5555 Fax: +91-33-3001 5531 Email: gmbpl@guinnessonline.net Website: www.16anna.com Contact Person: Ms. Alka Mishra SEBI Regn. No: INM 000011930	46,68,000	1167.00
Total	46,68,000	1167.00

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and Lead Manager has entered into a tripartite agreement dated 16th January, 2013 with the following Market Maker duly registered with BSE to fulfill the obligations of Market Making.

NAME AND ADDRESS OF THE MARKET MAKER NARAYAN SECURITIES LTD.

E-1/7, III Floor, East Patel Nagar,
 Delhi-110008
 Tel : +91-11-3029 5500-11
 Fax: +91-11-3029 5501
 Email: nspl@narayansecurities.com
 Website: www.narayanonline.com
 Contact Person: Mr. Pawan Bhararia
 SEBI Regn. No: INB 010935436
 Market Maker Registration No. SMEMM0323309052012

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE, and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The minimum depth of the quote shall be Rs.1,00,000/- . However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reach to 25 %. (Including the 2,33,400 Equity Shares out of the shares to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 2,33,400 Equity Shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24 % the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market - for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

11. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

12. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

13. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
- iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below.
(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	1,60,00,000 Equity Shares of face value of Rs.10 each	1600.00	
B.	Issued, subscribed and paid-up Equity Share Capital before the Issue		
	1,08,40,400 Equity Shares of face value of Rs. 10 each	1084.04	---
C.	Present Issue in terms of the Prospectus		
	Issue of 46,68,000 Equity Shares of Rs. 10 each at a price of Rs. 25 per Equity Share.	466.80	1167.00
	Which comprises		
	2,40,000 Equity Shares of Rs. 10/- each at a price of Rs. 25 per Equity Share reserved as Market Maker Portion	24.00	60.00
	Net Issue to Public of 44,28,000 Equity Shares of Rs. 10/- each at a price of Rs. 25 per Equity Share to the Public	442.80	1107.00
	Of which		
	22,14,000 Equity Shares of Rs.10/- each at a price of Rs. 25 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs	221.40	553.50
	22,14,000 Equity Shares of Rs. 10/- each at a price of Rs. 25 per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	221.40	553.50
D.	Equity capital after the Issue		
	1,55,08,400 Equity Shares of Rs. 10 each	1550.84	---
E.	Securities Premium Account		
	Before the Issue	6.46	
	After the Issue	706.66	

**This Issue has been authorized by the Board of Directors pursuant to a board resolution 24th December, 2012 and by the shareholders of our Company pursuant to a special resolution dated 27th December, 2012 passed at the EGM of shareholders under section 81 (1A) of the Companies Act.*

Our Company has no outstanding convertible instruments as on the date of the Prospectus.

CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	---	10,00,000 Equity Shares of Rs. 10 each	-	Incorporation
2	10,00,000 Equity Shares of Rs. 10 each	1,00,00,000 Equity Shares of Rs. 10 each	30/03/2012	EGM
3	1,00,00,000 Equity Shares of Rs. 10 each	1,60,00,000 Equity Shares of Rs. 10 each	26/10/2012	EGM

NOTES FORMING PART OF CAPITAL STRUCTURE

1. Equity Share capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
25/07/2002	50,000	10	10	Cash	Subscription to MOA	50,000	5,00,000	NIL
30/07/2002	17,100	10	23.09	Cash	Preferential Allotment	67,100	6,71,000	2,23,905
16/08/2002	1,87,500	10	23.09	Cash	Preferential Allotment	2,54,600	25,46,000	26,79,100
01/09/2002	1,87,500	10	10	Other than Cash	Preferential Allotment	4,42,100	44,21,000	26,79,100
02/03/2004	25,000	10	20	Cash	Preferential Allotment	4,67,100	46,71,000	29,29,000
30/04/2011	13,000	10	750	Cash	Preferential Allotment	4,80,100	48,01,000	1,25,49,000
30/06/2011	50,000	10	750	Cash	Preferential Allotment	5,30,100	53,01,000	4,95,49,000
15/10/2012	2,70,000	10	130	Cash	Preferential Allotment	8,00,100	80,01,000	8,19,49,000
01/11/2012	9,38,000	10	10	Cash	Preferential Allotment	17,38,100	1,73,81,000	8,19,49,000
08/11/2012	4,73,500	10	10	Cash	Preferential Allotment	22,11,600	2,21,16,000	8,19,49,000
10/11/2012	4,98,500	10	10	Cash	Preferential Allotment	27,10,100	2,71,01,000	8,19,49,000
12/11/2012	81,30,300	10	Nil	Consideration on other than cash	Bonus issue (in the ratio of 3:1)	1,08,40,400	10,84,04,000	6,46,000

2. We have not issued any Equity Shares for consideration other than cash except 1,87,500 shares to Mrs. Poonam Mutreja on 1st September, 2002 and bonus issue in the ratio of 3:1 on 12th November, 2012.
3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956.
4. Issue of Equity Shares in the last one (1) year:

Except as stated below we have not issued any Equity Shares in the preceding one year and some of these Equity Shares may have been issued at a price lower than the Issue Price:

Date of Allotment	Number of Equity Shares	Name of the Allottee	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
15/10/2012	2,70,000	Goldline International Finvest Ltd	None	Preferential allotment to infuse funds in to the Company.	10	130
01/11/2012	9,38,000	As per Note (i)	None	Preferential allotment to infuse funds in to the Company.	10	10

Date of Allotment	Number of Equity Shares	Name of the Allottee	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
08/11/2012	4,73,500	As per Note (ii)	None	Preferential allotment to infuse funds in to the Company.	10	10
10/11/2012	4,98,500	As per Note (iii)	None	Preferential allotment to infuse funds in to the Company.	10	10
12/11/2012	81,30,300	All Shareholders appearing in the register of members as on 12.11.2012	Promoter and Non Promoters	Bonus issue (in the ratio of 3:1)	10	Nil

Note (i)

No.	Name of Allottees	No. of Equity Shares
1	Praveen Tayal HUF	10000
2	Komal Preet Kaur	10000
3	Kuljeet Kaur	50000
4	Gurcharan Singh	20000
5	Bhupinder Kaur	50000
6	Harcharan Singh	50000
7	Hype Realtors Private Limited	100000
8	Trivikram Real Estate Developers & Consultants Pvt. Ltd.	100000
9	Anish Sudhir Vora and Sudhir Maganlal Vora	30000
10	Prithvi Sudhir Vora and Sudhir Maganlal Vora	30000
11	Sudhir Maganlal Vora and Neena Sudhir Vora	30000
12	Tara Maganlal Vora and Sudhir Maganlal Vora	30000
13	Neena Sudhir Vora and Sudhir Maganlal Vora	30000
14	Gaurav Sachdeva	20000
15	Vijay Mehta	30000
16	Manoj Singhal	100000
17	Anil Sachdeva	20000
18	Kapil Sachdeva	20000
19	Rajiv Gupta (HUF)	5000
20	Kapil Bharti	3500
21	Sajal Lamba	4500
22	Nishant Gupta (HUF)	5000
23	Bhavna Goel	5000
24	Lalit Kumar Goel	5000
25	Lalit Kumar Goel HUF	5000

No.	Name of Allottees	No. of Equity Shares
26	V Balsubramaniam	10000
27	Vikas Goyal	10000
28	Amit Goel	10000
29	Puneeta Garg	5000
30	Vivek Garg HUF	5000
31	Rajeshwari	10000
32	Uma B Ramesh	10000
33	Rajiv Gupta	5000
34	Ritesh Jain and Sushma Jain	5000
35	Navin Gupta	50000
36	Garima Jain and Ritesh Jain	5000
37	Shalabh Bhasin	20000
38	Amarnath Goenka (HUF)	10000
39	Nisha Goenka	10000
40	Manvi Goenka	10000
	TOTAL	938000

Note (ii)

No.	Name of Allottees	No. of Equity Shares
1	Sukhinder Singh Hooda	100000
2	Anusha Maheshwari	1000
3	Sarika Sankhwal	10000
4	Arun Sankhwal	10000
5	Shreyans Sankhwal	10000
6	Madhu Sankhwal	10000
7	Navdeep Ashok Garg	10000
8	Harsh Ashok Garg	10000
9	Ashok H Garg	20000
10	Neeru Ashish Garg	10000
11	Gaurav Arya	10000
12	Sweetie Arya	10000
13	Anand Prakash Gupta	10000
14	Ankit Gupta	10000
15	Kailash chandra Agarwal	50000
16	Shruti Maheshwari	1000
17	Ajay Mehra	3500
18	Benu Ajay Mehra	4000
19	Indravati Rammurthy Yadav	5000
20	Pravin Rammurthy Yadav	5000
21	Charu Gupta	2500
22	Rajeev Bansal	2500

No.	Name of Allottees	No. of Equity Shares
23	Sapna Bansal	2500
24	Brijesh Kumar Gupta	5000
25	Pia Sahni	10000
26	Rajan Sahni	10000
27	Navin Sahni	10000
28	Ashima Sahni	10000
29	Rajesh Bhandari	10000
30	Manmohan Khemka	10000
31	Sudhir Agarwal	10000
32	Shilpi	20000
33	Seerat Gulati	20000
34	Sangeeta Arya	2500
35	Anil Sharma & Sons HUF	10000
36	Rajni Sharma	10000
37	Anil Sharma	10000
38	Vinay Sharma	5500
39	Abhishek Gupta	6700
40	Vinita Gupta	6800
	TOTAL	473500

Note (iii)

No.	Name of Allottees	No. of Equity Shares
1	Ajay Kumar HUF	6500
2	Megha Agarwal	10000
3	Manish Agarwal	10000
4	Harish Rohra	10000
5	Jatin Garg	1000
6	Amit Garg	1000
7	Kunal Kakkar	5000
8	Subhash kakkar	5000
9	Pankaj Kumar Bansal	2500
10	Neeraj Bansal	2500
11	Vikas Raj	10000
12	Sushant Muttreja	30000
13	Rajiv Kariwala	10000
14	Nitin Kariwala	10000
15	Sanjay Kariwala	10000
16	Chetan Kunverjibhai Thakkar	150000
17	Manju Anup Agarwal	50000
18	Dinesh Agarwal HUF	25000
19	BrijeshKumar K Patel	75000

No.	Name of Allottees	No. of Equity Shares
20	Mrunal Kanubhai Patel	75000
	TOTAL	498500

5. Shareholding of our Promoters:

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

1. Mr. GAJRAJ SINGH							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
01/11/2010	Cash	2,74,400	10	25	Transfer		
30/06/2011	Cash	13,000	10	25	Transfer		
31/07/2011	Cash	54,500	10	25	Transfer		
25/10/2012	Cash	2,70,000	10	25	Transfer		
12/11/2012	Consideration other than cash	18,35,700	10	Nil	Bonus issue (in the ratio of 3:1)		
Total		24,47,600				22.58	15.78

2. MRS. KIRTI							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
04/10/2011	Cash	187000	10	25	Transfer		
03/01/2012	Consideration other than cash	561000	10	Nil	Bonus issue (in the ratio of 3:1)		
Total		7,48,000				6.90	4.82

6. Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of Allotment. 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 Exchange before listing of the Equity Shares.

Our Promoters have 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 of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Name of Promoter	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price /Transfer Price(Rs. per share)	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Gaj Raj singh	2,74,400	01/11/2010	25		
	13,000	30/06/2011	25		
	54,500	31/07/2011	25		
	2,70,000	25/10/2012	25		
	18,35,700	12/11/2012	Nil		
TOTAL	24,47,600			22.58%	15.78%
Mrs. Kirti	1,87,000	01/11/2010	25		
	5,61,000	12/11/2012	Nil		
TOTAL	7,48,000			6.90%	4.82%
TOTAL PROMOTER'S LOCK-IN	31,95,600			29.48%	20.60%

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that 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) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

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

7. Details of share capital locked in for one year:

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

8. Shareholding pattern of our Company:

A: The following table presents the shareholding pattern of Our Company

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shareholding of Promoters and Promoter group							
<u>INDIAN</u>							
Individuals/HUFs	2	3195600	29.48	3195600	20.60	---	---
Directors/Relatives							
Central Govt. / State Govts.	-	---	---	---	---	---	---
Bodies Corporate	-	---	---	---	---	---	---
Financial Institutions/Banks	-	---	---	---	---	---	---
Sub Total A (1)	2	3195600	29.48	3195600	20.60	---	---
<u>FOREIGN</u>							
Bodies Corporate	-	---	---	---	---	---	---
Individual	-	---	---	---	---	---	---
Institutions	-	---	---	---	---	---	---

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Any others (specify)	-	---	---	---	---	---	---
Sub Total A (2)	-	---	---	---	---	---	---
Total Shareholding of Promoter group A (1) + A (2)	2	3195600	29.48	3195600	20.60	---	---
PUBLIC SHAREHOLDING							
Institutions							
Central Govt. / State Govts.	-	---	---	[•]	[•]	---	---
Financial Institutions/Banks	-	---	---	[•]	[•]	---	---
Mutual Funds/UTI	-	---	---	[•]	[•]	---	---
Venture Capital Funds	-	---	---	[•]	[•]	---	---
Insurance Companies	-	---	---	[•]	[•]	---	---
Foreign Institutions Investors	-	---	---	[•]	[•]	---	---
Foreign Venture Capital Investors	-	---	---	[•]	[•]	---	---
Any Others (Specify)	-	---	---	[•]	[•]	---	---
Sub Total B (1)	-	---	---	[•]	[•]	---	---
Non Institutions	-						
Bodies Corporate	3	802000	7.40	[•]	[•]	---	---
Individuals-shareholders holding normal share capital up to Rs. 1 Lac	14	788000	0.73	[•]	[•]	---	---
Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac	88	6764000	62.40	[•]	[•]	---	---
Trust	-	---	---	[•]	[•]	---	---
Any Other (i) Clearing Member	-	---	---	[•]	[•]	---	---
Directors/Relatives	-	---	---	[•]	[•]	---	---
Employees	-	---	---	[•]	[•]	---	---
Foreign Nationals	-	---	---	[•]	[•]	---	---
NRIs	-	---	---	[•]	[•]	---	---
OCB'S	-	---	---	[•]	[•]	---	---
Person Acting in Concert	-	---	---	[•]	[•]	---	---
Sub Total B(2)				[•]	[•]	---	---
Total Public Shareholding B(1) + B(2)	105	7644600	[•]	12072600	77.85	---	---
Total A+B	107	10840400	[•]	15268400	98.45	---	---
Shares held by Custodians and against which Depository receipts have been issued (C)	---	---	---	---	---	---	---
Shares held by Market Makers (D)	-	-	-	2,40,000	1.55		
Grand Total A+B+C+D	107	10840400	[•]	15508400	100.00	---	---

[B] Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies) as per clause 37 of the SME Listing Agreement.

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
A	Promoters							
1	Gaj Raj Singh	2447600	25.58	2447600	15.78	-	-	-
2	Kirti	748000	6.90	748000	4.82	-	-	-
B	Promoter Group, Relatives and other Associates							
1	---	-	-	-	-	-	-	-
	TOTAL (A+B)	3195600	29.48	3195600	20.60	-	-	-

[C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

S.No.	Name of shareholder	Pre-Issue		Post-Issue	
		No. of Shares	Shares as % of total no. of shares	No. of Shares	Shares as % of total no. of shares
1.	Chetan Kunverjibhai Thakkar	600000	5.53	600000	3.87
2	Hype Realtors Private Limited	400000	3.69	400000	2.58
3	Trivikram Real Estate Developers & Consultants Pvt Ltd.	400000	3.69	400000	2.58
4	Manoj Singhal	400000	3.69	400000	2.58
5	Sukhinder Singh Hooda	400000	3.69	400000	2.58
6	Brijesh Kumar K Patel	300000	2.77	300000	1.93
7	Mrunal Kanubhai Patel	300000	2.77	300000	1.93
8	Kuljeet Kaur	200000	1.84	200000	1.29
9	Bhupinder Kaur	200000	1.84	200000	1.29
10	Harcharan Singh	200000	1.84	200000	1.29
11	Navin Gupta	200000	1.84	200000	1.29
12	Kailash Chandra Agarwal	200000	1.84	200000	1.29
13	Manju Anup Agarwal	200000	1.84	200000	1.29
14	Anish Sudhir Vora and Sudhir Maganlal Vora	120000	1.11	120000	0.77
15	Prithvi Sudhir Vora and Sudhir Maganlal Vora	120000	1.11	120000	0.77
16	Sudhir Maganlal Vora and Neena Sudhir Vora	120000	1.11	120000	0.77
17	Tara Maganlal Vora and Sudhir Maganlal Vora	120000	1.11	120000	0.77
18	Neena Sudhir Vora and Sudhir Maganlal Vora	120000	1.11	120000	0.77
19	Vijay Mehta	120000	1.11	120000	0.77
20	Sushant Muttreja	120000	1.11	120000	0.77

9. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Gaj Raj singh	24,47,600	6.25
Kirti	7,48,000	6.25

10. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the shareholder	No. of Equity Shares	Pre-Issue percentage Shareholding
Gaj Raj singh	24,47,600	15.78
TOTAL	24,47,600	15.78

11. Equity Shares held by top ten shareholders

(a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Gaj Raj Singh	2447600	22.58
2	Kirti	748000	6.90
3	Chetan Kunverjibhai Thakkar	600000	5.53
4	Hype Realtors Private Limited	400000	3.69
5	Trivikram Real Estate Developers & Consultants Pvt. Ltd.	400000	3.69
6	Manoj Singhal	400000	3.69
7	Sukhinder Singh Hooda	400000	3.69
8	Brijesh Kumar K Patel	300000	2.77
9	Mrunal Kanubhai Patel	300000	2.77
10*	Kuljeet Kaur	200000	1.84
10*	Bhupinder Kaur	200000	1.84
10*	Harcharan Singh	200000	1.84
10*	Navin Gupta	200000	1.84
10*	Kailash Chandra Agarwal	200000	1.84
10*	Manju Anup Agarwal	200000	1.84
	Total	7195600	66.38

*On Sr. 10, there are 6 shareholders holding 20,000 Shares

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Gaj Raj Singh	2447600	22.58
2	Kirti	748000	6.90
3	Chetan Kunverjibhai Thakkar	600000	5.53
4	Hype Realtors Private Limited	400000	3.69

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
5	Trivikram Real Estate Developers & Consultants Pvt. Ltd.	400000	3.69
6	Manoj Singhal	400000	3.69
7	Sukhinder Singh Hooda	400000	3.69
8	Brijesh Kumar K Patel	300000	2.77
9	Mrunal Kanubhai Patel	300000	2.77
10*	Kuljeet Kaur	200000	1.84
10*	Bhupinder Kaur	200000	1.84
10*	Harcharan Singh	200000	1.84
10*	Navin Gupta	200000	1.84
10*	Kailash Chandra Agarwal	200000	1.84
10*	Manju Anup Agarwal	200000	1.84
	Total	7195600	66.38

**On Sr. 10, there are 6 shareholders holding 20,000 Shares*

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of then pre-Issue capital
1	Gaj Raj Singh	203600	43.59
2	Kirti	257800	55.19
3	Goldline International Finvest Ltd	5000	1.10
4	Vikas Kumar	307	0.07
5	Rishi Kumar	193	0.04
6	Manoj Kumar	100	0.02
7	Rakesh C Agarwal	100	0.02
	Total	467100	100

12. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Prospectus.

13. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with BSE.

14. Our Company has not raised any bridge loans against the proceeds of this Issue.

15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 138 of this Prospectus.

16. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

17. As on date of filing of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
18. On the date of filing the Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
19. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
20. Lead Manager to the Issue viz. Guinness Corporate Advisors Private Limited does not hold any Equity Shares of our Company.
21. Our Company has not revalued its assets since incorporation.
22. Our Company has not made any public issue since incorporation.
23. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
24. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
25. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
26. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
27. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
28. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
29. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
30. Our Company has One Hundred & Seven (107) members as on the date of filing of this Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are to finance our business expansion plans and achieve the benefits of listing on the SME platform of BSE Ltd as well. We believe the listing will enhance the brand image of our Company.

The objects of the Issue are as stated below:

1. To finance the estimated expenditure of production of two (2) films
2. Strengthening Distribution operations
3. Brand Building
4. To meet the expenses of the Issue

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The details of the proceeds of the Issue are summarized in the table below: -

(Rs. In Lacs)

No.	Particulars	Amount
I	To finance the estimated expenditure of production of two (2) films	700.00
II	Strengthening Distribution operations	350.00
III	Brand building	60.00
IV	Issue Expenses	57.00
	TOTAL	1167.00

MEANS OF FINANCE

(Rs. In Lacs)

Particulars	Amount
Initial Public Offering	1167.00
Internal Accruals	-
Total	1167.00

We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance is not applicable.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

DETAILS OF THE OBJECTS OF THE ISSUE

I. TO FINANCE THE ESTIMATED EXPENDITURE OF PRODUCTION OF TWO (2) FILMS

We have started our operations in the year 2002 and we have successfully involved in distribution of various films in diversified territories of India. In order to expand our operations, we intend to get a footprint in production of films. Initially we would like to commence with two small budget films in order to keep the downside low in case the films not doing well. During the span of our distribution operations, we have been able to establish good relations with artists, directors, technicians etc. which we can leverage for our films.

The total cost for producing two films for which funds are proposed to be raised through Public Issue is estimated as follows:

Name of Film	Estimated Cost (Rs. Lacs)
Untitled I	350.00
Untitled II	350.00

The estimated costs of the films identified above are not fixed and may undergo a change depending upon the treatment that is given to the screenplay.

Estimated expenditure details for production of three films (including films under production) are as given below
(Rs. In Lacs)

Particulars	Untitled I	Untitled II
Music Department (Including Music Directors, Lyricist, Musician and Studio)	20.00	20.00
Artists (Including entire casting of the movie)	125.00	125.00
Technical Department (Including various departments such as Camera, Artist, Sound, Editing, Recording and Technological Department)	25.00	25.00
Equipments and Shoot Expenses (Including Action Department, Location Charges, Set Construction, Equipment Rentals, Special Effects, Purchasing of Equipments)	40.00	40.00
Laboratory Expenses and Raw Stocks (Including Laboratory charges and Raw Stocks like Picture Negative and Positive, Sound Negative, Inters etc)	25.00	25.00
Cost of Production (Including Story, Screenplay, Dialogue, Director, Executive Producer and Production Designer, Direction Department, Dance Department and Production Department)	50.00	50.00
Dressing Department (Including Make-up and Hair	20.00	20.00

Particulars	Untitled I	Untitled II
Dressing, Costumes, Designers, Dress man, Jewelers)		
Post Production (Including Editing Post Production, Publicity and Press)	15.00	15.00
Boarding and Lodging (Including Travel and Transport, Food and Beverages, Hotel)	20.00	20.00
Miscellaneous (Including office and general expenses, Insurance and Contingency)	10.00	10.00
Total	350.00	350.00

II. STRENGTHENING DISTRIBUTION OPERATIONS

We propose to strengthen our position in the distribution business by acquiring quality film rights / contents at reasonable prices for theatrical distribution and follow the portfolio approach to mitigate the risk of possible product failure at the box office. This amount is proposed to be utilized to provide permanent capital to fund the distribution business. We have apportioned Rs. 350 lacs to accomplish this object.

III. BRAND BUILDING

As we operate under media & entertainment sector, where brand image plays a vital role to create visibility and to ensure success. Company intends to create visibility through advertising and various other promotional activities. Our Company proposes to utilize Rs. 60.00 Lacs from the Issue proceeds towards enhancement of our Company's brand through advertising and other brand-building activities. Our Company believes that increasing the awareness of our brand would lead to long term benefits.

Our brand-building strategies would comprise of undertaking the following activities:

Particulars	Cost (Rs. in Lacs)
Online Marketing	20.00
Outdoor Media	20.00
Radio and events	20.00
Total	60.00

IV. TO MEET THE EXPENSES OF THE ISSUE

The total estimated expenses are Rs. 57 Lacs which is 4.88 % of Issue Size. The details of Issue expenses are tabulated below:

(Rs. In Lacs)		
No.	Particulars	Amount (Rs. In Lacs)
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	37.00
2.	Printing & Stationery, Distribution, Postage, etc	10.00
3.	Advertisement & Marketing Expenses	7.00

No.	Particulars	Amount (Rs. In Lacs)
4.	Regulatory & other expenses	3.00
Total		57.00

Proposed year-wise deployment of funds:

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:

(Rs. In Lacs)

Particulars	Already Incurred	FY 2012 - 13	FY 2013 - 14	FY 2014 - 15	TOTAL
To finance the estimated expenditure of production of two (2) films	-	100.00	400.00	200.00	700.00
Strengthening Distribution operations	-	150.00	200.00	-	350.00
Brand Building	-	20.00	40.00	-	60.00
Issue Expenses	7.50	44.50	5.00	-	57.00
TOTAL	7.50	314.50	645.00	200.00	1167.00

The status of implementation as per our current business plan is as follows:

No.	Activity	Start Date	Completion Date
1. Production of Untitled-I Film			
1	Engagement of Director / Cast/writer/Pre-production	15.02.2013	31.03.2013
2	Commencement of shooting	01.05.2013	30.09.2013
3	Completion and Release	01.10.2013	30.11.2013
2. Production of Untitled-II Film			
1	Engagement of Director / Cast/writer/Pre-production	01.05.2013	30.06.2013
2	Commencement of shooting	01.08.2013	30.11.2013
3	Completion and Release	01.12.2013	31.12.2013
3. Strengthening Distribution operations			
1	Identification of contents / film rights	01.03.2013	30.04.2013
2	Entering Agreements	01.06.2013	30.09.2013

Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 30th December, 2012 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. M/s Ranjan Gupta & Co., Chartered Accountants pursuant to their certificate dated 7th January, 2013 is given below:

(Rs. in Lacs)

Deployment of Funds	Amount
Project related	Nil
Issue Related Expenses	7.50
Total	7.50

(Rs. in Lacs)

Sources of Funds	Amount
Internal Accruals	7.50
Bank Finance	-
Total	7.50

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals.

INTERIM USE OF FUNDS

The Company in accordance with compliance of section 61 of the Companies Act, 1956 and with the policies established by the Board, will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

MONITORING OF UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

The management of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

BASIS FOR ISSUE PRICE

Investors should read the following basis with the “Risk Factors” beginning on page 9 and the details about the “Business of our Company” and its “Financial Statements” included in this Prospectus on page 66 & 95 respectively to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

Experienced Directors and Management Team

Our Directors and business management group are experienced within their respective specialized segments, as well as in the entertainment industry. Our Promoter Mr. Gaj Raj Singh with 9.5 years of experience will have a major role in the growth and development of our business. We also have senior professionals, as a part of our management team, who have domain knowledge and experience, having acquired and distributed content for many years. We believe that, our management team possesses an in-depth understanding of the Indian film industry, content and content exploitation, and is therefore well -positioned to focus on the continued expansion and strengthening of our Content Library and distribution network. Further, building on the existing team, our Company has inducted several experienced executives to drive the new media distribution business.

Strong Relationships in the Industry

As an established entity, in various aspects of the entertainment industry in India, we believe that we have managed to create, maintain and build our goodwill with other industry participants. We believe that this has led to repeated business transactions with known names in the industry for acquisition of contents. We have aggregated content rights across various segments including Hindi film content, regional language content, devotional content, music content and special interest content.

Established operations and proven track record.

We have established operations in film distribution and production operations and in the past we have been associated with esteemed projected which carves for over selves a niche in the industry

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earning Per Equity Share (EPS) (on Face value of Rs. 10 per share)

Year	Earnings per Share (Rs.)	Weight
FY 2009-10	(0.35)	1
FY 2010-11	(0.90)	2
FY 2011-12	1.43	3
Weighted Average	0.36	
Audited period ended 31.10.2012	0.76	

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 25.00

- Based on fiscal year as on 31st March, 2012; at EPS of Rs. 1.43 as per Restated Financial Statements, the P/E ratio is 17.48.
- Based on weighted average EPS of Rs. 0.36 as per Restated Financial Statements, the P/E ratio is 69.44.
- Industry P/E : 26.3

3. Return on Net Worth

Year	RONW (%)	Weight
FY 2009-10	(2.01)	1
FY 2010-11	(5.49)	2
FY 2011-12	1.33	3
Weighted Average	(1.50)	
Audited period ended 31.10.2012	0.46	

4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS at 31st March, 2012 is 10.11 %.

5. Net Asset Value per Equity Share

Sr. No.	Particulars	(Rs.)
a)	As on 31 st March, 2012	104.96*
b)	As on 31 st October, 2012	113.17*
c)	After Issue	14.14
d)	Issue Price	25.00

*pre bonus

6. Peer Group Comparison of Accounting Ratios

We are currently engaged in the business of media and entertainment activity and the peer group comparison of accounting ratio is as below:

Name of Company	Face Value (Rs.)	EPS (Rs.)	P/E Multiple	NAV (Rs.)	RONW (%)
Mukta Arts Limited	5	0.20	202.5	52.80	23.80
Sri Adhikari Brothers Television Network Limited	10	1.06	89.62	64.10	1.10
Prime Focus Limited	1	(0.11)	---	31.50	7.70

*Source: Capital Market Volume XXVII/23 dated Jan 07-20, 2013;

- The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. 25 per share is 2.5 (Two & half) times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 25.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Channel Nine Entertainment Limited
3/12, Ground Floor,
Asaf Ali Road, New Delhi-110002

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed Annexure, prepared by Channel Nine Entertainment Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been or would be met.

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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Channel Nine Entertainment Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

Thanking you,
Yours faithfully,
For Ranjan Gupta & Co.
Chartered Accountants
Sd/-
Ranjan Gupta
M. No. 82408
Partner
Place: New Delhi
Date: 09.11.2012

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

I. Special Benefits available to our Company

Deduction in respect of expenditure on production of feature films

Rule 9A of the Income Tax Rules lays down the method of computation of deduction allowable to the producer of a feature film towards –cost of production of a feature film certified for release during the year.

Subject to the conditions specified in Rule 9A of the Income Tax Rules, the quantum of deduction under that Rule is summarized in the table below:

Situation	Quantum of deduction	
	Film released for exhibition on or before ninety days before the close of the FY ending on 31 March i.e. on or before 31 December generally	Film released for exhibition within ninety days before the close of the FY ending on 31 March i.e. after 31 December generally
Film producer sells all rights of exhibition of the film in the FY	Entire cost of production	Entire cost of production
Film producer himself exhibits the film on a commercial basis in all or some of the areas or sells the rights of exhibition of the film in respect of some of the areas or himself exhibits the film in certain areas and sells the rights of exhibition of the film in respect of all or some of the remaining areas	Entire cost of production	Cost Of production or amount realized by exhibiting the film or sale of rights of exhibition as applicable), whichever is less
Film producer does not exhibit the film, nor sell the rights of exhibition	Nil	Nil

Deduction in respect of expenditure on acquisition of distribution rights of feature films

Rule 9B of the Rules lays down the method of computation of deduction allowable to a film distributor towards cost of acquisition of a feature film, certified for release during the year.

Subject to the conditions specified in Rule 9B of the Rules, the quantum of deduction under that Rule is summarized in the table below:

Situation	Quantum of deduction	
	Film released for exhibition on or before ninety days before the close of the FY ending on 31 March i.e. on or before 31 December generally	Film released for exhibition within ninety days before the close of the FY ending on 31 March i.e. after 31 December generally
Film distributor sells all rights	Entire cost of	Entire cost of acquisition

Situation	Quantum of deduction	
of exhibition of the film in the same FY in which it is acquired by him	acquisition	
Film distributor himself exhibits the film on a commercial basis in all or some of the areas, or sells the rights of exhibition in respect of some of the areas, or himself exhibits the film on a commercial basis in certain areas and sells the rights of exhibition of the film in all or some of the remaining areas	Entire cost of acquisition	Cost of acquisition of the film or amount realized by exhibiting the film or sale of rights of exhibition (as applicable), whichever is less
Film distributor does not exhibit the film nor sells the rights of exhibition during the FY	NIL	NIL

II. Special Benefits available to the Shareholders of our Company

There are no special tax benefits available to the Equity Shareholders.

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 (“the Act”):

I. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

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

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

Income received in respect of units from the specified company.

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

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

4. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the 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 securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund -

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

Book Profit	A.Y.-2011-12	A.Y.-2012-13
If book profit is less than or equal to Rs. 1 Crore	18.54 %	19.055%
If book profit is more than Rs. 1 Crore	19.93 %	20.01%

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes (“MAT”)

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head –Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

1.Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2.As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3.Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4.As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

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

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for 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 assessment years until such assets are converted into money.

(v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

1.Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2.As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3.As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income & Rate of tax (%)

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

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

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

5.As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6.The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7.However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the

basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

1. As per Section 10(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 such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

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

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

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

SECTION IV

ABOUT OUR COMPANY

INDUSTRY OVERVIEW

(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” on page 9 of this Prospectus. Accordingly, investment decisions should not be based on such information)

The Indian Economy

India is the world’s largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Factbook). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

OVERVIEW OF THE INDIAN MEDIA & ENTERTAINMENT INDUSTRY

The Indian M&E industry grew from INR 652 billion in 2010 to INR 728 billion in 2011, registering an overall growth of 12 percent. Going forward, the sector is projected to grow at a healthy CAGR of 14.9 percent to reach INR 1,457 billion by 2016.

Television

Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent of the total media industry. The TV industry continues to have headroom for further growth as television penetration in India is still at approximately 60 percent of total households. India continues to be the third largest TV market after USA and China with 146 million television households. Cable and Satellite (C&S) penetration of television households is close to 801 percent, with DTH driving a significant part of the growth in the last 12 months. With the impending digitization of all analog cable subscribers imminent, penetration level of digital households is expected to increase significantly, going forward. The over-all television industry was estimated to be INR 329 billion in 2011, and is expected to grow at a CAGR of 17 percent over 2011-16, to reach INR 735 billion in 2016. The share of subscription to the total industry revenue is expected to increase from 65 percent in 2011 to 69 percent in 2016.

TV Industry size



Snapshot of the TV industry value chain

The TV industry value chain consists of content production, broadcasting, and distribution.

- The content production industry typically functions on a cost-plus basis, whereby editors / incentives if a program is successful
- Reviews and costs are usually fixed to inflation levels
- Duplication of cable is expected to create an increased focus on content quality, as the end consumer gets greater choice, and channels seek to create a "pull factor" from consumers
- The key challenges for content producers will be to consistently deliver differentiated content at reasonable prices

- The broadcasting industry is expected to witness strong growth in both advertising and subscription revenues
 - While 2011 has been a year of lower-than-expected advertising revenue growth for the broadcasting industry, the long-term outlook is still positive
 - A wave of cash is expected to flow back into the industry as the advertising stream of the broadcasting community, while simultaneously retrenching carriage
- Increasing fragmentation remains a key challenge for broadcasters, with competition not only from the increasing number of TV channels, but also from new media.

- India continues to be the world's largest TV market in the world after USA and China, with 146 million TV households. With current TV penetration at 55 percent, there is a significant growth opportunity for TV in India.
- Disruption of cable, driven by the recent government ordinance, is expected to be a game changer affecting the entire value chain.
- Broadcasters, MNCs and DTH operators are expected to see key opportunities at the government's disposal, while the LCO's bargaining power is expected to decline substantially.
- While the government's roadmap presents a significant opportunity for MNCs in the pay TV market, it also presents a significant challenge in the form of increased competition, not only from the established players but also from the DTH operators.

Television industry unable to match global counter parts in revenue and profits but potential for growth

TV channels in India

Year	Number of TV Channels	Key Milestones / Channel Launches
1981	5	-
1982	11	DG/7/DOO Regional Cable CHN
1983	19	-
1984	28	AIRN Star TV Star Plus BBC World Primeo Sp MTV
1985	55	Son TV DO & HO
1986	90	DD4-18 (Rural) Rainbow Jee TV Utlapa TV
1989	76	JEE TV GEC ETV Gemini FTV Yes Discovery Sony ESPN TMT ARNN Money TV Venus Zone Cinema HT TV
1990	130	TNT Star News Surya TV DD Urdu Puri World DD Sports FTV Apollo TV Anil Plot Jaya TV Raj-Arti NBC NCC DVD Vijay TV Home TV NIC CNBC
2002	170	-
2004	206	Star World Star News Surya TV ANI Puri World DD Sports FTV Apollo TV Anil Plot Jaya TV Raj-Arti NBC NCC
2005	268	HBO Star Gold BHU Sun Movies
2006	300	Star
2007	363	101 E-TV Jaash Ganga Laxmi NDTV Zee NDTV India
2008	400	Anand NDTV Profit ZeeET Zee Kine Hungama Page
2009	481	Delhi Aai Tak Global TV Maharashtra News New Sports
2010	557	Celebs NDTV Imagines SK ET Now
2011	623	Life OK Comedy Central News Express HD Big Magic UTV Action Telugu Discovery Turbo Fox Fox Crime Baby TV Main Gas HD/Vallu Advertis

The DTH segment continued to expand in India, reaching a gross subscriber base of around 44 million at the end of 2011. On a net basis, this is estimated to translate into a subscriber base of 37 million. This represents a 31 percent penetration of DTH within the C&S subscriber base, compared to 26 percent in 2010. Despite strong growth, DTH saw a relative slowdown towards the later part of the year. Discussions indicate that a decrease in free viewing period offers across industry players, leading to a correction in demand, may have partially contributed to the slowdown. Going forward, while players continue to face transponder capacity constraints, the

digitization mandate, leading to increasing penetration of digital platforms, is expected to provide a significant opportunity for DTH growth.

Upside potential not only from penetration, but also from TV viewing time

Average television viewing time in India continues to be low vis-a-vis developed economies. Thus, there is potential for growth not only in terms of penetration / reach, but also in terms of viewing time. Time spent watching TV in India is significantly lower than developed economies. The average time spent on TV by an individual in India is around 150 minutes per day - it has the potential to go up to 200+ minutes with digitization providing more accessibility to content, as well as evolved marketing wooing audiences for higher engagement.

Television viewing time (2011)



Competition leading to increasing content and distribution costs

In the current scenario, broadcasters are vying for a share of viewer eyeballs, in order to chase ad spends. Fragmentation of viewership ratings and excess capacity are forcing players to incur high marketing, content and distribution costs to stay competitive. Production costs are estimated to have gone up by 10-15 percent. (Source: FICCI- KPMG Report 2011).

Acquiring content, whether it is sports' rights, movie rights, reality shows and even the basic daily fiction shows, at a competitive price has become challenging. A box office hit can command anywhere between INR 15-25 Crores from satellite rights, which for certain movies covers more than half of the entire production budget. This has gone up considerably in comparison to acquisition costs three years back, for example, the highest satellite rights for any film in 2007 was sold for INR 10 Crs indicating a 50-150 percent increase. (Source: FICCI- KPMG Report 2011).

This increase in cost is pushing up breakeven levels. Although a television channel can be launched with a relatively low initial capital expenditure, challenges lie in acquiring the broadcasting license, securing prime slots in television bands, and delivering content that result in strong viewership – factors that determine the channel's ability to earn advertising and subscription revenues and tide over the losses initially when advertising revenues are still not adequate. (Source: FICCI- KPMG Report 2011).

Films

In terms of revenues, Indian film industry is the second largest in the world after Hollywood. And it is the largest in terms of no. of films produced & tickets sold. 2010 was a challenging year for the Indian film industry as most films failed to create a mark at the box office. The Indian film industry was estimated to be INR 83.3 billion in 2010, indicating a decline of 6.7 percent in overall industry revenues vis-à-vis 2009. The industry believes that lack of quality content led to an overall drop in occupancy levels and box office collections. While overseas theatrical revenues experienced some decline; it was the home video segment that witnessed a steep fall in revenues. **Cable and Satellite rights experienced a healthy growth of 33 percent owing to growing demand from broadcasters.** Ancillary revenue streams i.e. merchandise, in-film marketing etc. also witnessed a growth of 15 percent over 2009. (Source: FICCI- KPMG Report 2011).

Segment-wise break-up of revenues for the Indian Film Industry

Size of the Indian film industry											
Film Industry (INR bn)	2007	2008	2009	2010	CAGR (2007-10)	2011p	2012p	2013p	2014p	2015p	CAGR (2011-14)
Domestic Theatrical	11.5	10.2	9.5	10.0	-4.5%	17.4	22.2	23.2	21.0	19.8	-5.3%
Overseas Theatrical	0.7	0.8	0.8	0.8	-0.3%	0.7	1.2	1.3	0.7	0.5	7.5%
Home Video	3.3	3.8	4.3	4.3	11.0%	3.8	3.8	3.8	3.8	3.8	0.0%
Cable & Satellite Rights	6.0	7.1	8.0	8.3	10.3%	9.8	11.0	12.0	14.5	16.6	14.8%
Auxiliary Revenue/Streaming	7.4	1.6	1.6	1.1	11.0%	1.7	1.4	0.7	7.1	0.7	10.7%
Total Industry Size	29.9	24.4	24.2	24.2	-3.5%	33.7	39.6	40.0	40.0	40.7	-0.6%

Source: KPMG analysis and industry interviews

C. New Media

The internet has had a profound effect on consumers' viewing habits and the proliferation of devices is altering their media and entertainment consumption behavior. While the traditional media offered passive consumption, new media facilitates interactivity. A key aspect of new media is the shift in focus from functional innovation to humanization of 65 technology, bringing the ability to connect with consumers in more meaningful ways. (Source: FICCI- KPMG Report 2011).

Americans now spend as many hours online as they do in front of their TV screens. The key screen has shifted from the TV screen to the computer screen, and as media and entertainment consumption on mobile and tablets proliferates, the next key screen will be the one you hold in your hand. (Source: FICCI- KPMG Report 2011).

Region	Television households	Internet users	Mobile
Global	1.2 billion (2009) ^a	1.9 billion ^a	5.3 billion mobile subscribers ^a
US	115.9 mn (Sep 2010) ^a	245 million ^a	292.8 million mobile phones (June 2010) ^a
India	134 million ^a	81 million ^a	771.2 million mobile phones and 548.7 million active mobile subscribers ^a

The cost of network access and handsets is falling, penetration of wireless networks is increasing and India's young population is demonstrating a huge appetite for digital content. With a rapidly expanding new media universe, companies are recognizing that new media technologies offer better engagement with consumers, and are increasing their investment in this space. (Source: FICCI- KPMG Report 2011).

Key themes for New Media in India are:

- The Telecommunications industry
- Mobile phones in the spotlight
- Multiple device usage to take off in India:
- Explosion of content:
- Monetization of online content

D. Music

Indian music industry is estimated to be worth INR 8.53 billion in 2010 registering a growth of 9.64 percent over 2009. The industry witnessed a 28 percent decline in sales of physical music i.e. sales via compact discs (CDs) and other physical forms netted by a significant jump of 57 percent in digital music consumed either via download or through streaming, from internet sites and via mobile phones. (Source: FICCI- KPMG Report 2011).

Robust growth of few players was a result of the creative initiatives taken to approach the market and manage delivery of music content. Some like Universal Music tied up with telecom companies like Reliance, resulting in an almost 75 percent growth in their digital revenues in the year 2010 while others like Saregama went online to register a growth of 19 percent for the nine months ended December 31, 2010, over its revenue for the same period in 2009. (Source: FICCI- KPMG Report 2011).

Revenue streams (INR billion)	2007	2008	2009	2010	CAGR (2007-10)	2011p	2012p	2013p	2014p	2015p	CAGR (2010-15)
Physical	5.6	4.9	4.5	3.2	-17%	2.6	2.0	1.7	1.5	1.2	-18%
Digital	1.4	1.9	2.6	4.2	42%	5.2	7.3	9.1	11.8	14.8	29%
Radio and Television	0.3	0.4	0.5	0.7	29%	0.6	0.8	1.0	1.1	1.4	15%
Public performance	0.1	0.2	0.2	0.5	61%	0.6	0.8	0.9	1.1	1.4	22%
Total	7.4	7.3	7.8	8.5	5%	9.0	10.9	12.7	15.6	18.7	17%

Source: KPMG analysis and industry interviews

Overall industry size (INR billion)

Overall Industry size (INR Billion) (For Calendar Years)	2007	2008	2009	2010	2011	Growth in 2011 over 2010	2012P	2013P	2014P	2015P	2016P	CAGR (2011-16)
TV	211.0	241.0	257.0	297.0	329.0	10.8%	380.0	435.0	514.0	618.0	735.0	17%
Print	160.0	172.0	175.2	192.9	208.8	8.3%	226.0	246.8	270.0	294.9	323.4	9%
Film	92.7	104.4	89.3	83.3	92.9	11.5%	100.0	109.7	121.1	134.5	150.3	10%
Radio	7.4	8.4	8.3	10.0	11.5	15.0%	13.0	16.0	20.0	24.0	29.5	21%
Music	7.4	7.4	7.8	8.6	9.0	4.7%	10.0	11.3	13.1	15.4	18.2	15%
OOH	14.0	16.1	13.7	16.5	17.8	7.6%	19.5	21.5	23.6	26.0	29.0	10%
Animation and VFX	14.0	17.5	20.1	23.6	31.0	31.2%	36.3	43.0	51.1	61.0	69.0	17%
Gaming	4.0	7.0	8.0	10.0	13.0	30.0%	18.0	23.0	29.0	37.0	46.0	29%
Digital Advertising	4.0	6.0	8.0	10.0	15.4	54.0%	19.9	25.8	33.5	43.7	57.0	30%
Total	514	580	587	652	728	11.7%	823	932	1076	1254	1457	14.9%

OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Channel Nine Entertainment Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 9 and "Industry Overview" on page 61.

Overview

BUSINESS OVERVIEW

Our Company was originally incorporated in New Delhi as "Channel Nine Entertainment Limited" on 25th July, 2002 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are engaged in the business of production, distribution television serials, films, corporate films, feature films, documentaries, and marketing of sports and entertainment events. We are outsourcing the processing services like content development, multi-media, editing and sound recording from a Media Development Centre based at B-20, Sector-57, Noida - 201 301.

Our company believe and invest in multi dimensional cinemas from all around the world some of them include American Desi, Agni Pankh, Amy's Orgasm, and Chameli etc. Further, we are also associated with documentary films and other creative activities.

We have been associated with following movies as distributors for various territories of India.

- American Desi (Hinglish)
- Green Card Fever (Hinglish)
- Where is the party yaar (Hinglish)
- Ek Din 24 Ghante (Hindi)-(Produced by one of our erstwhile director)
- Freaky Chakra (Hinglish)
- Insomina (English)
- American Pie (English)
- Amy Orgasm (English)
- Chameli (Hindi)
- God Only Knows (English)
- Paisa Wasool (Hindi)
- Swaraj (Hindi)
- Everybody says I'M fine (English)
- Rules Pyar ka Super Hit Formula (Hindi)
- Fun2shh (Hindi)
- Agni Pankh (Hindi)
- Shadi Ka Laddoo (Hindi)
- Silence the Dressing Room (Hindi & English)
- Wah Wah Ram ji (Hindi)

We have also been actively associated with following the TV Serials, contests like:

- Terra Quiz
- Documentary Films
- Indian legends
- Khamoshi Kyon
- Talk Positive
- Other Creative Activities like Ad Films, Corporate films etc.

Our Strengths:

We derive our strengths from following factors:

Experienced Directors and Management Team

Our Directors and business management group are experienced within their respective specialized segments, as well as in the entertainment industry. Our Promoter Mr. Gaj Raj Singh with 9.5 years of experience will have a major role in the growth and development of our business. We also have senior professionals, as a part of our management team, who have domain knowledge and experience, having acquired and distributed content for many years. We believe that, our management team possesses an in-depth understanding of the Indian film industry, content and content exploitation, and is therefore well -positioned to focus on the continued expansion and strengthening of our Content Library and distribution network. Further, building on the existing team, our Company has inducted several experienced executives to drive the new media distribution business.

Strong Relationships in the Industry

As an established entity, in various aspects of the entertainment industry in India, we believe that we have managed to create, maintain and build our goodwill with other industry participants. We believe that this has led to repeated business transactions with known names in the industry for acquisition of contents. We have aggregated content rights across various segments including Hindi film content, regional language content, devotional content, music content and special interest content.

Diversified Distribution Platforms

We have a presence in various distribution platforms such as television, home entertainment, digital new media and other media. We believe that our distribution reach is a key advantage, as we are able to offer “anytime, anywhere” entertainment to our consumers. This gives us a direct insight to the consumer preferences and consumption patterns across platforms helping us to cross-leverage these insights. This enhances our ability to monetize our content across various distribution platforms.

Established operations and proven track record.

We have established operations in film distribution and production operations and in the past we have been associated with esteemed projects which carve for ourselves a niche in the industry.

Business Strategy:

Our overall strategy is structured around our content library and its successful exploitation to ensure that it can be monetized through diversified platforms on a worldwide basis. Our strategy is designed to address predictability, scalability and sustainability, ultimately resulting in profitability. We intend to pursue the following strategies in order to consolidate our position and grow further:

Scaling up Our content library driven by return on Investment

Our vision is to be a leading entertainment content aggregator through our acquisitions that has the ability to exploit such content over various existing and emerging distribution platforms. Based on our view of

entertainment consumption patterns and driven by return on investment, our strategy is to focus on acquiring additional content as follows:

i. Perpetual Rights:

Our aim is, to own the complete intellectual property rights in a film by acquiring perpetual rights, as well as, to monetize them over a maximum number of distribution platforms. We believe that this will contribute to the long term sustainability of our business model. Our experience suggests that the monetization value of the rights keeps pace with average media inflation. As these rights keep revolving after every cycle, typically five years, the management believes that they will contribute to a stable and predictable revenue and profit stream.

ii. Television broadcast rights and New Media Rights including Music based rights:

Over the last few years television has emerged as a key monetization medium for films. Accordingly, our strategy is to further strengthen our competitive advantage by building on and augmenting our Aggregation Rights for television broadcast and further leveraging our portfolio approach. Based on our view of entertainment consumption patterns emerging over the next few years, we intend to expand further into new media specific content including expanding our presence in the music business to enhance our scale in this segment. The diverse additions to our Content Library, each year, is the result of a planned content acquisition strategy and is based on agreements that we have entered into with various production houses.

Enhancing Monetization of our content library through existing and emerging media platforms

We intend to broad base our revenue streams by further increasing our distribution of our content through new media avenues, such as MVAS, internet, DTH, video on demand services and IPTV platforms. We believe that the growth of internet subscriber and mobile phone subscriber volumes, the growth of internet and mobile bandwidth, digital convergence, technological developments and the rise in popularity of entertainment consumption on mobile will be key growth drivers and will help us to diversify our revenue streams as well as better monetize our content library.

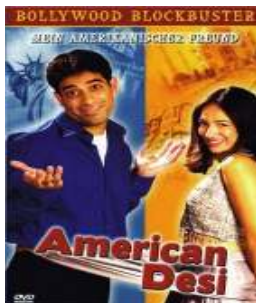
Foray in to production of films

We intend to expand our production activity to produce films which will cater to every need of viewers in India and enhance our position as a leading production house with continuous innovation in process and better understanding of the viewership trend. In view of the rapid changing preferences in entertainment space domestically and internationally, we intend to build up capability of conceptualizing and producing films catering to every entertainment need for film viewers in terms of family drama, adventurous, romantic story, Sci-Fi, futuristic etc.

BUSINESS ACTIVITIES

We are engaged in the business of production, marketing, distribution of television serials, films, corporate films, feature films, documentaries, and marketing of sports and entertainment events. We are outsourcing the processing services like content development, multi-media, editing and sound recording from a media development centre based at B-20, Sector-57, Noida - 201 301.

Some of the movies, which we have been associated as distributors for various territories in India are as below:



Portraying the **AMERICAN DESI** (American born confused Desi) film by the same name, which in fact represents the second generation Indian youth in America.

Ek Din 24 Ghante is inspired by 1998 German film Run Lola Run. The film revolves around a Father - Girl - guy relationship.



Where is the party yaar From their part - time jobs at an Indian restaurant to college life with the dueling cliques, crazy antics lead the audience on a pursuit for their true loves and the big party, cultural conflicts, romantic adventures, and family struggles arises in the comedic twist and turns of this movie.

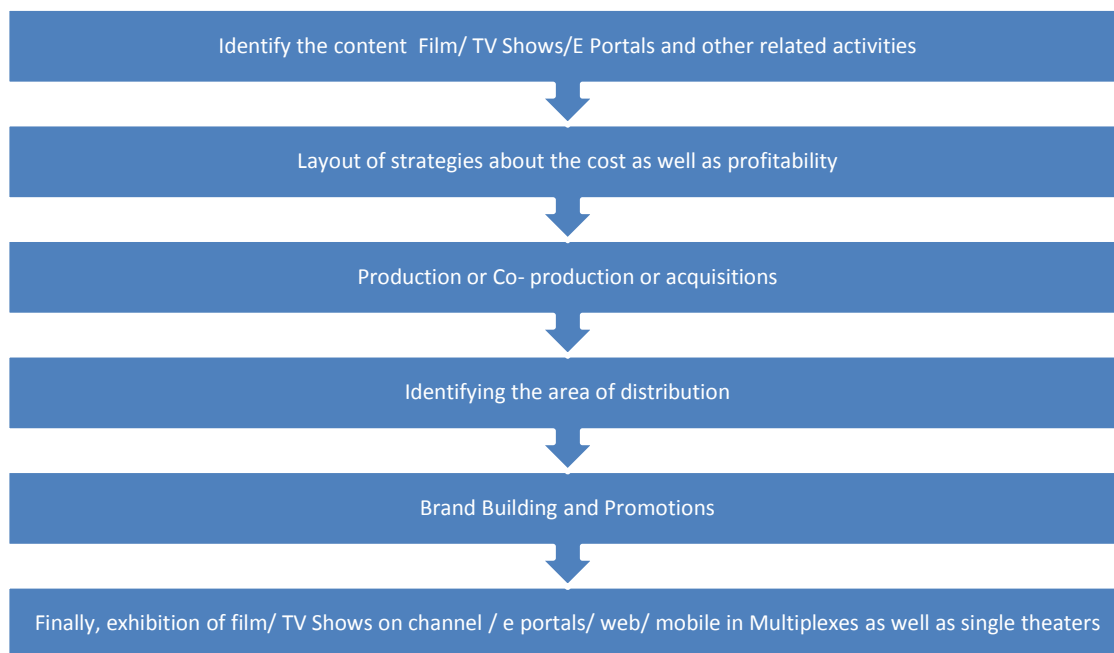


Freaky Chakra is a 2003 Bollywood comedy-drama film directed by V. K. Prakash and Ziba Bhagwagar. The film stars Deepti Naval and Sachin Khedekar. The film was India's official entry for Toronto Reel Asian International Film Festival and received recognition by the International Federation of Film Critics at the at 2003 Mumbai International Film Festival



Green Card Fever is an independent film from 2003. It was produced by Net Effect Media and released worldwide following a series of film festival runs.

Process Flow of Production and Distribution



The process of production and distribution:

1. Content Film/ TV Shows/E Portals and other related activities
2. Layout of strategies about the cost as well as profitability
3. Production or Co-production
4. Distribution
5. Promotion
6. Exhibition

COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

UTILITIES

Water

Water is required only for drinking and sanitary purposes and adequate water sources are available. The requirements are fully met at the existing premises.

Power

The company does not require much power except the normal requirement of the Offices of the company for lighting, systems etc. Adequate power is available.

Human Resources

The details of manpower employed as on 31st December, 2012 are as under:

Sr. no	Category	No. of employees
1.	Our producers	2
2.	Sales & Marketing	3

Sr. no	Category	No. of employees
3.	Accounts, Administration & Finance	3
4.	Support Staff	3
5.	Company Secretary	1
	TOTAL	12

Competition

The media & entertainment industry is getting more competitive with the increase in number of organized players as well there are more number of production houses coming up and one of the major reasons for that is no entry barriers. With a number of corporate houses diversifying into film production and distribution and liberalization of FDI norms in film industry the competition may significantly increase.

Marketing Set-up and Marketing Strategy

Promotion and marketing of a film is an integral and essential part for the success of the film. The function of marketing and promotion is to bridge the gap between the audience and the film. It is to drive the filmgoers to buy the ticket of films and view them. It also provides information and creates excitement and demand in the trade for our films.

Pre-Release Marketing Strategy:

The objective of the pre-release strategy is to create awareness about the film produced within the industry and build hype about the film. This is achieved through various promotion tools as follows:

1. **Pre-Release** - This phase usually is a 15 to 30 days stretch and happens before the release of the film. Apart from strong television activity (Ad spots on channels);
2. **Release activity** - All marketing and promotional activity peaks during the week of release involving building lot of excitement around the concept of the film both through paid and unpaid publicity options. TV spots, entertainment page ads in newspapers, artist's interviews, special shows for the media, etc are some of the activities undertaken.
3. **Post release activity** - Depending on the performance of the film in the opening weekend the level of publicity to be maintained for the film in the post release weeks, is decided.

Products/ Services provided by us

The product of the Company is mass entertainment in the form of films / tele-serials which are produced / distributed by us.

EXPORT POSSIBILITY AND OBLIGATION

Our Company doesn't have any export obligation as we are not exporting any material.

SWOT

Strengths

- Integrated Business Model
- Experienced Management Team

Weakness

- Revenue and profitability is directly linked to the exploitation and growth of our content.
- Rapid Technological changes
- No prediction or forecast of audience taste about the success of films/ TV shows etc.

Opportunities

- Growing awareness among viewers/customers about new technologies.
- New phase of low budget movies/TV Shows etc.
- Increase in no. of channels and Multiplexes.

Threats

- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.
- Any change or shift of focus of Government policies may adversely impact our financials

Intellectual Property

We have applied for registration of our corporate logo to the Registrar of Trademarks.

Our Properties

Our Registered Office is located at 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002. The details are as under:

Sr. No.	Location	Title (Leased /Owned/ Rental)	Agreement Valid from	Agreement Valid till
1.	3/12, Ground Floor, Asaf Ali Road, New Delhi-110002	Rental	01/03/2012	28/02/2013

Note 1: Interest in Property by our Promoters and Promoter Group

Our Promoters and Promoter Group do not have interest in any of our properties.

Note 2: Purchase of Property

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

Insurance Policies

We have not obtained any insurance policy.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Delhi and the respective bye laws framed by the local bodies in New Delhi, and others incorporated under the laws of India.

The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Regulation of Foreign Investment

Circular 1 of 2011 dated March 31, 2011, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, ("DIPP"), reflects the current policy of the Government of India, ("GoI"), on foreign direct investment in India, ("FDI"), as on April 1, 2011, (the "Consolidated FDI Circular"). The DIPP has clarified that a consolidated circular would be issued every six months by the DIPP to update the FDI policy. However, any changes notified by RBI from time to time would have to be complied with and where there is a need / scope of interpretation, the relevant notification issued pursuant to the provisions of FEMA will prevail. Under the Consolidated FDI Circular, FEMA requirements, FDI in the Indian film industry, not including broadcasting, is permitted under the 100.0% automatic route and does not require approval of the RBI or the Foreign Investment Promotion Board ("FIPB"). The GoI has indicated that in all cases where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no further approval of the RBI is required, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI within a specified period of the foreign investment being made in the Indian company. The Consolidated FDI Circular classifies Indian companies into -"companies owned or controlled by foreign investors" and "companies owned and controlled by Indian residents". Ownership and control by non-resident entities means the ownership of more than 50% of the equity interest and control means the right to appoint a majority of the directors. However, the Consolidated FDI Circular states that in order to determine ownership, the 50% threshold has to be computed with reference to the "capital" of the Indian company. The term "capital" has been defined in the Consolidated FDI Circular to mean and include equity shares, fully, compulsorily and mandatorily convertible preference shares, and fully, compulsorily and mandatorily convertible debentures. In sectors/activities other than those where 100% foreign investment is permitted under the automatic route, including inter alia defence production, air transport services, ground handling services, asset reconstruction companies, private sector banking, broadcasting, commodity exchanges, credit information companies, insurance, print media, telecommunications and satellites, approval from the GoI/FIPB would be required in all cases where: (i) An Indian company is being established with foreign investment and is owned by a non-resident entity; or (ii) An Indian company is being established with foreign investment and is controlled by a non-resident entity; or (iii) The control of an existing Indian company, currently owned or controlled by resident Indian citizens and Indian companies, which are owned or controlled by resident Indian citizens, will be/is being transferred/passed on to a non-resident entity as a consequence of transfer of shares and/or fresh issue of shares to non-resident entities through amalgamation, merger/demerger, acquisition etc.; or (iv) The ownership of an existing Indian company, currently owned or controlled by resident Indian citizens and Indian companies, which are owned or controlled by resident Indian citizens, will be/is being transferred/passed on to a non-resident entity as a consequence of transfer of shares and/or fresh issue of shares to non-resident entities through amalgamation, merger/demerger, acquisition etc. Further, foreign investment in certain sectors is subject to certain entry conditions, such as minimum capitalization, lock-in period, etc. Foreign investment into an Indian company, engaged only in the activity of investing in the capital of other Indian company/ies, would require prior approval from the GoI/FIPB approval, regardless of the amount or extent of foreign investment. For

infusion of foreign investment into an Indian company which does not have any operations and also does not have any downstream investments, Government/FIPB approval would be required, regardless of the amount or extent of foreign investment. Further, as and when such a company commences business(s) or makes downstream investment, it will have to comply with the relevant sectoral caps and conditions on entry route. Downstream investment by an Indian company, which is owned and/ or controlled by non-resident entity/ies, into another Indian company, must be in accordance/compliance with the relevant sectoral caps on entry route conditions with regard to the sectors in which the Indian company into which the downstream investment is being made, is operating. Downstream investments by Indian companies will be subject to the following conditions:(i) Every downstream investment must be reported by the investing Indian company to the SIA, DIPP and FIPB in the prescribed form within 30 days of such investment, even if capital instruments have not been allotted along with the modality of investment in new/existing ventures (with/without expansion programme);(ii) Downstream investment by way of induction of foreign equity in an existing Indian Company must be supported by a resolution of the board of directors of the investee company and also a shareholders Agreement, if any;

(iii) Issue/transfer/pricing/valuation of the shares must be in accordance with applicable SEBI/RBI guidelines;(iv) The Indian companies making the downstream investments would have to bring in requisite funds from abroad and not leverage funds from domestic market for such investments. This would, however, not preclude downstream companies, with operations, from raising debt in the domestic market. Downstream investments through internal accruals are permissible, subject to compliance with the relevant sectoral caps on entry route conditions with regard to the sectors in which the Indian company into which the downstream investment is being made.

Employees State Insurance Act, 1948

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

Payment of Gratuity Act, 1972

A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity". The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

The Competition Act, 2002

The Competition Act, 2002 (the "**Competition Act**") prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "**CCI**") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act.

The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Intellectual Property

In India, trademarks and copyrights enjoy protection both statutory and under common law.

Trademarks: A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor or user to use the mark. A mark may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The Trademarks Act, 1999, ("Trademarks Act"), governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 years but can be renewed in accordance with the specified procedure. Until recently, a person desirous of obtaining registration of his trademark in other countries has to make separate applications in different languages and disburse different fees in the respective countries. However, the Madrid Protocol, administered by the International Bureau of the World Intellectual Property Organization, ("WIPO"), of which India is a member country, aims to facilitate global registration of trademarks by enabling nationals of member countries to secure protection of trademarks by filing a single application with one fee and in one language in their country of origin. This in turn is transmitted to the other designated countries through the International Bureau of the WIPO. Accordingly, the Trademarks Act was amended vide the Trademarks (Amendment) Bill, 2009, to empower the Registrar of Trade Marks to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time for filing notice of opposition of published applications and provides for a uniform time limit of four months in all cases. Further, it simplifies the law relating to transfer of ownership of trademarks by assignment or transmission and brings the law generally in line with international practice.

Copyrights: A copyright is an exclusive right to do or authorization to do certain acts in relation to literary, dramatic, musical and artistic work, cinematographic films and sound recordings. The Copyright Act, 1957, ("Copyright Act"), provides for registration of copyrights, transfer of ownership and licensing of copyrights, and infringement of copyrights and remedies available in that respect. Depending on the subject, copyright is granted for a certain period of time, usually for a period of 60 years, subsequent to which the work falls in the public domain and any act of reproduction of the work by any person other than the author would not amount to infringement. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection. Following the issuance of the International Copyright Order, 1999, subject to certain conditions and exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization, the Berne Convention and the Universal Copyright Convention. While intellectual property registration is not a prerequisite for acquiring or enforcing such rights, registration creates a presumption favoring the ownership of the right by the registered owner. Registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The registration of certain types of intellectual property is prohibited, including where the property sought to be registered is not distinctive. The remedies available in the event of infringement under the Copyright Act and the Trademarks Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing materials to the owner of the right, as well as criminal remedies including imprisonment of the accused and the imposition of fines and seizure of infringing materials.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Notification of Industry Status

The Indian film industry was conferred industry status by a press release issued by the Ministry of Information and Broadcasting, Government of India ("GoI"), on May 10, 1998.

The Prasar Bharati (Broadcasting Corporation of India) Act, 1990

Pursuant to the enactment of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990, the Prasar Bharati was set up as a statutory autonomous body on November 23, 1997. The Corporation is the public service broadcaster in India and the primary duty of Prasar Bharati is to organize and conduct public broadcasting to inform, educate and entertain the public and to ensure a balanced development of broadcasting on radio and television. Prasar Bharati is also empowered to manage on behalf of the Central Government the broadcasting of external services and monitoring of broadcasts made by organizations outside India. Prasar Bharati has other objectives, some of which include upholding the unity and integrity of the country and the values enshrined in the Constitution of India, safeguarding the citizen's right to be informed freely, truthfully and objectively on all matters of public interest, national or international, and presenting a fair and balanced flow of information including contrasting views without advocating any opinion or ideology of its own, and providing comprehensive broadcast coverage through the choice of appropriate technology and the best utilization of the broadcast frequencies available and ensuring high quality reception and expanding broadcasting facilities by establishing additional channels of transmission.

Film Certification:

The Cinematograph Act, 1952, ("Cinematograph Act"), authorizes the Central Government to constitute a Board of Film Certification, (also known as the "Central Board for Film Certification" or "CBFC"), in accordance with the Cinematograph (Certification) Rules, 1983, ("Certification Rules"), for sanctioning films for public exhibition in India. Under the Certification Rules, the producer of a film is required to apply in the specified format for certification of such film, with the prescribed fee. The film is examined by an examining committee, which determines whether, the film:

- is suitable for unrestricted public exhibition;
- or is suitable for unrestricted public exhibition, with a caution that the question as to whether any child below the age of 12 years may be allowed to see the film should be considered by the parents or guardian of such child; or
- is suitable for public exhibition restricted to adults; or
- is suitable for public exhibition restricted to members of any profession or any class of persons having regard to the nature, content and theme of the film; or
- is suitable for certification in terms of the above if a specified portion or portions be excised or modified there from; or
- is not suitable for unrestricted or restricted public exhibitions, i.e., that the film be refused a certificate.

A film will not be certified for public exhibition if, in the opinion of the CBFC, the film or any part of it is against the interests of the sovereignty, integrity or security of India, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

Any applicant, if aggrieved by any order of the CBFC either refusing to grant a certificate or granting a certificate that restricts exhibition to certain persons only, may appeal to the Film Certification Appellate Tribunal constituted by the Central Government under the Cinematograph Act.

A certificate granted or an order refusing to grant a certificate in respect of any film is published in the Official Gazette of India and is valid for 10 years from the date of grant. Films certified for public exhibition may be re-examined by the CBFC if any complaint is received in respect of the same. Pursuant to grant of a certificate, film advertisements must indicate that the film has been certified for public exhibition. The Central Government may issue directions to licensees of cinemas generally or to any licensee in particular for the purpose of regulating the exhibition of films, so that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films or indigenous films secure an adequate opportunity of being exhibited. The Central Government, acting through local authorities, may order suspension of exhibition of a film, if it is of the opinion that any film being publicly exhibited is likely to cause a breach of peace. Failure to comply with the Cinematograph Act may attract imprisonment and/or monetary fines. Separately, the Cable Television Networks Rules, 1994, require that no film or film song, promo, trailer, of film music video, album or trailer, whether produced in India or abroad, shall be carried through cable services unless it has been certified by the CBFC as suitable for unrestricted public exhibition in India.

The Cinematograph Film Rules, 1948, (“Cinematograph Rules”), require a license to be obtained prior to storing any film, unless specifically exempted. Licenses for storage of films are granted for one year and must be renewed annually. Any person transporting, storing or handling films is required to ensure compliance with requirements pertaining to, inter alia, precautions against fire, storage of loose films, minimum specifications for aisle space, exits and electrical installations in storage rooms etc. The Cinematograph Rules also specify the procedure for transport of film, and application for, or renewal, transfer, refusal and cancellation of, licenses.

OUR HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated in New Delhi as "Channel Nine Entertainment Limited" under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana vide certificate of incorporation dated 25th July, 2002 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The corporate identification number (CIN) of our company is U92132DL2002PLC116330

Our Company was originally incorporated by Poonam Mutreja, Sunil Mutreja, Manish Walia, Vijay Jindal, Shubha, Rajinder Kumar, Akshaya Kirti Jain.

Our company has taken over a proprietor ship firm namely "Channel 9 Productions" along with all assets and liabilities on going concern basis on 1st September, 2002. Pursuant to this acquisition, we have allotted 187500 Equity shares to Ms. Poonam Mutreja as consideration to acquire Channel 9 Productions.

Currently, the company is predominantly engaged in production and distribution of feature films, ad films, corporate films, documentaries, tele-serials and marketing of sports and entertainment events

In the year 2011 Mr. Gajraj Singh & Mrs. Kirti acquired majority stake in the Company and usurped control over the company.

The Registered Office of our Company is situated at 3/12, Ground Floor, Asaf Ali Road, New Delhi, Delhi - 110002.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY SINCE INCEPTION

FROM	TO	DATE OF CHANGE	REASON FOR CHANGE
10/131, Opp - B Block , Shivalik, Malviya Nagar, New Delhi, Delhi - 110017	912, Kailash Building, Kasturba Gandhi Marg, New Delhi, Delhi-110001	1st November, 2002	Administrative Purpose
912, Kailash Building, Kasturba Gandhi Marg, New Delhi, Delhi-110001	3/12, Ground Floor, Asaf Ali Road, New Delhi, Delhi - 110002.	2 nd March, 2012	Administrative Purpose

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for Which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

- To carry on the business of production, marketing of television serials, television programmes, films, video films, advertisement films, corporate films, feature films, documentaries and marketing of sports and entertainment events.
- To take over "channel 9 productions" ongoing concern basis at 10/131, Malviya Nagar, PP.B- Block, Shivalik, New Delhi -110017 along with all its assets and liabilities on such terms & conditions as may be mutually agreed upon. The said firm shall cease to exist after such take over by the company after incorporation thereof.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

DATE	AMENDMENT
30 th March, 2012	Increase in authorized capital of the Company from Rs. 100 Lacs divided into 10,00,000 Equity Shares of Rs. 10 each to Rs. 1000 Lacs divided into 1,00,00,000 Equity shares of Rs. 10 each.
26 th October, 2012	Increase in authorized capital of the Company from Rs. 1000 Lacs divided into 1,00,00,000 Equity Shares of Rs. 10 each to Rs. 1600 Lacs divided into 1,60,00,000 Equity shares of Rs. 10 each.

MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
July, 2002	Incorporation of the Company in the name and style of "Channel Nine Entertainment Limited"
September, 2002	Acquisition of "channel 9 productions" on going concern basis
2011	Control of company acquired by Mr. Gajraj Singh & Mrs. Kiti

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of the Prospectus.

SUBSIDIARY OF OUR COMPANY

There is no subsidiary of our Company as on the date of filing of the Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Prospectus.

COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

STRATEGIC PARTNER

Our Company does not have any strategic partner as on the date of filing of the Prospectus.

FINANCIAL PARTNER

Our Company does not have any financial partner as on the date of filing of the Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has One Hundred & Seven (107) shareholders on date of the Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
1.Mr. Gaj Raj Singh S/o. Mr. Raj Pal Singh H No. 62, Dhaka Village, GTB Nagar, New Delhi- 110009, Delhi, India Occupation: Business Nationality :Indian Tenure: Three Years w.e.f. 1 st November, 2012 DIN No. 02925387	34 Years	Executive Director	Nil
2. Mrs. Kirti D/o. Mr. Deepak Kumar H No. 62, Dhaka Village, GTB Nagar, New Delhi- 110009, Delhi, India Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN No. 06403097	30 Years	Non-executive non-Independent Director	Nil
3.Mr. Dinesh Kumar Jindal S/o. Mr. Hari Kishan Jindal 1/14, Shalimar Park, Shahdara, Delhi- 110032, Delhi, India Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN No. 01249766	46 Years	Independent Director	<ul style="list-style-type: none"> • Gromax Solutions Pvt. Ltd. • A to Z Comtrade Pvt. Ltd. • Gromax Academy of Professional Studies Pvt. Ltd. • Balaji Infra Heights Limited • Hoin Mal Sons Enterprises Pvt. Ltd.
4.Mrs. Neena Sood D/o. Mr. Nand Lal Sood 329, Asola Fatherpur Beri, Mehrauli, Delhi-110074, Delhi, India Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN No. 06395848	42 Years	Independent Director	Nil

Note:

As on the date of the Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.

2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.

3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

DETAILS OF DIRECTORS

Mr. GAJ RAJ SINGH, aged 34 years, is the Promoter and Executive Director of our Company. He holds bachelor degree in commerce from Delhi University. He has 9.5 years of experience film and media sector. He is well associated with day to day affairs of this company. He has been on the Board of our Company since April, 2011.

Mrs. KIRTI, aged 30 years, is the Promoter and Director of our Company. She is graduate and has 5 Years of experience in marketing. She is associated with day to day affairs of this company. She has been on the Board of our Company since April, 2011

Mr. DINESH KUMAR JINDAL, aged 46 years, is an Independent Director of our Company. He is post graduate in commerce and also a qualified company secretary. He has 20 years of experience in the diversified areas of field of general accounting, corporate law, securities market and finance. As an independent director with corporate acumen, he brings value addition to our Company. He has been on the Board of our Company since April, 2011.

Mrs. NEENA SOOD, aged 42 years is an Independent Director of our Company. She holds bachelor degree in arts and possesses 20 years of experience in marketing and business development of allied sector. She has been on the Board of our Company since October, 2011.

CONFIRMATIONS

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

There is no family relationship among Directors.

BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 27th December, 2012 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 25 Crores.

TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

Name	Mr. Gaj Raj Singh
Designation	Executive Director

Period	Three years with effect from 1 st November, 2012
Date of Appointment	Extra Ordinary General Meeting dated 1 st November, 2012
Remuneration	Rs. 25,000/- p.m. (Rupees Twenty Thousand Only) with such annual increments / increases as may be decided by Board of Directors from time to time.
Remuneration paid in FY 31st March, 2012	Rs. Nil

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

NON - EXECUTIVE DIRECTORS

At present, no sitting fees being paid to the non-executive Directors.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has four (4) Directors. We have one (1) executive non independent director, one (1) non-executive non independent director and two (2) independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 292A of the Companies Act, 1956 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 24th December, 2012.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Dinesh Kumar Jindal is the Chairman of the Audit Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Dinesh Kumar Jindal	Chairman	Independent Director
2.	Mrs. Neena Sood	Member	Independent Director
3.	Mrs. Kirti	Member	Non Executive Non Independent Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.

15. 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.
16. 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.
17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its Subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary company, if any.
23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("**Shareholders / Investors Grievance Committee**") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 24th December, 2012. The committee currently comprises of three (3) Directors. Mrs. Neena Sood is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mrs. Neena Sood	Chairman	Independent Director
2.	Mr. Dinesh Kumar Jindal	Member	Independent Director
3.	Mrs. Kirti	Member	Non Executive Non Independent Director

Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Mr. Gagan Goel is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Prospectus:

Name of Director	Number of Equity Shares	% of Pre-Issue Paid up Share Capital
Mr. Gaj Raj Singh	24,47,600	22.58
Mrs. Kirti	7,48,000	6.90
Total	31,95,600	29.48

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

PROPERTY INTEREST

Except as disclosed in the section titled "Our Business" on page 66, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

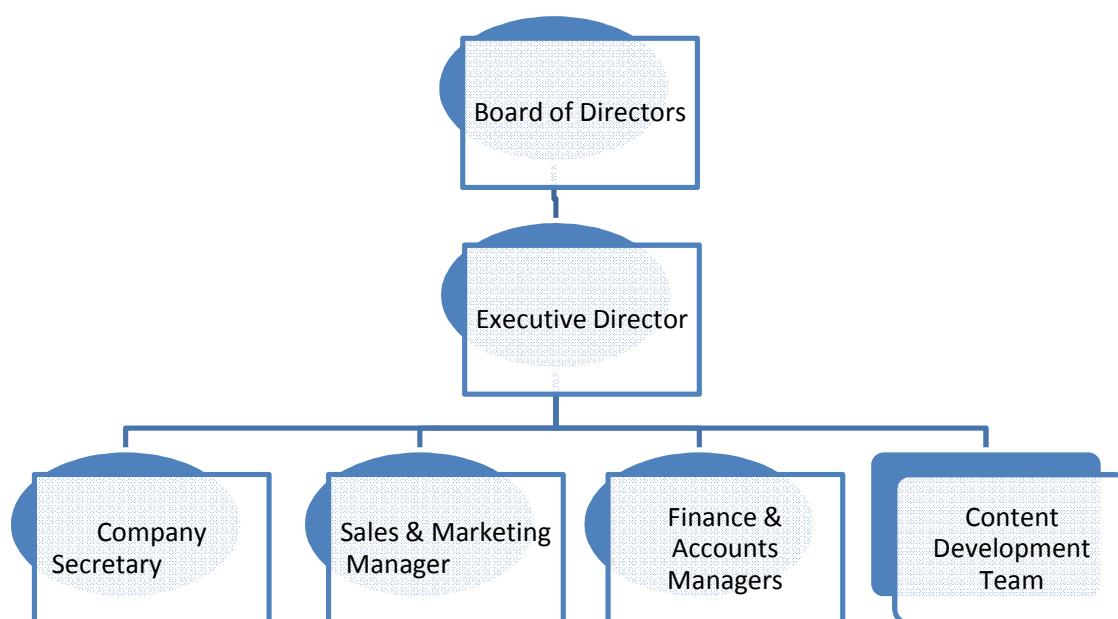
CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of appointment	Date of cessation	Reason
Mr. Vijay Jindal	---	20/06/2011	Resignation due to preoccupation
Ms. Shubha	---	24/10/2011	Resignation due to preoccupation

Name	Date of appointment	Date of cessation	Reason
Mr. Manoj Kumar	---	19/09/2012	
Mr. Gaj Raj Singh	04/04/2011	---	Appointment
Mrs. Kirti	04/04/2011	---	Appointment
Mr. Dinesh Kumar Jindal	04/04/2011	---	Appointment
Mrs. Neena Sood	04/04/2011	---	Appointment

ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following key personnel assist the management of our Company:

Name	Date of Joining	Designation	Functional Responsibilities	Qualification	Previous Employment
Mr. Gaj Raj Singh	01.04.2011	Executive Director	General planning & Management of day to day affairs	B.Com	Media Professional
Mr. Vikas Mishra	01.04.2012	Manager Accounts & Finance	Accounting, Finance controls and management of cash flows	B.Com	CLAWS

Name	Date of Joining	Designation	Functional Responsibilities	Qualification	Previous Employment
Mr. Gagan Goel	11.11.2012	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956.	M.Com, ACS	Crown Propbuild Pvt. Ltd.

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. **Mr. Gaj Raj Singh**, aged 34 years, is the Promoter and Executive Director of our Company. He holds bachelor degree in commerce from Delhi University. He has 9.5 years of experience film and media sector. He is well associated with day to day affairs of this company. He has been on the Board of our Company since April, 2011.
2. **Mr. Vikas Mishra**, is the Manager-Accounts & Finance of our Company. He has completed his Bachelor degree in commerce. He is working with our Company since April, 2012. He oversees accounting and management of finance.
3. **Mr. Gagan Goel** is Company Secretary & Compliance Officer of our Company. He is a post graduate in commerce and an associate member of Institute of Companies Secretaries of India. He is associated with our Company from November, 2012. His scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 1956.

Besides the above mentioned key employees, company has appointed the following advisors /consultants, to oversee acquisition of films and TV programmes and content development:

4. **Mr. Ravi M Khanna** is veteran TV / Radio journalist. As a TV Producer / Analyst he has written and produced a number of TV packages for Voice of America. These analytical pieces provided in depth background and perspective to the "News of the day" and were often used by all 38 services of VOA. He began his stage acting in his college days when at Shri Ram College of Commerce where he won the best actor's award in his second year in college. He has been retained w.e.f. September 1, 2012.
5. **Mr. Sunil Kumar** is consultant and having 20 year experience for several media companies in the area of business strategy, content, marketing and human resources. He spent the eight years of his career in advertising working for agencies like Ogilvy & Mather and Ulka. Now he operates a radio consultancy firm which helps media and non media companies set up and manage radio stations and other allied activities. His client list includes the BBC World Service, Radio Indigo (Bangalore), Chennai live (Chennai), My FM (17 station), Nine FM (Siliguri, Gangtok), and Radio Rangeela (Raipur). He has been retained w.e.f. September 1, 2012

FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial persons is having family relation with each other.

ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date, Mr. Gaj Raj Singh holds 24,47,600 Equity Shares of our Company. Except that none of the key managerial personnel are holding any Equity Shares of our Company.

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 31st December, 2012.

CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Gaj Raj Singh	04.04.2011	-	Appointment
Mr. Vikas Mishra	01.04.2012	-	Appointment
Mr. Gagan Goel	11.11.2012	-	Appointment

EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

OUR PROMOTERS


OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Gaj Raj Singh
2. Mrs. Kirti

DETAILS OF OUR PROMOTERS ARE AS UNDER


Mr. Gaj Raj Singh

	<p>Mr. Gaj Raj Singh, aged 34 years, is the Promoter and Executive Director of our Company. He holds bachelor degree in commerce from Delhi University. He has 9.5 years of experience film and media sector. He is well associated with day to day affairs of this company. He has been on the Board of our Company since April, 2011.</p>
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Identification

Name	Mr. Gaj Raj Singh
Permanent Account Number	BEKPS1235N
Passport No.	N.A.
Voter ID	JRL0873000
Driving License	P08012003330007
Bank Account Details	Account Number 213101000012109 with Bank of Baroda

Mrs. Kirti

	<p>Mrs. Kirti, aged 30 years, is the Promoter and Director of our Company. She is graduate and has 5 Years of experience in marketing. She is associated with day to day affairs of this company. She has been on the Board of our Company since April, 2011</p>
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Identification

Name	Mrs. Kirti
Permanent Account Number	BBAPK7304P
Passport No.	N.A.
Voter ID	JRL1161041
Driving License	N.A.
Bank Account Details	Account Number 2416101014679 with Canara Bank

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company.

INTEREST OF THE PROMOTERS

Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoters, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “*Our Management*” on page 80 of this prospectus.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

Interest as Member of our Company

As on the date of this Prospectus, our Promoters together hold 31,95,600 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled ‘*Terms of appointment and compensation of our Directors*’ on page 81, our Promoters does not hold any other interest in our Company.

Also see “Our Management-Interest of Directors” on page 85 of Prospectus.

PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Prospectus except as mentioned / referred to in this chapter and in the section titled ‘Our Management’, ‘Financial Information’ and ‘Capital Structure’ on page nos. 80, 95 and 32 respectively of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoters.

CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 112 of the Promoters. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled “*Related Party Transactions*” beginning on page 93, our Company has not entered into any related party transactions with our Promoters.

OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

Relatives of Promoters:

Relationship	Mr. Gaj Raj Singh	Mrs. Kirti
Spouse	Mrs. Kirti	Mr. Gaj Raj Singh
Father	Mr. Raj Pal Singh	Mr. Deeap Kumar
Mother	Mrs. Rakesh Devi	Mrs. Kusum Lata
Brother	Mr. Kapil Chauhan	Mr. Kapil Moudgil & Mr. Himanshu Moudgil
Sister	Mrs. Chanda	-
Son	Mr. Aaray	Mr. Aaray
Daughter	Ms. Manasvi	Ms. Manasvi

PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

LISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no listed Company in our Promoter Group

UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no unlisted Company in our Promoter Group

COMMON PURSUITS

There are no common pursuits between our Company and our Promoter group.

LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 112 of this Prospectus.

DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoters have not disassociated with any of entity during the preceding three (3) years.

RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 93 under section titled as "*Related Party Transactions*".

SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

SICK COMPANIES

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to ROC to strike off their names.

CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 13 of restated financial statement under the section titled “*Financial Information*” on page 107 of the Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company in the last five years.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors 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, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION V - FINANCIAL INFORMATION

Financial Information of Our Company

Auditors' Report

To,
The Board of Directors,
Channel Nine Entertainment Limited.
3/12, GROUND FLOOR,
ASAF ALI ROAD,
NEW DELHI- 110002.

Dear Sirs,

We have examined the Financial Information of Channel Nine Entertainment Limited (the Company') described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors and Audit Committee of Board of Directors.

Audit for the financial year ended 31st March, 2008, 2009, 2010 was conducted by V. Kaushik & Co., Audit for the financial year ended 31st March 2011 and 2012 was conducted by previous auditor M/s. Ranjan Gupta & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them. Further, audit for financial year ended 31st March, 2012 and for the period ended 31st October, 2012 was audited by M/s. Ranjan Gupta & Co, Chartered Accountants, and reaudited by us for this purpose.

The Company has been incorporated on 25th July, 2002. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Channel Nine Entertainment Limited, We, M/s. Ramanand & Associates., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2008, 2009, 2010, 2011, 2012 and as of period ended October 31st, 2012 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31st, 2012 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2008, 2009 2010, 2011, 2012 and for the period ended October 31st, 2012 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended 31st October, 2012 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2008, 2009, 2010, 2011, 2012 and as on period ended 31st October, 2012 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended 31st October, 2012 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended 31st October, 2012 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications in the "Restated Financial Statements".

B. Other Financial Information:

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at October 31, 2012 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2008, 2009, 2010, 2011, 2012 as set out in **Annexure 8** to this report.
5. Statement of Details of Sundry Debtors as at March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 9** to this report.
6. Statement of Details of Deposits, Loans and Advances as at March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 10** to this report.
7. Statement of Details of Current Liabilities and Provisions as at March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 11** to this report.

8. Statement of Details of Contingent Liabilities for the year ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 12** to this report.
9. Statement of Details of Related Party Transactions of the Company for the year ended on March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 as set out in **Annexure 13** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 13 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Ramanand & Associates.

Chartered Accountants

Firm Regn. No.: 117776W

Sd/-

(Ramanand G. Gupta)

Partner

Membership No. 103975

Place: Mumbai

Date: 9th November, 2012

ANNEXURE-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Assets						
Fixed Assets-Gross Block	738.53	388.53	13.53	13.53	17.32	17.16
Less: Depreciation	(30.91)	(18.85)	(8.06)	(7.19)	(6.35)	(5.25)
Net Block	707.62	369.68	5.47	6.34	10.97	11.91
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	707.62	369.68	5.47	6.34	10.97	11.91
Capital Work in Progress	-	-	-	-	-	-
Total (A)	707.62	369.68	5.47	6.34	10.97	11.91
Investments						
Investment in Shares	30.41	30.41	30.41	30.41	26.41	26.41
Total Investments (B)	30.41	30.41	30.41	30.41	26.41	26.41
Current Assets, Loans and Advances						
Receivables	133.28	73.31	48.68	45.37	44.45	37.03
Inventories	-	-	-	-	-	-
Cash & Bank Balances	14.57	2.96	2.36	2.85	2.05	1.28
Deposits & Advances	164.04	90.58	90.83	88.33	87.23	86.19
Other Assets	-	-	-	-	-	-
Total Current Assets (C)	311.89	166.85	141.87	136.55	133.73	124.50
Total Assets (D) = (A) + (B) + (C)	1049.92	566.94	177.75	173.30	171.11	162.82
Liabilities & Provisions						
Loan Funds :						
Secured Loans	-	-	-	-	-	-
Unsecured Loans	-	-	-	-	-	-
Share Application Money	123.75	-	-	-	-	5.35
Current Liabilities & Provisions:						
Current Liabilities	12.82	1.92	94.35	88.19	86.17	72.72
Provisions	7.85	8.61	6.87	4.58	2.95	2.94
Total Liabilities & Provisions (E)	144.42	10.53	101.22	92.77	89.12	81.01
Net Worth (D) - (E)	905.50	556.41	76.53	80.53	81.99	81.81
Represented By:						
Share Capital	80.01	53.01	46.71	46.71	46.71	46.71
Reserves & Surplus	831.57	503.40	29.82	34.01	35.63	35.64
Less: Revaluation Reserve	-	-	-	-	-	-
Less: Preliminary / Miscellaneous Expenses to the extent not written off	(6.09)	-	-	(0.18)	(0.36)	(0.54)
Reserves (Net of Revaluation Reserve)	-	-	-	-	-	-
Total Net Worth	905.49	556.41	76.53	80.53	81.99	81.81
Notes: The accompanying Significant Accounting Policy and Notes to the Restated Financial Information are an integral part of this Restated Statement of Assets & Liabilities						

ANNEXURE-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Income						
Income from Operations:						
Sale of film /content production	113.00	-	-	-	-	-
Sale of old film material	40.00	-	-	-	-	-
Film Consultancy & promotion income	0.90	2.80	-	3.67	-	4.14
Website Development & Maintenance	42.00	22.50	-	-	-	-
Rental from Camera and other equipments	-	-	2.40	1.25	6.00	-
Profit on sale of Multimedia Projector	-	-	-	2.17	-	-
Joint Venture share of Income	10.00	-	-	-	-	-
Total	205.90	25.30	2.40	7.09	6.00	4.14
Expenditure						
Purchases and cost of digital contents	183.00	-	-	-	-	-
Employees Costs	2.80	0.91	0.72	0.84	0.60	0.48
Other Operative Expenses	2.89	4.48	2.66	5.37	4.26	2.56
Total	188.69	5.39	3.38	6.21	4.86	3.04
Profit before Depreciation, Interest and Tax	17.21	19.91	(0.98)	0.88	1.14	1.10
Depreciation	12.06	10.78	0.88	0.83	1.10	1.06
Profit before Interest & Tax	5.15	9.13	(1.86)	0.05	0.04	0.04
Interest & Finance Charges	-	-	-	-	-	-
Net Profit before Tax	5.15	9.13	(1.86)	0.05	0.04	0.04
Less: Provision for Taxes:						
Current Tax	0.98	1.74	-	0.05	0.04	0.03
Deferred Tax	-	-	2.34	1.62	(0.09)	(0.02)
Fringe Benefit Tax	-	-	-	-	-	0.01
Net Profit After Tax & Before Extraordinary Items	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02
Extra Ordinary Items (Net of Tax)	-	-	-	-	-	-
Net Profit	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02

ANNEXURE-03
STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax	5.15	9.13	(1.86)	0.05	0.04	0.04
Adjustment for:						
Add: Depreciation	12.06	10.78	0.88	0.83	1.10	1.06
Add: Loss on Sale of Assets	-	-	-	-	-	-
Less: Profit on Sale of Assets	-	-	-	-	-	-
Add: Preliminary Expenses	0.32	-	0.18	0.18	0.18	0.18
Add: Interest expenses	-	-	-	-	-	-
Less: Interest Income	-	-	-	-	-	-
Operating Profit before Working capital changes	17.53	19.91	(0.80)	1.06	1.32	1.28
Adjustments for:						
Decrease (Increase) in Trade & Other Receivables	(59.97)	(24.63)	(3.30)	(0.93)	(7.42)	2.75
Decrease (Increase) in Loans & Advances	(73.46)	0.25	(2.50)	(1.10)	(1.04)	(2.89)
Increase (Decrease) in Current Liabilities	10.91	(92.44)	6.16	2.02	13.45	(1.39)
Increase (Decrease) in provisions (Other than Taxes)	-	-	-	-	-	(0.44)
Net Changes in Working Capital	(122.53)	(116.82)	0.36	(0.01)	4.99	(1.97)
Cash Generated from Operations	(105.00)	(96.91)	(0.44)	1.05	6.31	(0.69)
Taxes (paid) / refund	(1.74)	-	(0.05)	(0.04)	(0.03)	(0.06)
Net Cash Flow from Operating Activities (A)	(106.74)	(96.91)	(0.49)	1.01	6.28	(0.75)
CASH FLOW FROM INVESTING ACTIVITIES						
Sale / (Purchase) of Fixed Assets	(350.00)	(375.00)	-	3.79	(0.16)	(0.34)
(Purchase) of Shares			-	(4.00)	-	0.60
Net Cash Flow from Investing Activities (B)	(350.00)	(375.00)	-	(0.21)	(0.16)	0.26
CASH FLOW FROM FINANCING ACTIVITIES						
Issue of share capital and Proceeds / (Refund) from Share Application Money	474.75	472.50	-	-	(5.35)	-
Interest paid	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Increase / (Repayment) of Secured/unsecured loans	-	-	-	-	-	-
Preliminary Expenses incurred	(6.41)	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	468.34	472.50	-	-	(5.35)	-
Net Increase / (Decrease) in Cash & Cash Equivalents	11.61	0.60	(0.49)	0.80	0.77	(0.49)
Cash and cash equivalents at the beginning of the year / Period	2.96	2.36	2.85	2.05	1.28	1.77
Cash and cash equivalents at the end of the year/ Period	14.57	2.96	2.36	2.85	2.05	1.28
Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) - 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.						

Annexure-04

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets

Fixed Assets are capitalized at cost inclusive of erection expenses & other incidental expenses in connection with the acquisition of assets, net of VAT, if any, less accumulated depreciation. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

4. Depreciation / Amortization

Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of additions made or asset sold / discarded during the year pro-rata Depreciation has been provided.

5. Revenue Recognition

Revenue from sales transactions is recognized as and when the property in goods is sold /transferred to the buyer for a definite consideration.

Other Income has been recognized on the basis of Accounting Standard - 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

6. Preliminary and Pre-operative expenses:

Preliminary and pre-operative expenses are amortized over a period of five years in equal installments in accordance with matching concept however the same is contrary to AS-26.

7. Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". All other Investments are classified as Long Term Investments. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

8. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

9. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

No Tax whether current or deferred has been charged on exempted incomes.

10. Leases

Finance Lease

Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

11. Impairment of Assets

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

12. Foreign Exchange Transactions

- i) Transactions in Foreign currency are recorded at the rate of exchange prevailing on the date of the respective transactions.
- ii) Yearend balance of monetary assets and liabilities are translated at the yearend rates. Exchange differences arising on restatement or settlement are charged to Profit and Loss Account.

13. Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

14. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

C. NOTES ON RESTATED FINANCIAL STATEMENTS

1. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

- A. The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Profit after tax before appropriation (as per Audited accounts)	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02
Adjustments	-	-	-	-	-	-
Profit after Tax as per Restated Profit & Loss Account	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02

In Addition to that the total income of the company has been classified categorically.

2. Other Notes

1. General

The Company was incorporated during the year 2002 and restated financial statements has been prepared for the fiscal year ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012.

2. Segment Reporting

Based on the guidelines of Accounting Standards on segment reporting(AS-17) issued by The Institute of Chartered Accountants of India, the Company was engaged in one business segment, viz., Film Production, distribution, website development etc. in the context of accounting standards 17 on Segment Reporting issued by ICAI . The company is not operating in any of the geographical segment.

3. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 6.

4. Related Party Transactions:

The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 14.

5. Particulars of Lease

The Company has not made any lease payment during the reporting period.

6. Gratuity:

Provision for gratuity has not been made as no employee has completed the age of 5 years in the company.

7. The company is not having any earning / Expenditure in Foreign Currency.

8. The company has not given any guarantee to bank or corporate and the company is no having any contingent liability.

9. Balances of Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation

10. The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

Annexure- 05**STATEMENT OF RESERVES & SURPLUS, AS RESTATED****(Rs. In Lacs)**

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Profit / (Loss) Brought Forward	7.91	0.52	4.72	6.34	6.35	6.33
Add: Profit / (Loss) for the Year	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02
Profit / (Loss) Carried Forward	12.08	7.91	0.52	4.72	6.34	6.35
Add : Share Premium	819.49	495.49	29.29	29.29	29.29	29.29
Reserves & Surplus	831.57	503.40	29.81	34.01	35.63	35.64

Annexure-06**STATEMENT OF ACCOUNTING RATIOS****(Rs. In Lacs)**

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Net worth (A)	905.49	556.41	76.53	80.53	81.99	81.81
Net Profit after Tax (B)	4.17	7.39	(4.20)	(1.62)	(0.01)	0.02
No. of Shares outstanding at the end [F.V Rs.10] (C)	800100	530100	467100	467100	467100	467100
Weighted Average No. of Shares [F.V Rs.10] (D)	551549	516775	467100	467100	467100	467100
Earnings per Share (EPS) (B / D) (Rs.)	0.76	1.43	(0.90)	(0.35)	0.00	0.00
Return on Net worth (B / A)	0.46%	1.33%	(5.49)%	(2.01)%	(0.01)%	0.02%
Net Assets Value per Share (A / c)	113.17	104.96	16.38	17.24	17.55	17.51

Definitions of key ratios:

I. **Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors', the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

II. Return on Net Worth (%): Net Profit after tax / Net worth as at the end of the year / period

III. Net Asset Value (Rs.): Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

Annexure- 07
CAPITALIZATION STATEMENT
(Rs. In Lacs)

Particulars	Pre-issue as at 31.10.12	Post Issue *
Borrowing		
Short - Term Debt (Including unsecured Loans)	-	
Long - Term Debt	-	
Total Debt	-	
Shareholders' Funds		
Share Capital		
- Equity	80.01	
Less: Calls - in - arrears	-	
- Preference	-	
Reserves & Surplus	831.57	
Less: Miscellaneous Expenditure not written off	(6.09)	
Total Shareholders' Funds	905.49	
Long - Term Debt / Shareholders Fund	-	
Short - Term Debt / Shareholders Fund	-	
* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.		

Annexure- 08
STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Profit before tax as per Restated P/L	9.13	(1.86)	0.05	0.04	0.04
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate (A)	2.82	(0.57)	0.02	0.01	0.01
Adjustments					
Exempt Incomes					
Difference been depreciation as per Companies Act and Income Tax Act					
Other Adjustments					
Net Adjustments					
Tax Expenses / (Savings) thereon (B)					-
Total Tax Payable (C=A+B)	-	-	-	-	-
Tax Payable as per Minimum Alternate Tax u/s 115 JB of Income Tax Act, 1961 (D)	1.69	(0.28)	0.01	0.00	0.00
Net Tax (Higher of C & D)	2.82	-	0.02	0.01	0.01

Annexure-09

STATEMENT OF SUNDRY DEBTORS

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
(A) Unsecured, Considered good outstanding for a period less than six months						
Amount due from Promoter/Group Companies and Directors	-		-		-	-
Others			-	45.37	44.45	37.03
(B) Unsecured, Considered good outstanding for a period more than six months						
Amount due from Promoter / Group Companies and Directors	-	2.55	-	-	-	-
Others	133.27	70.76	48.68	-	-	-
Total	133.27	73.31	48.68	45.37	44.45	37.03

Annexure-10

STATEMENT OF DEPOSITS, LOANS & ADVANCES

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Advances recoverable in cash or kind						
Due from Promoter / Group Companies / Director	0.11	-	2.65	2.65	-	-
Others	155.96	82.61	80.21	77.71	79.26	79.75
Tax deducted at Source	0.25	0.25	0.25	0.25	0.25	0.25
Deposits						
Due from Promoter / Group Companies / Director	-	-	-	-	-	-
Others	7.72	7.72	7.72	7.72	7.72	6.19
Total	164.04	90.58	90.83	88.33	87.23	86.19

Annexure-11

STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
<u>Current Liabilities</u>						
<u>Sundry Creditors</u>						
Amount due to Promoter /Group Company / Directors	-	0.01	6.76	86.92	6.60	0.55
Others	10.10	-	-	-	-	-
<u>Other Outstanding liabilities:</u>						
Amount due to Promoter /Group Company / Directors		0.39	87.46	-	79.30	71.85
Others	2.72	1.51	0.13	1.27	0.27	0.32
Sub Total (A)	12.82	1.91	94.35	88.19	86.17	72.72
<u>Provisions</u>						
Income Tax	0.98	1.74	-	0.05	0.04	0.03
FBT	-	-	-	-	-	-

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Deferred Tax	6.82	6.82	6.82	4.48	2.86	2.86
Other Provision	0.05	0.05	0.05	0.05	0.05	0.05
Sub Total (B)	7.85	8.61	6.87	4.58	2.95	2.94
Total (A+B)	20.67	10.52	101.22	92.77	89.12	75.66

Annexure-12
STATEMENT OF DETAILS OF CONTINGENT LIABILITIES

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Contingent Liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

Annexure-13

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)

Particulars	31.10.12	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
<u>REVENUE ITEMS :</u>						
<u>Rent Received</u>						
Promoter & Directors	1.80	3.60	3.00	2.40	2.40	2.40
Total	1.80	3.60	3.00	2.40	2.40	2.40
<u>NON-REVENUE ITEMS :</u>						
Parties where control exists:						
<u>Capital Contribution:</u>						
Promoter & Directors	67.50	5.62	115.35	-	-	-
Total	67.50	5.62	115.35	-	-	-
Other Parties:						
Loan Taken						
Group Companies	-	-	-	-	-	-
Promoter & Directors	-	-	8.75	1.53	9.67	24.55
Total	-	-	8.75	1.53	9.67	24.55
Loan Repaid:						
Group Companies						
Promoter & Directors	34.00	113.00	-	-	-	-
Total	34.00	113.00	-	-	-	-

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012 in the chapter titled "Financial Information" on page 95 of the Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

OVERVIEW OF THE BUSINESS

THE INDUSTRY OVERVIEW

INDIAN MEDIA & ENTERTAINMENT INDUSTRY:

The Indian M&E industry grew from INR 652 billion in 2010 to INR 728 billion in 2011, registering an overall growth of 12 percent. Backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media and fast increasing new media businesses, the industry is estimated to achieve a growth of 13 percent in 2012 to touch INR 823 billion. Going forward, the sector is projected to grow at a healthy CAGR of 14.9 percent to reach INR 1,457 billion by 2016.

While television continues to be the dominant medium, sectors such as animation and VFX, digital advertising and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the implementation of Phase 3. Print, while witnessing a decline in growth rate, will still continue to be the second largest medium in the Indian M&E industry. A lot will depend on how well the print players are able to adapt to fast changing reader habits and news consumption patterns.

BUSINESS OVERVIEW

Our Company was incorporated in New Delhi as "Channel Nine Entertainment Limited" on 25th July, 2002 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are engaged in the business of production, marketing of television serials, films, video films, advertisement films, Corporate films, feature films, documentaries and marketing of sports and entertainment events.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

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

- Changes in government policies
- Material changes in the duty or tax structure
- Competition from existing and new entrants
- Audiences taste and behavior
- Advertising budgets of sponsors

DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2007-2008, 2008-2009, 2009-10, 2010-2011, 2011-2012 and for the period ended October 31, 2012. The same should be read in conjunction with the restated audited financial results of our Company for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and for the period ended October 31, 2012.

For Eight (8) months ended October 31, 2012

Particulars	Seven (7) Months (Rs. In Lacs)	% of Total Income
Total Income	205.90	100.00
Expenditure (Excluding Depreciation ,Interest & Tax)	188.69	91.64
Depreciation	12.06	5.86
Interest	-	-
Net Profit before Tax	5.15	2.50
Taxes	0.98	0.48
Net Profit after Taxes	4.17	2.02

Analysis on Results of Operation

The following table sets forth certain information with respect to our results of operations for the periods indicated read together with notes to accounts, accounting policies and auditor's report as appearing in this Prospectus.

Particulars	31.03.12	31.03.11	31.03.10	31.03.09
Total Income	25.30	2.40	7.09	6.00
Increase/ (Decrease) (%)	954.17	(66.15)	18.17	-
Expenditure:				
Employees Expenses	0.91	0.72	0.84	0.60
Increase/ (Decrease) (%)	26.39	(14.29)	40.00	-
Other Operative Expenses	4.48	2.66	5.37	4.26
Increase/ (Decrease) (%)	68.42	(50.47)	26.06	-
Total				
Profit before Depreciation, Interest and Tax	19.91	(0.98)	0.88	1.14
Increase/ (Decrease) (%)	2,131.63	(211.36)	(22.81)	-
Profit before Interest & Tax	9.13	(1.86)	0.05	0.04
Increase/ (Decrease) (%)	590.86	(3,820.00)	25.00	-
Interest & Finance Charges	-	-	-	-
Net Profit before Tax	9.13	(1.86)	0.05	0.04
Increase/ (Decrease) (%)	590.86	(3,820.00)	25.00	-
Less: Provision for Taxes	1.74	2.34	1.67	0.05
Net Profit After Tax & Before Extraordinary Items	7.39	(4.20)	(1.62)	(0.01)
Increase/ (Decrease) (%)	275.95	(159.26)	(16,100.00)	-

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2012 WITH FINANCIAL YEAR ENDED 31st MARCH, 2011

Income: Our turnover for the financial year ended 31st March, 2012 was at Rs. 25.30 Lacs as against the total of Rs. 2.40 Lacs for the fiscal 2011 with an increase of 954.17% and such increase was attributed to rise in film Consultancy & promotion and website development & maintenance activities during fiscal 2012.

Expenditure: The employee's expenses have registered an increase of 26.39 % at Rs. 0.91 Lacs in fiscal 2012 as compared to Rs. 0.72 Lacs for the fiscal 2011; Other Operative Expenses have registered increase of 68.42 % at Rs. 4.48 Lacs in fiscal 2012 as compared to Rs. 2.66 Lacs in fiscal 2011. The rise in expenses in fiscal 2012 is basically in line with increase in turnover.

Profits after Taxes (PAT): PAT of Company has recorded a growth of 275.95 % at Rs. 7.39 Lacs for fiscal 2012 as against Rs. (4.20) Lacs for fiscal 2011 due to higher base of revenue.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2011 WITH FINANCIAL YEAR ENDED 31st MARCH, 2010

Income: Our turnover for the financial year ended 31st March, 2011 was at Rs. 2.40 Lacs as against the total of Rs. 7.09 Lacs for the fiscal 2010 with a decrease of 66.15 % and such decrease was attributed to short fall in film consultancy & promotion activity during fiscal 2011.

Expenditure: The employee's expenses have registered decrease of 14.29% at Rs. 0.72 Lacs in fiscal 2011 as compared to Rs. 0.84 Lacs for the fiscal 2010; Other Operative Expenses have registered decrease of 50.47 % at Rs. 2.66 Lacs in fiscal 2011 as compared to Rs. 5.37 Lacs in fiscal 2010. The short fall in expenses during fiscal 2011 is basically in line with decrease in turnover.

Profits after Taxes (PAT): PAT of Company has recorded a decline of 159.26% at Rs. (4.20) Lacs for fiscal 2011 as against Rs. (1.62) Lacs for fiscal 2010.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2010 WITH FINANCIAL YEAR ENDED 31st MARCH, 2009

Income: Our turnover for the financial year ended 31st March, 2010 was at Rs. 7.09 Lacs as against the total of Rs. 6.00 Lacs for the fiscal 2009 with increase of 18.17% and such increase is due to rise in film consultancy & promotion and profit on sale of multimedia projector.

Expenditure: The employee's expenses have registered an increase of 40% at Rs. 0.84 Lacs in fiscal 2010 as compared to Rs. 0.60 Lacs for the fiscal 2009; Other Operative Expenses have registered increase of 26.06 % at Rs. 5.37 Lacs in fiscal 2010 as compared to Rs. 4.26 Lacs in fiscal 2009. The rise in expenses in fiscal 2010 is basically in line with increase in turnover.

Profits after Taxes (PAT): PAT of Company has recorded a decline of 16100 % at Rs. (1.62) Lacs for fiscal 2010 as against Rs. (0.01) Lacs for fiscal 2009.

Other Information required as per SEBI Regulations

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- **Significant economic changes that materially affected or are likely to affect income from continuing operations**

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the Risks disclosed under the section titled “Risk Factors” no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company’s knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.***

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However Increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company may not able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates in single segment i.e. Media & Entertainment Activities.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company’s business is seasonal***

Our revenue and operating results are seasonal in nature due to the impact on income of the timing of advertising spend, acquisition activities of television broadcasters and overall entertainment consumption patterns of consumers. Entertainment consumption patterns and advertising spends have traditionally been highest during vacations, national holidays and the festivals. They are also affected by competing leisure and entertainment activities such as cricket among others. As a result quarterly results can vary from one year to the next and the results of one quarter are not necessarily indicative of results for the next or any future quarter.

- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

- ***Competitive conditions***

The media & entertainment industry is getting more competitive with the increase in number of organized players as well there are more number of production houses coming up and one of the major reasons for that is no entry barriers.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or 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 I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER

(i) Proceedings of Civil nature

(a) By the promoters

NIL

(b) Against the promoters

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 24th December, 2012, authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution 27th December, 2012, authorized the Issue.

INCORPORATION DETAILS

1. Certificate of incorporation 25th July, 2002 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana, in the name of Channel Nine Entertainment Limited.
2. The Company Identification Number (CIN) is U92132DL2002PLC11630

CORPORATE APPROVALS OF OUR COMPANY

1. Permanent Account Number (AABCC8801H) under the Income Tax Act, 1961.
2. Tax Deduction Account Number (DELM07067B) under the Income Tax Act, 1961.
3. ISIN Number is INE437O01017.

APPROVALS TO BE OBTAINED FOR THE OBJECTS OF THE ISSUE

We would have to obtain series of approval for accomplishing the objects of the issue and we would be applying for the same in due course of time.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The shareholders of Channel Nine Entertainment Limited had approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of our Company held on 27th December, 2012.

Our Board has approved this Prospectus at its meeting held on 16th February, 2013.

We have received approval from BSE vide letter dated 15th February, 2013 to use the name of BSE in this offer document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been detained as willful defaulters by the RBI or any other government authorities.

ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital exceeds ten crores rupees but do not exceed twenty five crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (In this case being the "SME Platform of BSE").

We confirm that:

a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "General Information - Underwriting" on page 29 of this Prospectus.

b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

For further details of the arrangement of market making please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 29 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

BSE ELIGIBILITY NORMS: ([www. http://www.bsesme.com/aboutpublicissue.aspx](http://www.bsesme.com/aboutpublicissue.aspx))

1. Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results

Our Company has Net Tangible Assets of Rs. 526.00 Lacs, which is in excess of Rs. 1 Crore as per the latest audited annual financial results. Our Net Tangible Assets for the year ended March 31, 2012 are disclosed as under:
(Rs. Lacs)

Particulars	31.03.2012
Fixed Assets- Net Block	369.68
<i>Current Assets, Loans and Advances:</i>	
Receivables	73.31
Cash & Bank Balances	2.96
Deposits & Advances	90.58
Total Assets (A)	536.53
<i>Less: Current Liabilities & Provisions:</i>	
Current Liabilities	1.92
Provisions	8.61
Total Current Liabilities & Provisions (B)	10.53
Net Tangible Assets (A-B)	526.00

Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets and intangible assets as defined in AS-26 issued by ICAI) less current liabilities & Provisions.

2. Net worth (excluding revaluation reserves) of at least Rs. 1 crore as per the latest audited financial results

Our Company satisfies the above criteria. Our Net Worth as per the restated audited annual financial statements for the year ended March 31, 2012 is as under:

Particulars	(Rs. Lacs) 31.03.2012
Share Capital	53.01
<i>Add: Reserves & Surplus</i>	503.40
<i>Less: Preliminary Expenses to the extent written off</i>	-
Net Worth	556.41

Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)

3. Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 3 Crores.

We have a net worth of Rs. 556.41 Lacs as on 31st March, 2012

4. Other Requirements

- i. *The post-issue paid up capital of the company shall be at least Rs. 1 crore.*

As on the date of Prospectus i.e. 16th February, 2013, Our Company has a paid up capital in Rs. 1084.04 Lacs, which is in excess of Rs. 1 crore, and the Post Issue Capital shall also be in excess of Rs. 1 crore.

- ii. *The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.*

Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. Also the Equity Shares allotted through this Issue will be in dematerialized mode.

- iii. *Companies shall mandatorily have a website.*

Our Company has a live and operational website: www.channelnineentertainment.com

5. Certificate from the applicant company / promoting companies stating the following:

a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*
Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

b. *There is no winding up petition against the company that has been accepted by a court.*
There is no winding up petition against our Company that has been accepted by a court.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PVT. LTD. (FORMERLY :GUINNESS MERCHANT BANKERS PRIVATE LIMITED), HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PVT. LTD. (FORMERLY :GUINNESS MERCHANT BANKERS PRIVATE LIMITED) HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED 21st JANUARY, 2013 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - (A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 PROSPECTUS.
- 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
- 8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- 10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY

- 11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
- 17) THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.-NOTED
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.-NOTED
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE

- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE

DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated 15th February, 2013, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

For details regarding the track record of the Lead Manager to the Issue, please refer to the website of the Lead Manager: www.16anna.com

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated 16th January, 2013, the Underwriting Agreement 16th January, 2013 entered into among the Underwriters and our Company and the Market Making Agreement dated 16th January, 2013 entered into among the Lead Manager, Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity

Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India {including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds}. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of 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 will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

FILING

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at 4th Floor, IFCI Tower, 61, Nehru Palace, New Delhi- 110019.

LISTING

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated 15th February, 2013. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the

Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, Statutory Auditors. Peer Review Auditors and (b) the Lead Manager, Underwriter, Market Maker, Bankers to the Issue, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the ROC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Ramanand & Associates Chartered Accountants, the Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated 9th November, 2012 on restated financial statements. M/s Ranjan Gupta & Company Chartered Accountants, the Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their report statement of funds deployed dated 7th January, 2013 and statement of tax benefits dated 7th January, 2013 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

PUBLIC ISSUE EXPENSES

The Management estimates an expense of Rs. 57 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

No.	Particulars	Amount (Rs. In Lacs)
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	37.00
2.	Printing & Stationery, Distribution, Postage, etc	10.00
3.	Advertisement & Marketing Expenses	7.00
4.	Regulatory & other expenses	3.00
Total		57.00

DETAILS OF FEES PAYABLE

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	37.00	64.91	3.17

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Printing & Stationery, Distribution, Postage, etc	10.00	17.54	0.86
Advertisement & Marketing Expenses	7.00	12.28	0.60
Regulatory & other expenses	3.00	5.26	0.26
Total	57.00	100.00	4.88

FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

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 by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 29 of this Prospectus.

COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES

Since this is the Initial Public Offer of the Company, 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 inception of the Company.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Channel Nine Entertainment Limited have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

PREVIOUS PUBLIC OR RIGHTS ISSUE

There have been no public or rights issue by our Company during the last five years.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the section titled "Capital Structure" on page 32 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any public or rights issue since its inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Beetal Financial & Computer Services Pvt Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Beetal Financial & Computer Services Pvt Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Gagan Goel as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Gagan Goel
Company Secretary & Compliance Officer,
3/12, Ground Floor,
Asaf Ali Road, New Delhi-110002

Tel: 91-11-32315575
Fax: 91-11-32315575
Mail:channelnineentertainment@yahoo.com

CHANGES IN AUDITORS

Financial year	Particular of Changes	Reason
2011-12	M/s. Ranjan Gupta & Co. has been appointed as the statutory auditor of the company in place of M/s. V. Kaushik & Co.	M/s. V. Kaushik & Co. have resigned due to preoccupation

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Our Company has not capitalized any reserve during last five (5) years except the fact that We have allotted 81,30,300 Equity Shares as bonus in the ratio of 3:1 to our existing Equity shareholders pursuant to a Board resolution dated 12th November, 2012 by capitalization of free reserves.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during the last five (5) years.

SECTION VII

ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled “Main Provisions of the Articles of Association of the Company” on page 148 of this Prospectus.

AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on 24th December, 2012 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act. The shareholders have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on 27th December, 2012.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, ROC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please refer to the section titled “Dividend Policy” on page 94 of this Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 25/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 50 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 6000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6000 Equity Share subject to a minimum allotment of 6000 Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar 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, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the COMPANIES Act, 1956.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 6000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled "*Main Provisions of the Articles of Association of the company*" on Page 148 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Allotment of Equity Shares in the Issue will be made only in dematerialized form.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “General Information - Details of the Market Making Arrangements for this Issue” on page 29 of this Prospectus.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
- (ii) The final ROC approval of the Prospectus after it is filed with the ROC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, Delhi, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital exceeds ten crores rupees but do not exceed twenty five crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled "*Terms of the Issue*" and "*Issue Procedure*" on page 126 and 132 of this Prospectus.

Following is the Issue structure:

Public Issue of 46,68,000 equity shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 25/- per Equity Share aggregating to Rs. 1167.00 Lacs ("the Issue") by Channel Nine Entertainment Limited ("CNEL" or the "Company" or the "Issuer").

The Issue comprises reservation of 2,40,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 44,28,000 Equity Shares ("the Net Issue").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	44,28,000 Equity Shares	2,40,000 Equity Shares
Percentage of Issue Size available for allocation	94.86% of the Issue size	5.14% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 6000 Equity Shares and further allotment in multiples of 6000 Equity Shares each. For further details please refer to the section titled " <i>Issue Procedure - Basis of Allotment</i> " on page 138 of this Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 6000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals: 6,000 Equity Shares	2,40,000 Equity Shares
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 44,28,000 Equity Shares. For Retail Individuals: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	2,40,000 Equity Shares

Mode of Allotment	Dematerialized Form Only	Dematerialized Form Only
Trading Lot	6000 Equity Shares	6,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

*50 % of the shares offered are reserved for applications below Rs. 2 Lacs and the balance for higher amount applications.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final ROC approval of the Prospectus after it is filed with the ROC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

ISSUE OPENING DATE	FRIDAY, 22ND FEBRUARY, 2013
ISSUE CLOSING DATE	TUESDAY, 26TH FEBRUARY, 2013

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Allotment in this Issue will be only in dematerialization form as the issue size exceeds Rupees ten Crores as per Section 68B of the Companies Act, 1956.

APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Applications by HUFs would be considered at par with those from individuals;

Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

Mutual Funds registered with SEBI;

Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

FIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;

Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

Sub-accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;

Venture Capital Funds registered with SEBI;

Foreign Venture Capital Investors registered with SEBI;

State Industrial Development Corporations;

Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;

Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

Insurance Companies registered with Insurance Regulatory and Development Authority, India;

Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Multilateral and Bilateral Development Financial Institutions;

National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

PARTICIPATION BY ASSOCIATES OF LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of SME Platform of BSE Limited i.e. www.bsesme.com.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. Allotment in this Issue will be only in dematerialization form.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our

Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 (“SEBI FII Regulations”), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI 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 recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

- The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications 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 Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, 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).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

(a) For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

(b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application 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 Prospectus.

INFORMATION FOR THE APPLICANTS:

- a) Our Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Delhi.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants 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 dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation 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 Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

- b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

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 Applicants 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 Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 25/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

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 Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing

process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non repatriation basis: "CNEL -Public Issue - R".
 - In case of Non Resident Retail Applicants applying on repatriation basis: "CNEL -Public Issue - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying 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.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 12 working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

SUBMISSION OF APPLICATION FORMS BY USE OF NATIONWIDE BROKER NETWORK

In terms of SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012; the ASBA as well as Non ASBA applicants may submit the application indicating the mode of payment to any registered broker of the Stock Exchange having its office in any of the broker centre of the Stock Exchange. The registered broker would be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to SCSB, etc.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied 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;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("**PAN**") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are**

liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 6000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

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

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

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated 16th January, 2013 this issue is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the ROC in terms of Section 56 and Section 60 of the Companies Act.

PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within two working days of the date of Allotment Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants 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 dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** - Payment of refund would be done through ECS for applicants having an account at any of the centers 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 as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, 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 the Company.
- 3) **RTGS (Real Time Gross Settlement)** - Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds ` 10.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant
- 4) **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. 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 and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. 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 Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

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

- 1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;
- 2) 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 (twelve) working days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing

system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;
- 3) 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 the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue 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;
- 5) That the letter of allotment/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) 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;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and

2. The final ROC approval of the Prospectus after it is filed with the ROC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated 5th February, 2013 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated 5th February, 2013 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE437001017

- An Applicant 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 Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. 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 shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the

ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

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 the Articles of Association relating to 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 the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

Table 'A'

- I. Table A not to apply The regulations contained in Table A, Schedule, to the Companies Act, 1956, shall not apply to the company except so far as the same are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the Company's power to modify, alter or add to its regulations, be such as are contained in these articles.
- II. Definitions In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof.

"Beneficial Owner"

"Beneficial Owner" shall have the meaning assigned thereto by Section 2 (1)(a) of the Depositories Act, 1996.

"Depository"

"Depository" shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

"Depositories Act 1996"

"Depositories Act 1996" shall mean Depositories Act 1996, and include any Statutory modification or re-enactment thereof for the time being in force.

"Member"

"Member" means the duly registered holder from time to time of the Shares of the Company of any class and includes the subscriber(s) of the Memorandum of the Company and every person whose name is entered as the beneficial owner of any share in the records of Depository, but does not include the bearer of a share warrant of the Company, if any, issued in pursuance of Articles of Association of the Company.

"Securities & Exchange Board of India"

"Securities & Exchange Board of India" or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

"Security"

"Security" means such security as may be specified by SEBI from time to time.

"Singular number"

Words importing the "Singular number" include, where the context admits or requires, the plural number and vice versa.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles. The marginal notes used in these Articles shall not affect the construction thereof.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

CAPITAL

2. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the Company to alter the same in any way it thinks fit.

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

3. The Company in General Meeting may be Ordinary Resolution, from time to time increase the capital by 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. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine 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 Meetings 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.

4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

5. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of 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 proportion and on such terms and conditions and either at a premium or at par of (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the 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 General Meeting.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 & 8 the Company in General Meeting may subject to the Provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, 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 any class of shares of the Company either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

INCREASE OF CAPITAL

7. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board shall determine.

FURTHER ISSUE OF SHARES

8. 1. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and 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 them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- d. After expiry of the time specified in the aforesaid notice 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 off them in such manner and to such person(s) as they may think, in their sole discretion fit.

2. Notwithstanding anything contained in sub-clause (1) thereof, 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 special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the 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 proposed by members, so entitled and voting and Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed:

- a. To extend the time within which the Offer should be accepted; or
- b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- i. To convert such debentures or loans into shares in the Company; or
1. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;
- b. In the case of debentures or loans or other than debentures issued 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 debentures or raising of the loans.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

9. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, 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) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member of not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

APPLICATION OF PREMIUM RECEIVED ON SHARES

11. 1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.

2. The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company.

- a. In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

12. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 12 (i), the Board may also allot the Shares referred to in Article 12 (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees (including by way of options, as referred to in Article 12 (i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 12 (i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

13. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

14. On the issue of redeemable preference shares under the provisions of Article 13 hereof, the following provisions shall take effect.

- a. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- b. No such shares shall be redeemed unless they are fully paid.
- c. The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's share Premium Account, before the shares are redeemed; and
- d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called Capital Redemption Reserve Account, a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided under Section of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

15. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTION OF PURPOSE BUY COMPANY OF ITS OWN SHARES

16. (1) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanction in accordance with Article 18 and in accordance with Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2) Except to the context permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purchase of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
- (3) Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

17. Notwithstanding anything contained in these Articles and in accordance with the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 the Company may, when and if thought fit by the Board of Directors, buy back, acquire or hold its own shares or other specified securities (as may be notified by the Central Government from time to time under section 77A of the Act) whether or not they are redeemable and on such terms and conditions and up to such limits as may be prescribed by law from

time to time provided that nothing herein contained shall be deemed to affect the provisions of section 100 to 104 and 402 of the Act, in so far as and to the extent they are applicable.

REDUCTION OF CAPITAL

18. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or 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.

CONSOLIDATION AND DIVISION OF CAPITAL

19. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares 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.

MODIFICATION OF RIGHTS

21. Whenever the capital, by reason 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 Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

22. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

23. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

24. a. Power to Company to dematerialize and rematerialize

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any.

b. Dematerialization of Securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

c. Intimation to Depository

Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities.

d. Option for Investors

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

e. The Company to recognize under Depositories Act, Interest in the Securities other than that of Registered holder.

The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

f. Securities in Depositories and Beneficial Owners

All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

g. Rights of depositories and Beneficial Owners.

a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

b. Save as otherwise provided in (a) 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.

c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.”

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

REGISTER AND INDEX OF MEMBERS

25. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

SHARES TO BE NUMBERED PROGRESSIVELY

26. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

27. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

APPLICATION OF PREMIUM

28. 1. Where the Company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called Share Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding sub-clause (1) hereof, be applied by the Company;

- a. In paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed on any issue of shares or debenture of the Company or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

INSTALLMENTS OF SHARES

29. If by the terms of issue of any shares or otherwise, the whole or any part of the amount or issue price thereof shall be payable by installments at a fixed time, every such installments shall when due, be paid to the Company by the person who, for the time being and from time to time, is the registered holder of the shares or his legal representatives.

ACCEPTANCE OF SHARES

30. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

33. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

34. Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from 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 one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or 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 to all such holder.

ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

35. 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 lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fees 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 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 debentures of the Company.

SWEAT EQUITY

42. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES

43. 1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name

the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 50, 51 and 52 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

44. No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

ISSUE OF SHARES WITHOUT VOTING RIGHTS

45. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

UNDERWRITING AND BROKERAGE

COMMISSION MAY BE PAID

49. The Company may, subject to the provisions of Section 76 and other applicable provisions, if any, of the Act any time pay a 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. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

BROKERAGE MAY BE PAID

50. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

COMMISSION TO BE INCLUDED IN THE ANNUAL RETURN

51. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

52. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions contained in Section 208

of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

CALLS

DIRECTORS MAY MAKE CALLS

53. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

54. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

NOTICE OF CALLS

55. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

CALLS TO DATE FROM RESOLUTION

56. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

57. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

CALL TO CARRY INTEREST AFTER DUE DATE

58. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

60. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until he same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN

IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

61. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission 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.

FORM OF NOTICE

62. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

63. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

NOTICE OF FORFEITURE

64. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

65. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose off the same in such manner as it thinks fit.

POWER TO ANNUAL FORFEITURE

66. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

67. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, 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 forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

EFFECT OF FORFEITURE

68. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

DECLARATION OF FORFEITURE

70. a. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

b. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

d. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests 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.

e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

71. The declaration as mentioned in Article 82 of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

72. The Company may received 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 off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) 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 contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

73. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

74. The provisions of these Articles as to forfeiture shall apply to 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 the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

BOARD MAY ACCEPT SURRENDER OF SHARES

75. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

COMPANY'S LIEN ON SHARE/DEBENTURES

76. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

80. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

EXECUTION OF TRANSFER

84. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

INSTRUMENT OF TRANSFER

85. The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

86. (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 86, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

1. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
2. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

NO TRANSFER TO A PERSON OF UNSOUND MIND

87. No transfer shall be made to a minor or a person of unsound mind.

TRANSFER OF SHARES

88. 1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

2. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments 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.

4. **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the Provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the

transferee and the transferor or to the person giving intimation of such transmission as the case may be.

6. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.
7. **NO FEE ON TRANSFER OR TRANSMISSION**
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 document.

TITLE TO SHARES OF DECEASED HOLDER

93. Subject to Article 93 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained letters of administration or succession certificate.

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

99. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

A. NOMINATION

- (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“OPTION OF NOMINEE

- (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice

shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

B. TRUST NOT RECOGNISED

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

C. TRANSFER OF SECURITIES

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

D. NOTICE OF APPLICATION WHEN TO BE GIVEN

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

E. REFUSAL TO REGISTER NOMINEE

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.

F. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

SHARE WARRANTS

102. (i) Power to issue Share Warrants.

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

- (ii) Deposit of Share Warrants.
 - (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.
 - (b) Not more than one person shall be recognized as depositor of the Share warrant
 - (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.
- (iii) Privileges and Disabilities of the holders of Share Warrants.
 - (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
 - (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
- (iv) Issue of New Share Warrants Coupons
 The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

MEETING OF MEMBERS

105 (a) Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

(b) Every Annual General Meeting shall be called for at a 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 within the city or town or village in which the Registered Office of the Company is situated.

106. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

Distinction between Annual General Meeting and Extra-ordinary General Meeting

107. The General Meeting referred to in Article 106 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

Calling of Extra-ordinary General Meeting

108. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

Length of notice for calling meeting

109. (1) A General Meeting of the Company may be called giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- i. in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
- ii. in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolution to be moved at the meeting and not on the others, those members shall be taken into the account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of services of notices and person on whom it is to be served

110. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address if any, in India supplied for the purpose by the persons claiming to so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

Special Business

111. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of the Dividend, (iii) the appointment of Directors in place of those retiring and (iv) the Appointment of and the Remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

Explanatory Statement to be annexed to notice

112. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extent of the interest, if any, therein, of every Director and of the Manager and specifying where any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected.

Provided that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice

113. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

Quorum

114. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present not more than one of them shall be counted for determining the quorum. Several executors or administrators of a deceased person in whose sole name a share stands shall, for the purpose of this Article, be deemed joint holders thereof. 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 member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

Presence of quorum

115. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.

If Quorum not present, meeting to be dissolved and when to be adjourned

116. If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of members shall stand dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is a public holiday, or to such other day, time and place as the Board may determine.

117. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

Resolution passed at adjourned meeting

118. Where a 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.

Power of adjourn General Meeting

119. (1) The Chairman of the General Meeting may adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) 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.

(3) 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.

Chairman of General Meeting

120. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, 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 being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a 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.

Business confined to election of Chairman while chair vacant

121. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

Resolution must be proposed and seconded

122. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

Postal Ballot

123. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

How question to be decided at meetings

124. At any General Meeting, a resolution put to the vote of the meeting, shall be, decided on a show of hands unless the poll is demanded as provided in these Articles.

Declaration of Chairman to be conclusive

125. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

126. (1) Before or on the declaration of the result of the voting on any resolution on a show hands, a poll may be ordered to be taken by the Chairman of the meeting of 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 by any member or members present in person or by proxy and holding shares in the Company:

- I. which confer a power to vote on the resolution not being less than one-tenth to the total voting power in respect of the resolution or
- II. on which an aggregate sum of not less than 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.

Time of taking Poll

127. Any poll duly demanded on the question of adjournment shall be taken forthwith, a poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

Scrutinizer at Poll

128. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him, the Chairman shall have power, at any time, before the result of the poll is declared to remove a scrutinizer from office and to fill vacancies of the office of scrutinizer arising from such removal or from any other cause of the two scrutinizers so to be appointed, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed.

Business may proceed notwithstanding demand for Poll

129. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's casting vote

130. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

Manner of taking poll and result thereof

131. (a) Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

132. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive 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 the 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 matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) 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 resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one Lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to 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 the resolution in any manner permitted by the Act for giving him notice of meeting of

the Company. The copy of the resolution shall be served, or notice of the effect 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 the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) 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.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company 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 purposes also thereof.

(5) The Company shall also 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.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

Extra-ordinary General Meeting by Board and by Requisition.

133. (a) The Directors may whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

(b) 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 for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

Contents of requisition, and number of requisitionists required and the conduct of Meeting

134. (1) In case of requisition the following provisions shall have effect:

(a) The requisition shall set out the matter for the purpose 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.

(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) 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 that date carried the right of voting in regard to that matter.

(d) 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 those matters in regard to which the conditions specified in that clauses are fulfilled.

- (e) 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 consideration of those matters on a day not later than forty-five days from the date of the date deposit of the requisition, the Meeting may be called:
- (i) By the requisitionists themselves; or
 - (ii) 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 is referred to in sub clauses (c) of clause (1) whichever is less, Provided that for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a 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.
- (2) A meeting called under sub-clause (c) of clause (1) 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 sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.
- (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

VOTES OF MEMBERS

Votes may be given by proxy or attorney

135. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorized under section 187 of the Act and Article 137.

Votes of members

136. Subject to the provision of the Act and these Articles, every member not disqualified by Article 140 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of paid up equity share capital of the Company.

Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

Right of member to use his votes differently

137. On a poll being taken at 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.

Representation of Body Corporate

138. A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a

resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

Restriction on exercise of voting right by members who have not paid calls

139. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

No voting by proxy on show of hands

140. No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

How member non-compos mentis and minor may vote

141. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

Instrument of proxy

142. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

Instrument of proxy to be deposited at office

143. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

When vote by proxy valid though authority revoked

144. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

Form of proxy

145. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

Time for objection to vote

146. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any Meeting to be the judge of validity of any vote

147. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Votes of Members of unsound mind

148. 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.

Member paying money in advance not be entitled to vote in respect thereof.

149. 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 moneys so paid by him until the same would but for such payment become presently payable.

Remuneration of Directors

156. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or

(ii) by way of commission if the Company by a special resolution authorizes such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 1956 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Travelling Expenses incurred by a Director not a bonafide resident or by Director going out on Company's Business

157. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

Directors may act notwithstanding any vacancy

158. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the

continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

Disclosure of interest of Directors

159. (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

(2) (a) In case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice in the last month of the financial year in which would it otherwise have expired.

(c) No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two per cent of the paid up share capital in the other company.

Interested Director not to participate or vote on Board's proceedings

160. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

Board's sanction to be required for certain contracts in which particular Director is interested

161. A Director of the Company or his relative, a firm in which such Director or relative is partner, any other partner in such firm or a private company of which the Director is a member of Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of Section 297 of the Act.

Directors' sitting fees

165. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such as may be prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

Directors and Managing Director may contract with Company

166. Subject to the provisions of the Act the Directors (including a Managing Director and Whole Time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any Company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

Disqualification of the Director

167. A person shall not be capable of being appointed 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 undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five months and a period of five years has not elapsed form the date of expiry of the sentences;
- (e) 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 lapsed from the last day fixed for the payment of the cell; or
- (f) 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.

RETIREMENT AND ROTATION OF DIRECTORS

Retirement of Directors by rotation

170. (1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number to one third shall retire from office. The Debenture Directors and Nominee Directors, if any, shall not be subject to retirement under clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.

(4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless.

- (i) at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the vote and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any of the provisions of the Act.

Appointment of Director to be vote individually

171. (1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment shall apply.

(3) For the purpose of this clause, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

172. (1) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, "along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its member of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Marathi language.

(3) Every person proposed as a Candidate for the office of Director shall sign and file with the Company his consent to act as a Director.

Resignation of Director

173. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company and thereupon his office shall be vacated.

REMOVAL OF DIRECTORS

176. (1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 154 or a Debenture Director appointed under Article 155 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) 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 shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.

(a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and

(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting' provided that copies of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 153 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given. 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.

(6) If the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 153 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(7) Nothing in this Article shall be taken:

(a) as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director; or

(b) as derogating from any power to remove a Director which may exist apart from this Article.

Power to Borrow

190. Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

191. All the provisions applicable to nomination facility available to shareholder(s) and debentureholder(s) enumerated in Article 86 of these Articles shall equally apply to depositholder(s).

The payment or repayment of moneys borrowed

192. 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 debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

DIVIDENDS

214. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

Division of profits

215. (a) Subject to the rights of persons, if 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 Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

Dividend to joint holders

216. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Amounts paid in advance of calls not to be treated as paid up capital

217. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of Article 220 as paid up on the share.

Declaration of Dividends

219. The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

Dividend out of profits only and not to carry interest

221. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act.

What is to be deemed net profits?

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

222. The Board of Directors may from time to time pay the members such interim dividends as in its judgement the position of the Company justifies.

Unpaid or Unclaimed Dividend

230. Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Channel Nine Entertainment Limited Unpaid Dividend Account" 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 remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Capitalisation of reserves

231. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be

bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

SECTION IX: OTHER INFORMATION

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002 between 9:30 am to 5:30 pm on any working day from the date of this Prospectus until the date of closure of the subscription List.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated 16th January, 2013 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated 28th December, 2012 entered into with Beetal Financial & Computer Services Pvt. Limited to appointing them as the Registrar to the Issue.
3. Copy of tripartite agreement dated 5th February, 2013 between NSDL, our Company and Beetal Financial & Computer Services Pvt. Limited.
4. Copy of tripartite agreement dated 5th February, 2013 between CDSL, our Company and Beetal Financial & Computer Services Pvt. Limited.
5. Escrow Agreement dated 15th February, 2013 between our Company, Lead Manager, Escrow Collection Bank and the Registrar to the issue.
6. Market Making Agreement dated 16th January, 2013 between our Company, Lead Manager and Market Maker.
7. Underwriting Agreement dated 16th January, 2013 between our Company and Underwriter.

DOCUMENTS FOR INSPECTION

8. Memorandum and Articles of Association of our Company as amended from time to time.
9. Copy of the resolution passed at the meeting of the Board of Directors held on 24th December, 2012 approving the issue.
10. Copy of the resolution passed by the shareholders of our Company under section 81 (1A) at the Extra Ordinary General Meeting held on 27th December, 2012.
11. Copy of members resolution dated 1st November, 2012 appointing Mr. Gaj Raj Singh as the Executive Director of our Company for a period of three years w.e.f. 1st November, 2012 and approving their remuneration and terms.
12. Consents of the Directors, Company Secretary/Compliance Officer, Statutory Auditors, Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Prospectus to act in their respective capacities.
13. Copies of Annual Reports of our Company i.e. for the financial years viz 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12.
14. Audit report and restated financial information issued by Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 9th November, 2012 included in the Prospectus.

15. Letter dated 7th January, 2013 from the statutory Auditors of our Company, M/s. Ranjan Gupta & Co., Chartered Accountants, detailing the tax benefits.
16. Copy of certificate from the statutory Auditors of our Company, M/s. Ranjan Gupta & Co., Chartered Accountants, dated 7th January, 2013 regarding the sources and deployment of funds as on 30th December, 2012.
17. Board Resolution dated 16th February 2013 for approval of Prospectus.
18. Due Diligence Certificate dated 21st January, 2013 to be submitted to SEBI from Lead Manager viz. Guinness Corporate Advisors Private Limited along with the filing of the Prospectus.
19. Copy of approval from BSE vide letter dated 15th February, 2013 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Gaj Raj Singh

Mrs. Kirti

Mr. Dinesh Kumar Jindal

Mrs. Neena Sood

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gagan Goel

Date: 16.02.2013

Place: New Delhi