



SHEMAROO ENTERTAINMENT LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on December 23, 2005, with the name Shemaroo Holdings Private Limited. Subsequently, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide order dated March 7, 2008 and by the special resolution of our shareholders dated May 28, 2008, the name of our Company was changed to Shemaroo Entertainment Private Limited and a fresh certificate of incorporation was granted to our Company on June 3, 2008, by the RoC. Thereafter, pursuant to a special resolution of our shareholders dated March 26, 2011, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011, by the RoC. For further details in connection with changes in the name and registered office of our Company, please refer to the section titled "History and Certain Corporate Matters" on page 95 of this Draft Red Herring Prospectus.

Registered and Corporate Office: Shemaroo House, Plot No.18, Marol Co-operative Industrial Estate, Off Andheri Kurla Road, Andheri East, Mumbai- 400059

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PROMOTERS OF OUR COMPANY: MR. RAMAN MAROO AND MR. ATUL MARU
PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SHEMAROO ENTERTAINMENT LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ 11,500 LAKHS (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●] % OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF OUR COMPANY.
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH
THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE
In case of any revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("SCSBs"), the National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the other members of the Syndicate. The Issue is being made through the Book Building Process in accordance with Rule 19(2)(b) of the Securities Contracts Regulation Rules, 1957, as amended ("SCRR") read with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company may, in consultation with the Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. QIBs (except anchor investors) and non institutional bidders are mandatorily required to utilise the ASBA process to participate in this Issue. All Investors (other than the Anchor Investors) may participate in this Issue though the ASBA process by providing the details of their respective ASBA Accounts. Specific attention is invited to the section titled "Issue Procedure" on page 200.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company in consultation with the Book Running Lead Managers, as stated in the section titled "Basis for the Issue Price" on page 45 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]/5" indicating [●] in its letter dated [●], 2011. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5/5" indicating strong fundamentals and "IPO Grade 1/5" indicating poor fundamentals. For more information on IPO grading, see the sections titled "General Information", "Other Regulatory and Statutory Disclosures" and "Material Contracts and Documents for Inspection" on pages 15, 184 and 265 respectively of this Draft Red Herring Prospectus.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
YES Bank Limited 12th Floor, Nehru Centre, Discovery of India Dr. A.B. Road, Worli Mumbai 400 018 Telephone: 022- 6669 9000 Facsimile: 022- 2497 4158 Email Id: dlprojectshowtime@yesbank.in Website: www.yesbank.in Investor Grievance Id: merchantbanking@yesbank.in Contact Person: Mr. Ankur Singla SEBI Registration No. INM 0000 10874	ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Telephone: 022 - 2288 2460 Facsimile: 022 - 2282 6580 Email Id: shemaroo.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Contact Person: Ms. Payal Kulkarni SEBI Registration No.: INM000011179	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Telephone No.: 022- 25960320 Facsimile: 022- 25960329 Toll Free:- 1-800-22-0320 Email Id: shemaroo.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Id: shemaroo.ipo@linkintime.co.in Contact Person: Mr. Sanjog Sud SEBI Registration No.: INR000004058

BID/ISSUE PROGRAMME*

BID OPENING DATE : [●]	BID CLOSING DATE : [●]
	QIB BID CLOSING DATE : [●]

* Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid Opening Date.

**Our Company may, in consultation with the Book Running Lead Managers, decide to close Bidding by QIBs one day prior to the Bid Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended.
Auditors	The statutory auditors of our Company, being M/s M. K. Dandekar & Co, Chartered Accountants.
“Board” or “Board of Directors” or “our Board”	The board of directors of our Company, as duly constituted from time to time including any committees thereof.
Director(s)	Unless the context requires otherwise, the director(s) on our Board.
Group Companies/Group	The companies, firms, ventures, etc. promoted by our Promoters, as described in the section titled “Our Promoters and Group Companies” on page 119 of this Draft Red Herring Prospectus, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act or not.
Key Managerial Personnel	The personnel listed as key managerial personnel in the section titled “Our Management” on page 101 of this Draft Red Herring Prospectus.
Listing Agreements	Listing agreements to be entered into by our Company with the Stock Exchanges.
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended.
“Our Company” or “the Company” or “the Issuer”	Shemaroo Entertainment Limited, a public limited company incorporated under the Companies Act.
Promoters	The promoters of our Company, Mr. Raman Maroo and Mr. Atul Maru.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled “Our Promoters and Group Companies” on page 119 of this Draft Red Herring Prospectus.
“Scheme of Arrangement” / or the “Scheme”	The scheme under section 391 to section 394 of the Companies Act and sanctioned by the Hon’ble High Court of Bombay vide order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited (“ Transferor Company ”) to Shemaroo Holdings Private Limited (“ Transferee Company ”) and also effected the interchange of the names of the companies i.e., the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, and the name of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. By way of a special resolution dated March 26, 2011 Shemaroo Entertainment Private Limited was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011, by the RoC. Shemaroo Entertainment Limited is currently the Issuer. For further details please refer to the section titled “History and Certain Corporate Matters” – “Scheme of Arrangement” on page 96 of this Draft Red Herring Prospectus.
Subsidiaries	Shemaroo Entertainment (UK) Private Limited and Shemaroo Entertainment Inc. We have no Indian subsidiary.
Transferor Company	Shemaroo Entertainment Private Limited which is now Shemaroo Holdings Private Limited our Group Company
Transferee Company	Shemaroo Holdings Private Limited which is now Shemaroo Entertainment Limited or our Company
“We” or “us” or “our”	Our Company, and where the context requires, our Company, our Subsidiaries or the entertainment business of our Group Company Shemaroo Holdings Private Limited which was transferred to our Company pursuant to the Scheme of Arrangement

Issue Related Terms

Term	Description
“Allot” or “Allotment” or “Allotted”	The allotment of Equity Shares pursuant to the Issue.
Allotment Advice	The advice or intimation of Allotment of the Equity Shares sent to the Bidders who are to be Allotted the Equity Shares after the discovery of the Issue Price in accordance with the Book Building Process.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 1,000 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs prior to the Bid Opening Date.
Anchor Investor Bidding Period	The day one Working Day prior to the Bid Opening Date prior to or after which the Syndicate will not accept any Bids from Anchor Investors.
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors in terms of the Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
Anchor Investor Pay-in Date	In case of the Anchor Investor Issue Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the AI CAN.
Anchor Investor Portion	The portion of the Issue available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, in accordance with the SEBI Regulations, being up to 30% of the QIB Portion or up to [●] Equity Shares.
“ASBA” or “Application Supported by Blocked Amount”	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder.
ASBA Bidder	Any Bidder, other than Anchor Investors, in this Issue who Bids through ASBA.
ASBA Form	The form, whether physical or electronic, by which an ASBA Bidder can make a Bid, authorising an SCSB to block the Bid Amount in the ASBA Account maintained with such SCSB pursuant to the terms of the Red Herring Prospectus.
ASBA Revision Form	The form used by an ASBA Bidder to modify the quantity of Equity Shares or the Bid Amount in any of its ASBA Forms or previous ASBA Revision Forms (if submitted in physical form).
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in “Issue Procedure - Basis of Allotment” on page 224 of this Draft Red Herring Prospectus.
Bid	An indication by a Bidder to make an offer during the Anchor Investor Bidding Period or Bidding Period, pursuant to submission of an ASBA Form or a Bid cum Application form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus.
Bidder	A prospective investor in this Issue, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.
Bid Amount	The highest value of optimal Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of a Bid in the Issue and in case of ASBA Bidders, the amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which a Bidder (other than an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company, in consultation with the BRLMs, may decide to close Bidding by QIBs one day prior to the Bid Closing Date.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.

Term	Description
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date or the QIB Bid Closing Date, as the case may be (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
“Book Running Lead Managers” or “BRLMs”	Book running lead managers to this Issue, being Yes Bank Limited and ICICI Securities Limited
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company in consultation with the BRLMs, at which only the Retail Individual Bidders are entitled to Bid, for Equity Shares of an amount not exceeding ₹ 2,00,000.
Demographic Details	The address, the bank account details for printing on refund orders and occupation of a Bidder
Depository	A depository registered with the SEBI under the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
“Depository Participant” or “DP”	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks transfer and the SCSBs issue, or by when have issued, instructions for transfer, of the funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account in terms of the Red Herring Prospectus.
“Designated Stock Exchange” or “DSE”	[●].
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated [●] 2011 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations and section 60B of the Companies Act.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Escrow Account(s)	Accounts opened for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount.
Escrow Agreement	An agreement to be entered into among our Company, the Registrar to the Issue, the Escrow Collection Banks, the Refund Banker(s), the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Banks/Bankers to the Issue	The banks which are clearing members and registered with SEBI, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form or the ASBA Revision Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹ [●], and any revisions thereof.
IPO Grading Agency	[●], the credit rating agency appointed by our Company for grading this Issue.
Issue	Public issue of up to [●] Equity Shares of Face Value of ₹ 10 each at the issue price aggregating to ₹ 11,500 lakhs
Issue Agreement	The agreement entered into on [●] between our Company and the BRLMs.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the BRLMs.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders (including sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals) who are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 2,00,000.

Term	Description
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
Price Band	The price band between the Floor Price and Cap Price, including any revisions thereof and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least two Working Days prior to the Bid Opening Date.
Pricing Date	The date on which the Issue Price is decided by our Company in consultation with the BRLMs.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Account	The bank account opened with the Escrow Collection Banks by our Company under Section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
“QIBs” or “Qualified Institutional Buyers”	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 2500 lakhs, the NIF, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding.
QIB Bid Closing Date	In the event our Company, in consultation with the BRLMs, decides to close Bidding by QIBs one day prior to the Bid Closing Date, the date one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date.
QIB Portion	The portion of the Issue being not more than 50% of the Issue or [●] Equity Shares available for allocation to QIBs (including the Anchor Investor Portion), on a proportionate basis.
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Refund Account(s)	The account(s) opened by our Company, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Refund Banker(s)	The Banker(s) to the Issue, with whom the Refund Account(s) will be opened, in this case being [●].
“Registrar” or “Registrar to the Issue”	Link Intime India Private Limited
Retail Individual Bidders	Bidders (including HUFs and NRIs), who have Bid for an amount less than or equal to ₹ 2,00,000 in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders, other than ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement to be entered by our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Syndicate	The BRLMs and the Syndicate Members.
Syndicate ASBA Centre:	The bidding centres of the members of the Syndicates or their respective sub-syndicate member in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat as specified by the SEBI Circular dated April 29, 2011 bearing no. CIR/CFD/DIL/1/2011.
“Transaction Registration Slip” or “TRS”	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, to a Bidder upon demand as proof of registration of the Bid.

Term	Description
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Registrar to the Issue on or immediately after the Pricing Date.
Working Days	All days on which banks in Mumbai are open for business except Sunday and any bank holiday, provided however during the Bidding Period and the Anchor Investor Bidding 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 bank holiday.

Conventional/General Terms, Abbreviations and Reference to other business entities

Abbreviation	Full Form
ACIT	Assistant Commissioner of Income Tax.
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year.
BAN	Beneficiary Account Number.
BSE	The Bombay Stock Exchange Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CIT(A)	Commissioner of Income Tax (Appeals).
Companies Act	Companies Act, 1956, as amended.
CST Act	Central Sales Tax Act, 1956, as amended.
DCIT	Deputy Commissioner of Income Tax.
DIN	Directors Identification Number.
DP ID	Depository Participant's Identity.
EGM	Extra ordinary General Meeting.
EPS	Earnings Per Share.
“Euro” or “€”	The single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended.
FDI	Foreign Direct Investment, as laid down in the Consolidated FDI Policy dated April 1, 2011.
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Foreign Investment Promotion Board.
“Fiscal” or “Financial Year” or “FY”	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FVCI	Foreign venture capital investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“GBP” or “£”	Pound Sterling.
“GoI” or “Government of India” or “Central Government”	The Government of India.
HUF	Hindu Undivided Family.
IEC	Importer-Exporter Code.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial Public Offer.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
ITAT	Income Tax Appellate Tribunal.
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
“Limited Liability Partnership” or	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.

Abbreviation	Full Form
“LLP”	
Ltd.	Limited.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A.	Not Applicable.
NAV	Net Asset Value.
NECS	National Electronic Clearing System.
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NOC	No-objection Certificate.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
“NR” or “Non Resident”	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
PAT	Profit After Tax.
PCB	Pollution Control Board.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
P.O.	Post Office.
Pvt.	Private.
RBI	Reserve Bank of India.
R&D	Research and Development.
“RoC” or “Registrar of Companies”	Registrar of Companies, Maharashtra, Mumbai
“₹” or “Rupees” or “Rs.”	Indian Rupees.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	Securities Act of 1933.
SIA	Secretariat for Industrial Assistance.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sq. ft.	Square foot.
Sq. mt.	Square metre.
State government	The government of a state of Republic of India.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TAN	Tax deduction account number allotted under the IT Act.
“U.K.” or “UK” or “United Kingdom”	The United Kingdom of Great Britain and Northern Ireland, together with its territories and possessions.

Abbreviation	Full Form
“U.S.” or “US” or “U.S.A” or “United States”	The United States of America, together with its territories and possessions.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

Industry/ Business Related Terms, Definitions and Abbreviations

Term	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;
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;
HH	Households;
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;
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;

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled “Main Provisions of the Articles of Association”, “Statement of Tax Benefits” and “Financial Statements” on pages 230, 48 and 128, respectively of this Draft Red Herring Prospectus, have the meanings given to such terms in these respective sections.

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

Currency of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” or “USD” are to United States Dollars, the official currency of the United States of America. All references to “Euro” or “€” or “EUR” are to the Euro, the single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended. All references to “Pound” or “GBP” or “£” are to the Pound Sterling, the official currency of Great Britain.

The exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, in the sections titled “Risk Factors”, “Objects of the Issue” and “History and Certain Corporate Matters- Subsidiaries of our Company” have been taken are as follows:

Currency	Exchange Rate (in ₹) for the Fiscal Year ended				
	Mar 31, 2011	Mar 31, 2010	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007
<i>Closing Rate</i>					
USD	44.65	45.14	50.95	39.97	NA
GBP	71.93	68.03	NA	NA	NA
<i>Average Rate</i>					
USD	45.56	47.42	46.15	40.56	NA
GBP	70.87	75.68	NA	NA	NA

Source: www.rbi.org.in

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our audited and restated standalone financial statements as of and for the Financial Years ended March 31, 2007, 2008, 2009, 2010 and 2011, and our audited and restated consolidated financial statements as of and for the Financial Years ended March 31, 2007, 2008, 2009, 2010 and 2011 and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations.

Our Company’s Financial Year ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the 12-month period ended March 31 of that year, unless otherwise specified.

All the numbers in this document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise. 1 lakh represents 1,00,000.

We prepare our standalone and consolidated financial statements in accordance with Indian GAAP, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

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

Market and Industry Data

Market and industry data used in this Draft Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable; however, they have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the entertainment industry in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward looking statements”. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- the ability to exploit and grow our content library;
- the ability to distribute our content through various mediums which currently generate a significant portion of our revenue;
- the performance of the content distributed by us;
- intensified competition which may result in content cost escalation and restrict our ability to access content at favourable terms; and
- the ability to obtain sufficient working capital funds for content acquisition in the form of debt or equity.

For a further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xii, 73, and 129, respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of the Draft Red Herring Prospectus. None of our Company, our Directors, our officers, any Underwriter, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement 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. Our Company and the BRLMs will ensure that investors in India are informed of material developments until the commencement of listing and trading.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any, or some combination, of the following risks actually occur, our business prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Any potential investor in, and/or a purchaser of, the Equity Shares should pay particular attention to the fact that we are governed, in India, by a statutory and regulatory environment which may be significantly different from that which prevails in other countries in some material respects.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the Issue, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

Unless otherwise stated, our financial information used in this section is derived from our audited and restated consolidated financial statements under Indian GAAP.

References to the Company, “we”, “our” or “us” are to our Company, and where the context requires, our Company, our Subsidiaries and other entities which are consolidated in the financial statements of our Company.

RISKS RELATING TO THE COMPANY

Internal Risk Factors

1 There are criminal proceedings pending against our Company.

Mr. Prem Prakash Mahajan, the “**Complainant**”, proprietor of M/s Mahajan Video, has filed a First Information Report (FIR No. 180), “**FIR**”, dated September 1, 2009, before the Office of the Assistant Commissioner of Police, IPR Section, Economic Offences Wing, Crime Branch, New Delhi, (“**ACP, Economic Offences Wing**”) against our Company and certain other parties, (“**Defendants**”) for alleged violation of sections 64/63 of the Copyright Act, 1947 and sections 420, 468 and 471 of Indian Penal Code, 1860. The Complainant has alleged that the Complainant was threatened by the Defendants for distributing certain films without obtaining a license to distribute such films. Our Company received notices dated February 22, 2010 and April 29, 2011 from the ACP, Economic Offences Wing in connection with the above. In reply to such notices, our Company has vide letters dated March 11, 2010 and May 25, 2011 clarified that our Company holds exclusive and perpetual rights over the two films specified therein. The complaint is pending hearing and final disposal.

Any adverse order or direction in the aforementioned case by the concerned authority even though not quantifiable, could have a material adverse impact on our business and reputation or cause the price of our Equity Shares to decline. For further details please refer to “Outstanding Litigation and Material Developments” on page 152 of this Draft Red Herring Prospectus.

2 We, our Group Companies, our Directors, our Subsidiaries and our Promoters are party to certain legal proceedings. Any adverse decision in such proceedings may adversely affect our business prospects, results of operations and financial condition.

We are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favor. Further, we may also not be able to quantify all the claims in which we are involved. Any adverse decision may have a significant effect on our business prospects, results of operations and financial condition.

Certain of our Promoters and Group Companies are also currently involved in legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should new developments arise in respect of such legal proceedings, such as a change in Indian law or rulings against such entities by courts or tribunals, our Promoters and Group Companies may face losses and may need to make provisions in their financial statements in respect of such litigation, which could adversely impact their business results. Further, if significant claims are determined against such entities and such entities are required to pay all or a portion of the disputed amounts, it could have a material adverse effect on their business and profitability. This could, in turn, indirectly have a material adverse effect on our business.

A summary of pending litigation involving us, our Group Companies, our Directors our Subsidiaries and our Promoters and the approximate amounts involved, where quantifiable, is set forth below:

Legal proceedings filed against:

Nature of cases/claims	Number of cases outstanding	Amount involved (in ₹ in lakhs)*
a) Company		
Criminal	2	Not Quantifiable
Tax Cases	4	492.61
Civil.....	2	Not Quantifiable
Labour	NIL	NIL
b) Subsidiaries		
Criminal	NIL	NIL
Tax Cases	NIL	NIL
Civil.....	NIL	NIL
Labour	NIL	NIL
c) Group Companies		
Criminal	NIL	NIL
Tax Cases	5	34.02
Civil.....	1	Not Quantifiable
Labour	NIL	NIL
d) Promoters		
Criminal	NIL	NIL
Tax Cases	1	160.64
Civil.....	NIL	NIL
Labour	NIL	NIL
e) Directors		
Criminal.....	NIL	NIL
Tax Cases	2	166.44
Civil.....	NIL	NIL
Labour	NIL	NIL
Total amount*	16	853.91

* To the extent quantifiable.

Legal proceedings filed by:

Nature of cases/claims	Number of cases outstanding	Amount involved (in ₹ lakhs)*
a) Company		
Criminal	5	18.74
Tax Cases	NIL	NIL
Civil.....	4	305.73
Labour	NIL	NIL
b) Subsidiaries		
Criminal	NIL	NIL
Tax Cases	NIL	NIL
Civil.....	NIL	NIL
Labour	NIL	NIL
c) Group Companies		
Criminal	NIL	NIL
Tax Cases	NIL	NIL
Civil.....	NIL	NIL
Labour	NIL	NIL
d) Promoters		
Criminal.....	NIL	NIL
Tax Cases	NIL	NIL
Civil.....	NIL	NIL
Labour	NIL	NIL
Labour	NIL	NIL
e) Directors		
Criminal.....	NIL	NIL
Tax Cases	NIL	NIL
Civil.....	1	1125
Labour	NIL	NIL
Total amount*	10	1449.47

* To the extent quantifiable.

For further details, see the section titled “Outstanding Litigations and Material Developments” on page 152 of this Draft Red Herring Prospectus.

3 Our revenues and profitability are directly linked to the exploitation and growth of our Content Library. Any failure to source content could adversely affect our profitability and business growth.

We earn revenues by exploiting content that we distribute through various distribution channels. Acquisition of content is an integral part of our business. Our ability to successfully acquire content depends on our ability to maintain existing relationships and form new ones, with industry participants. 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.

Our Content Library includes content licensed from third parties on fixed term basis. There can be no assurance that, upon expiry or termination of these arrangements, content will be available to us at all or on

acceptable financial or other terms.

If any such relationship were to be adversely affected, or we are unable to form new relationships or renew these arrangements in a timely manner or at all, or our access to content otherwise deteriorates, or if any party fails to perform under its agreements or arrangements with us, it could have a material adverse effect on our business prospects, financial condition and results of operations.

4 *The distribution of content may not generate adequate revenues to recover associated costs. This could impact our growth plans and may adversely impact our profitability.*

Currently, we distribute our content through various mediums such as (i) broadcast syndication, (ii) new media, (iii) home entertainment, and (iv) other media. We invest significant amount of our working capital funds in acquisition of such content.

We acquire content based on our management estimates driven by certain assumptions. However, the actual performance of the content acquired by us may vary from estimates for factors which may be beyond our control. In certain contents, we may not be able to generate adequate or expected revenues to recover the costs associated with such contents. Further, we cannot give any assurance that all future contents would generate sufficient revenues to recover their cost involved. The aforementioned risks could adversely impact our profitability which could have a material adverse effect on our business, results of operations and financial condition.

5 *We depend on our relationships with platform owners to exploit our Content Library. Any failure to maintain and grow these relationships could adversely affect our ability to distribute content on favourable terms or at all, which would in turn affect our growth and profitability.*

We generate revenues from the exploitation of our Content Library on various distribution platforms, such as television broadcasters, new media, physical media and others. There can be no assurance that, we shall be able to negotiate favourable commercial terms with the platform owners. Our failure to maintain these relationships with the aforementioned platform owners or to establish and capitalise on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business prospects, financial condition and results of operations.

6 *Intensified competition may result in content cost escalation which may restrict our ability to access content at favourable 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 new as well as existing 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.

7 *We require working capital funds for content acquisition and the failure to obtain additional financing in the form of debt or equity in a timely manner or on terms commercially favorable to us or at all, may adversely affect our content acquisition and our future profitability.*

We require working capital funds for content acquisition and business growth. The actual amount and timing of our fund requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in acquiring content, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt

financing could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company and could adversely impact our Equity Share price.

8 *Our ability to remain competitive may be adversely affected by rapid technological changes with respect to distribution platform and our ability to adapt to such changes.*

The media and entertainment industry continues to undergo significant technological developments, including the ongoing transition from physical to digital media. We may not be successful in adapting to new digital distribution technology. Further, advances in technologies or alternative methods of product delivery or storage, or changes in consumer behavior driven by these or other technologies, could have a negative effect on our home entertainment market and new digital market in India. If we fail to successfully exploit digital and other emerging technologies, it could have a material adverse effect on our business prospects, financial condition and results of operations.

9 *We cannot predict or forecast if a film will be successful. In addition, changing consumer tastes further compromise our ability to predict which films will be popular with audiences in India and internationally. Further we have limited experience in producing films, which could adversely affect the quality and consequently the profitability of the films we produce.*

One of our activities is film production, demand for which depends substantially on consumer tastes or preferences that often change in unpredictable ways. There is no assured way that will help us in predicting whether any film will be successful or not. The popularity and economic success of our films depends on many factors including general consumer tastes, the actors and other key talent involved, the promotion and marketing of the film, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, the genre and specific subject matter of the film, its critical acclaim, the breadth and format of its release and other tangible and intangible factors, which we cannot predict with certainty and which may be beyond our control. This could result in anticipated profits not being realised, which could have a material adverse effect on our business prospects, financial condition and results of operations.

Up to August 31, 2011, we have produced the following Hindi films - Ishqiya, Mere Baap Pehle Aap, Manorama Six Feet Under and Kuchh Meetha Ho Jaye. Our limited experience may also make it more difficult to attract and retain creative talent and to obtain external financing for such projects. There can be no assurance that our future productions will be completed on time or at all or within the budget or that they will recover their costs, which could have a material adverse effect on our business prospects, financial condition and results of operations, and harm our reputation.

10 *We cannot be certain that our Content Library do not infringe upon the intellectual property rights of third parties.*

An essential part of our content acquisition strategy is to conduct detailed due diligence on the contents that we propose to acquire. As a part of this due diligence process we give public notices in film trade magazines which provide a detailed description of the content that we propose to acquire and invite claims from third parties with sufficient documentary proof. We do this to ensure that we acquire contents that do not infringe the intellectual property rights of third parties. Depending on the materiality of the claims received on that particular content and supporting documentary proof having been received, the Company may or may not acquire the respective content.

Despite the aforementioned process that we follow before acquisition of any content we may receive claims or notices over the content that we have acquired. Any claims or litigation over the content that we have acquired, whether justified or not, could be time-consuming and costly, harm our reputation, require us to enter into royalty or licensing arrangements which may not be available on acceptable terms or at all. Although we have indemnity provisions against the producer from whom we acquire such content, the indemnity cover may not be sufficient or may not be accepted by a court of law. In the last three years, we have received claims from third parties in connection with about 171 films acquired by us. Any of the foregoing could have a material adverse effect on our business prospects, financial condition and results of operations.

- 11 *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. We have not entered into any definitive agreements to utilise the proceeds of the Issue. Any variation between the estimation and actual expenditure on these projects could result in execution delays or influence our profitability adversely.***

The deployment of funds as stated in the “Objects of the Issue” beginning on page 39 of this Draft Red Herring Prospectus is entirely at the discretion of our management and is not subject to monitoring by any independent agency. All the figures included under the “Objects of the Issue” are based on our own estimates. There has been no independent appraisal of the objects. We have not entered into any definitive agreements to utilize the proceeds of the Issue towards the purposes mentioned in the section titled “Objects of the Issue” on page 39 of this Draft Red Herring Prospectus.

- 12 *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 highest during school holidays, 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.

- 13 *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the section titled “Financial Indebtedness” on page 147 of this Draft Red Herring Prospectus.

- 14 *We are applicants in respect of several trademark applications, copyright applications, and design applications, which are pending registration. A delay in, or failure to obtain, registration may result in our inability to adequately defend our intellectual property rights.***

For certain characters, names and designs, we have obtained intellectual property protection by way of registration under the Trade Marks Act, 1999, the Copyright Act, 1957 and the Designs Act, 2000. However, we have not yet obtained registration for all the trademarks, copyrights and designs we have applied for.

We cannot assure you that any of these applications shall be granted in our favour by the relevant authorities. We may face opposition in relation to our applications, currently we have received objections from third parties in connection with 2 trademarks. Further, we may ultimately be unsuccessful in our applications, which may result in us incurring costly litigation to defend the intellectual property rights related to such characters, names and designs distributed or proposed to be distributed by us from opposition or infringements, in which case we cannot assure you that we shall be successful in defending the same. For further details, please refer to the section titled “Government and Other Approvals” beginning on page 162 of this Draft Red Herring Prospectus.

- 15 *We are subject to concentration risks relating to our group of customers in the television broadcast industry. Any significant adverse changes in this customer group’s buying patterns may have a material and adverse effect on our business and results of operation.***

Broadcast syndication is one of our major activities. Television broadcasters source content from us and telecast it across their bouquet of channels, which include GECs as well as movie channels. As the content is procured by the television broadcasters at a bouquet level and there are a limited number of such broadcasters, the number of prospective buyers for our content is limited.

Any significant adverse changes in this customer group's buying patterns may have a material and adverse effect on our business and results of operations

16 Our inability to adapt to rapidly changing post production technology in a timely manner or at all may adversely affect our profitability and results of operation.

We have an in-house state-of-the-art digital post-production studio which provides services such as digital intermediate processing, film restoration, format conversions among others. We rely on third party licenses for the tools and techniques developed in the industry for the aforementioned post production services. Such tools and techniques are prone to rapid changes in technology. We may not be able to adapt to such changes in a timely manner or at all. In order to remain competitive we could be required to upgrade our technology, and any failure to do so could have a material adverse effect on our business prospects, financial condition and results of operations.

17 We are subject to risks arising from exchange and/or interest rate fluctuations.

We have incurred and expect to incur expenditure and earn revenue denominated in foreign currencies in the course of our operations when acquiring or monetising our content and in respect of overseas market. Any fluctuation of the Indian Rupee against the currency in which we have an exposure may increase the Indian Rupee costs to us of our expenditure or may reduce the revenue to us.

We currently do not use foreign currency hedging instruments to manage the volatility associated with foreign currency payments and risks. However, this is kept under review, and the Company may enter into such instruments in the future.

We are also exposed to interest rate fluctuations on our borrowings. As at August 31, 2011, majority of our indebtedness was subject to floating rates of interest linked to the benchmark prime lending rate ("BPLR") and is thereby exposed to changes in interest rates. In addition, the interest rates for our indebtedness are subject to periodic resets. Upward fluctuations in interest rates increase the cost of our borrowings.

We do not currently use any instruments such as interest rate swaps, options and other derivative instruments for the purposes of mitigating our exposure to interest rate risk. However, this is kept under review, and we may enter into such instruments in the future.

18 Our industry is regulated and our business activities require various approvals, licenses, registrations and permissions. Our operations and/or profitability could be adversely affected if we fail to obtain, in a timely manner or at all, or comply with the conditions that may be attached to, such approvals, licenses, registrations and permissions.

We require various approvals, licenses, registrations and permissions for our business activities. Each regulatory authority may impose its own requirements or delay or refuse to grant approval. If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Our business prospects, results of operations and financial condition could be adversely affected if we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all. For details please refer to the section titled "Government and Other Approvals" on page 162 of this Draft Red Herring Prospectus.

19 We have availed of certain unsecured loans, some of which may be recalled at any time.

Based on the audited and restated consolidated financial statements as of March 31, 2011, we have availed

unsecured loans for an amount of ₹ 2,746.15 lakhs some of which are repayable on demand. In the event such loans are recalled by the lenders our business prospects, results of operations and financial condition could be adversely affected.

20 We have entered into a shareholders' agreement with Vistaas Digital Media Private Limited that restrict our rights to exit the joint venture, on unilaterally favorable terms which could also affect our ability to exit the venture in a timely manner.

We have entered into a shareholders' agreement with Vistaas Digital Media Private Limited (“Vistaas”) with the intention to source devotional content from Vistaas which shall enable us to expand our Content Library. The shareholders' agreement restricts our right to exit the arrangement by way of a tag along right granted in favour of the founders of Vistaas.

Pursuant to the aforementioned tag along right, in the event we are desirous of selling all or part of our shares in Vistaas to a third party, we have an obligation to ensure that such third party acquires pro-rata shares of the Founders of Vistaas at the same price and at the option of the Founders of Vistaas. This condition restricts our timely exit from Vistaas and may limit our ability to realise value from our shareholding which could have an adverse effect on our cash flows and financial condition. For a brief description of the Share Subscription, Share Purchase and Shareholders Agreement please refer to the section titled “History and Certain Corporate Matters” beginning on page 94 of this Draft Red Herring Prospectus.

21 Our Promoters and Directors may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in our Company to the extent of any transactions entered into or their shareholding and dividend entitlement in our Company. Our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are shareholders, directors or partners. For further information, see the sections titled “Our Management”, “Our Promoters and Group Companies” and “Financial Statements” on pages 101, 119 and 128, respectively of this Draft Red Herring Prospectus.

22 We may not regularly be in a position to distribute dividends, and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

For the fiscal ended March 31, 2007 and 2009 we reported a loss of ₹ 0.03 lakhs and ₹ 1,348.30 lakhs on a consolidated basis. If we experience any losses it could adversely affect our results of operations and financial condition. For further details, see the sections titled “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 128 and 129 of this Draft Red Herring Prospectus.

The amount of our future dividend payments, if any, will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends in the event we incur any losses in the future.

23 Certain of our Group Companies have incurred losses during recent Fiscal Years.

The following Subsidiaries and Group Companies have incurred losses in recent Fiscal Years.

S. No.	Name of Subsidiary/Group Company	₹ in lakhs		
		Fiscal 2011	Fiscal 2010	Fiscal 2009
1.	Shemaroo Entertainment Inc	57.73	(24.77)	(51.46)
2.	Shemaroo Entertainment (UK) Private Limited	18.48	(69.39)	NA

S. No.	Name of Subsidiary/Group Company	(` in lakhs)		
		Fiscal 2011	Fiscal 2010	Fiscal 2009
3.	Shemaroo Holdings Private Limited	(0.29)	(0.12)	(0.15)
4.	M/s Shemaroo Corporation	(5.59)	(32.56)	(1.30)

For further details of our Group Companies, see the section titled “Our Promoters and Group Companies” on page 119 of this Draft Red Herring Prospectus.

- 24 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 strong 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.

- 25 We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.**

As of March 31, 2011, contingent liabilities disclosed in the notes to our audited and restated consolidated financial statements aggregated ₹ 525.81 lakhs. Set forth below are our contingent liabilities that had not been provided for as of March 31, 2011.

Particulars	(` in lakhs)				
	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Bank Guarantee	1.63	1.63	86.75	86.75	-
Estimated amount of contracts remaining to be executed on capital account	1.25	0.48	-	-	-
Disputed Direct Tax Demands	-	202.97	-	-	-
Disputed Sales Tax Demands	-	342.40	260.37	-	-
Disputed Service Tax Demands	-	-	15.88	15.88	-
Legal Cases against the company	180.51	185.13	185.13	-	-
Uncalled liability on Partly Paid Shares	342.00	-	-	-	-
On account of the Associate to the extent of the Effective Economic Interest	0.42	-	-	-	-
T O T A L	525.81	732.60	548.12	102.63	-

If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected.

- 26 Our international operations expose us to complex management, foreign currency, legal, tax, and economic risks. These risks may have a material adverse effect on our business prospects, results of operations and financial condition.**

We operate through our subsidiaries in the United States and in the U.K. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations in

international markets, including (i) cost for compliance with a wide range of regulatory requirements; (ii) exchange rate movements; (iii) potential difficulties with respect to protection of our intellectual property rights in some countries;

The risks stated above and the constantly changing dynamics of international markets could have an adverse effect on our business prospects, results of operations and financial condition.

27 *Certain other ventures promoted by our Promoters are authorised to engage in a similar line of business.*

Certain entities within our Promoter Group are authorized under their constitutional documents to engage in a similar line of business as us. For further details with respect to our Promoters and members of our Promoter Group, see the section titled “Our Promoters and Group Companies” on page 119. We cannot assure you that our Promoters will not favour the interests of the members of our Promoter Group over our interests. Such other members of our Promoter Group, including those in a similar line of business, may dilute our Promoters’ attention to our business, which could adversely affect our business prospects, financial condition and results of operations.

28 *We have in the past entered into related party transactions and may continue to do so in the future.*

We have entered into transactions with our promoters, certain subsidiaries, our Group Companies and affiliates. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, see the section titled “Financial Statements” –“Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus.

29 *Contingent liabilities not provided for include potential income tax related claims.*

We have been subject to assessment and scrutiny by the Income Tax Department, for assessment years 2009-2010 and 2010-2011. There is a possibility that the Income Tax Department may impose additional tax liability on our Company upon completion of these assessments. For further details, see “Outstanding Litigation and Material Developments” on page 152 of this Draft Red Herring Prospectus. We cannot assure you that the Income Tax Department will not initiate further scrutiny, investigation or regulatory action or reopen assessments for previous years. Any adverse finding by the Income Tax Department would have a material adverse effect on our reputation, business, operations and financial condition

30 *Our insurance coverage may prove inadequate to satisfy future claims against us.*

While we believe that we have insured our registered and corporate offices to ensure our property, including buildings, stocks, machinery and equipment, and our film production projects, in a way which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate, we may become subject to liabilities against which we are not adequately insured or at all or cannot be insured, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Even if a claim is made under an existing insurance policy, due to exclusions and limitations on coverage, we may not be able to successfully assert our claim for any liability or loss under such insurance policy.

In addition, in the future, we may not be able to maintain insurance of the types or in the amounts which we deem necessary or adequate or at premiums which we consider appropriate. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductibles or co-insurance requirements), could have a material adverse effect on our business, results of operations, financial condition and cash flows.

31 *Post listing of Equity Shares of our Company, the members of our Promoter Group will continue to hold majority control in our Company, which will allow them to determine the outcome of shareholder resolutions*

/ board resolutions.

Upon completion of the Issue, the members of our Promoter Group will collectively hold approximately [●]% of the paid-up equity capital of the Company. With the majority equity stake in the Company, the Promoter Group will be able to influence matters requiring shareholders' approval, such as approval of financials of the Company, appointment or removal of directors, declaration of dividend etc., which decisions may or may not be what other shareholders desire or believe is in their best interests.

32 Our Company has issued Equity Shares in the form of a bonus issuance and preferential allotment during the last 12 months.

Our Company has, pursuant to a resolution in the shareholders' meeting dated March 26, 2011 and dated August 29, 2011 issued and allotted 41,01,372 and 1,48,86,678 Equity Shares respectively to all our shareholders as bonus shares, in the ratio of 9:1 and 3:1 respectively. Further pursuant to a shareholders' meeting dated July 11, 2011, our Company has issued 405,146 Equity Shares to investors by way of preferential allotment

Details of the aforementioned issuance are set out in the section titled "Capital Structure" on page 27 of this Draft Red Herring Prospectus. The price at which the Equity Shares have been issued in the last year is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing.

33 Any negative cash flows in the future would adversely affect our cash flow requirements.

We have in the past, and may in the future, experience negative cash flows. For example, our net cash used in operating activities, on a consolidated basis, in Fiscal Years 2011, 2009 and 2007 amounted to ₹ 312.10 lakhs, ₹ 2,702.23 lakhs and ₹ 3.42 lakhs, respectively. In addition, our net cash used in investing activities, on a consolidated basis, in Fiscal Years 2011 and 2008 amounted to ₹ 684.98 lakhs and ₹ 1,604.56 lakhs, respectively, and our net cash used in financing activities, on a consolidated basis, in Fiscal Years 2011, 2009 and 2008 amounted to ₹ 1,069.30 lakhs, ₹ 99.31 lakhs and ₹ 2,258.17 lakhs, respectively. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 129 of this Draft Red Herring Prospectus.

34 We may not be able to adequately protect the intellectual property associated with the content we distribute.

Intellectual property rights, such as trademarks, are important to the successful branding of the content we distribute. We have made considerable efforts to protect the intellectual property associated with the content we distribute. There can be no assurance that we have taken adequate action to prevent third parties from using the brand names or the logos associated with this content. In addition, there can be no assurance that third parties will not assert rights in, or ownership of, our name or the trademarks we use or other intellectual property rights. Because we believe the reputation and track record established for these content is a key to our future growth, our business, financial condition and results of operations may be materially and adversely affected by the use of these brand names by third parties or if we were restricted from using these names.

35 We rely heavily on the "Shemaroo" brand name and any dilution of its brand equity could adversely affect our business.

We believe the "Shemaroo" brand commands strong recall among the populace in India due to its long presence in the Indian entertainment market. We also believe the "Shemaroo" brand name lends our products an image of trust and quality at an affordable price. As such, unrelated third-parties may use the brand name in a manner that could be detrimental to the brand equity of the "Shemaroo" brand name. Any decrease in the brand equity of the "Shemaroo" brand name could adversely affect our reputation, results of operations and financial condition.

36 *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.

External Risk Factors

37 *Illegal use and exploitation of our content and/or intellectual property rights and inadequate judicial systems and remedies, can diminish the demand of our products and adversely impact our brand goodwill.*

Our industry is highly dependent on maintenance of intellectual property rights in the entertainment content. Piracy, namely the infringement of exclusive rights in creative works, is rampant globally, and can only be minimized by speedy and cost effective judicial remedies which may not always be available. The scale of piracy globally has also been affected by wide spread access to technology that can easily make copies of most digital content. The rampant growing sales of such pirated goods can diminish the demand of our products and adversely impact our brand goodwill.

Consumer awareness of illegally accessed content and the consequences of piracy are lower in India and the move to digital formats has facilitated high-quality piracy in particular through the internet and cable television. Monitoring infringement of our content is difficult and the protection of intellectual property rights in India may not be as effective as in other countries. Existing copyright and trademark laws in India afford only limited practical protection and internet-specific legislation relating to trademark and copyright protection is still at an evolving stage which creates a further challenge for us to protect our content delivered through such media. Notwithstanding the anti-piracy measures we take, there can be no assurance that we will be able to prevent piracy of our content. Piracy of our content through counterfeit media, including digital versatile discs and compact discs and continued or increased unauthorised use of our proprietary and intellectual property could result in lost revenue, result in significantly reduced pricing power and could have a material adverse effect on our business prospects, financial condition and results of operations.

38 *Our ability to freely raise foreign capital may be constrained by Indian law.*

As a media and entertainment company while we are classified by the Indian government for automatic approval of foreign direct equity investment, we do require regulatory approvals to raise more than US\$5000 lakhs of foreign currency denominated indebtedness outside India in a financial year. The need to obtain such regulatory approval could constrain our ability to raise the most cost effective funding, which may adversely affect our future growth. We cannot assure you that any required approvals will be given when needed or at all or that such approvals if given will not have onerous conditions.

39 *A significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business. A change in taxation laws could also adversely impact our financial condition and results of operations.*

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors.

In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. The Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against privatizations and other factors could slow

the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. The current Government, which came to power in May 2009, is headed by the Indian National Congress. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued.

Further, the Direct Tax Code Bill 2010, or DTC, proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The DTC which was placed before the Indian parliament for debate and discussion on August 30, 2010 is proposed to come into effect from April 1, 2012. The various proposals included in the DTC are subject to review by Indian parliament and as such impact if any, is not quantifiable at this stage. It is possible that the Direct Tax Code, once introduced, could significantly alter the taxation regime, including incentives and benefits, applicable to us.

Any such change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our business prospects, financial condition and results of operations. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on our operations.

40 Significant differences exist between Indian GAAP used throughout our financial information and other accounting principles, such as U.S. GAAP and IFS/IFRS, with which investors may be more familiar.

Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are set forth in the notes to our financial statements included in this Draft Red Herring Prospectus. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

41 Our business and activities may be regulated by the Competition Act, 2002.

The Parliament has enacted the Competition Act, 2002 (the "**Competition Act**") for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India under the auspices of the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action whether formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement, which, *inter alia*, directly or indirectly determines purchase or sale prices, limits or controls production, supply or distribution of goods and services, shares the market or source of production by way of geographical area or number of customers in the market or where parties indulge in bid rigging is presumed to have an appreciable adverse effect on competition. The Competition Act also regulates combinations (i.e., acquisitions, acquiring of control, mergers or amalgamations). On March 1, 2011, the CCI issued new draft combination regulations and on March 4, 2011 the Government of India notified the combination regulation (merger control) provisions under the Competition Act relating to combinations which has been effective since June 1, 2011. Further, regulations governing the procedural and reporting aspects of combination transactions have been notified on June 1, 2011. Any combination which meets the thresholds specified in the Competition Act is required to be notified to the CCI for prior approval.

It is unclear at present as to how the Competition Act and the Competition Commission of India will affect industries in India. If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission of India and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our business prospects, results of operations and financial condition.

42 *Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business prospects, results of operations and financial condition and the price of our Equity Shares.

43 *Current economic conditions may adversely affect our industry, financial position and results of operations.*

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favorable than that of recent years.

Significant changes and volatility in the consumer environment and in the competitive landscape may make it increasingly difficult for us to predict our future revenues and earnings.

44 *A slow down in the economic growth in India could cause our business to suffer.*

Our domestic sales contributed 96.21 % of our sales for the year ended March 31, 2011 based on the audited and restated consolidated financial statements and consequently, our performance and growth is largely dependent on the state of the Indian economy. In recent years, India has been one of the fastest growing major economies in the world, recording a GDP growth rate at factor cost of 9.0% or higher in each of fiscal 2006, 2007 and 2008. Macroeconomic conditions resulted in GDP growth rates at factor cost declining to 6.7% in fiscal 2009 and 7.4% in fiscal 2010. The Central Statistics Office's (Ministry of Statistics and Programme Implementation) estimates suggest that the growth in GDP at factor cost in fiscal 2011 was 8.6%.

Any slow down in the Indian economy and demand for business of our customers could adversely affect our business.

RISKS RELATING TO THE ISSUE

45 *Further issuances of Equity Shares by the Company or sales of Equity Shares by any of our major shareholders could adversely affect the trading price of the Equity Shares.*

Any future issuances by the Company may lead to the dilution of investors' shareholdings in the Company. Any future equity issuances by the Company or sales of the Equity Shares by our Promoters or other major shareholders 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 the Equity Shares.

46 *The requirements of being a listed company may strain our resources.*

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other

listed companies.

Furthermore, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business prospects, results of operations and financial condition and the price of our Equity Shares. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

47 Our Equity Shares may be subject to market price volatility, and the market price of our Equity Shares may decline disproportionately in response to adverse developments that are unrelated to our operating performance.

Market prices for the securities have historically been highly volatile, and the market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. Factors such as the following can have an adverse effect on the market price of our Equity Shares:

- general market conditions,
- speculative trading in our Equity Shares, and
- developments relating to our peer companies in the entertainment industry.

48 After the Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after the Issue as a result of several factors, including, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian entertainment sector and changing perceptions in the market about investments in the Indian entertainment sector.

49 Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced recent volatility in line with global economic conditions.

There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in certain other countries.

50 You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or demat accounts, with depository participants in India are expected to be credited within two working days of the date on which Issue and Allotment is approved by the Board. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within approximately seven working days.

We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. In addition, we are liable to pay interest at 15% per annum if Allotment is not made, refund orders are not dispatched or demat credits are not made to

investors within 15 days from the Bid Closing Date.

51 *There may be less information available about the Company in Indian securities markets than in securities markets in other more developed countries.*

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, shareholders may have access to less information about our business, results of operations and financial condition than those of our competitors that are listed on the Stock Exchanges and other stock exchanges in India on an ongoing basis than shareholders may have in the case of companies subject to the reporting requirements of other more developed countries.

52 *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association, regulations of our Board of Directors and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders of the Company than as shareholders of a corporation in another jurisdiction.

53 *Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.*

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

54 *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.*

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 either or both the Stock Exchanges. Any failure or delay in obtaining the approval would restrict the shareholders ability to dispose of their Equity Shares.

55 *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock

exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country in which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

56 *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

57 *There may be 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.*

The Company will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

58 *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability company incorporated under the laws of India. eight of our ten Directors and certain executive officers are residents of India. A substantial portion of our assets and the assets of the directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 of India (as amended) (the "Code") on a statutory basis. Section 13 of the Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. Under the Code, a court in India shall, upon production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Code provides that where a foreign decree or judgment has been rendered by a superior court within the meaning of Section 44A in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty. For the purposes of this section, foreign judgment means a decree which is defined as a formal expression of an adjudication which, so far as regards the court expressing it, conclusively determines the rights of the parties with regard to all or any of the matters in controversy in the suit.

The U.K. has been declared by the Government of India to be a reciprocating territory but the United States has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

Prominent Notes

1. Public issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating up to ₹ 11,500 lakhs. This Issue would constitute [●] % of the fully diluted post Issue paid-up capital of the Company.
2. The net worth of the Company based on the audited and restated standalone and audited and restated consolidated financial statements as of March 31, 2011 were ₹ 9,138.22 lakhs and ₹ 9,060.61 lakhs, respectively.
3. The net asset value per Equity Share including the bonus allotment of August 29, 2011 was ₹ 50.13 as of March 31, 2011 based on the audited and restated standalone financial statements and the net asset value per Equity Share was ₹ 49.70 as of March 31, 2011 based on the audited and restated consolidated financial statements.
4. The average cost of acquisition per Equity Share by our Promoters is as follows:

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
Mr. Raman Maroo	48,09,520	0.23
Mr. Atul Maru	48,09,520	0.23

For further details, see section titled “Capital Structure” on page 27 of this Draft Red Herring Prospectus.

5. There are no financing arrangements pursuant to which our Promoters, Promoter Group, Directors or their immediate relatives have financed the purchase of Equity Shares by any other person during the six months preceding the date of filing of this Draft Red Herring Prospectus.
6. For information on changes in our Company’s name, Registered Office and changes in the object clause of the MOA of our Company, see section titled “History and Certain Corporate Matters” on page 94 of this Draft Red Herring Prospectus.
7. Except as disclosed in the section titled “Financial Statements-Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus, there have been no transactions between our Company and our Subsidiaries,

Group Companies, Key Managerial Persons and relatives of Key Managerial Persons during the last Financial Year.

8. Except as disclosed in the sections titled “Financial Statements-Related Party Transactions” and “Our Promoter and Group Companies” on pages F-52 and 119 respectively of this Draft Red Herring Prospectus, none of our Group Companies are interested in our Company.
9. Any clarification or information relating to this Issue shall be made available by the Book Running Lead Managers 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. The Book Running Lead Managers shall be obligated to provide information or clarifications relating to this Issue. Investors may contact the Book Running Lead Managers and the Syndicate Members for any complaints or comments pertaining to this Issue which the Book Running Lead Managers will attend to expeditiously.
10. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as the name and address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information and forecasts in this section are derived from the: FICCI- KPMG Report 2011, IMAI report- 2010 and comScore. Neither the Company, the BRLM nor any other person connected with the Issue have independently verified this information or forecasts. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information. Forecasts are inherently uncertain because of changes in factors underlying their assumptions, events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from estimates or projections. See section titled “Forward-Looking Statements” on page xi of this Draft Red Herring Prospectus. For further details in relation to the Media & Entertainment Industry in India, see section —Industry on page 58 of this Draft Red Herring Prospectus.

Media & Entertainment Industry in India

Overview

The Indian Media and Entertainment (M&E) industry grew from INR 587 billion in 2009 to INR 652 billion in 2010, registering an overall growth of 11 percent. The industry is projected to grow at a CAGR of 14 percent between 2010 and 2015 to reach INR 1275 billion.

The following table sets forth certain details in relation to the different segments comprising the Indian Media & Entertainment industry.

	<i>INR in Billion</i>										
	2007	2008	2009	2010	CAGR (07-10)	2011P	2012P	2013P	2014P	2015 P	CAGR (10-15)
Television	211	241	257	297	12%	341	389	455	533	630	16%
Print	160	172	175	193	6%	211	231	254	280	310	10%
Film	93	104	89	83	-3%	91	98	109	120	132	10%
Radio	7	8	8	10	11%	12	15	18	21	25	20%
Music	7	7	8	9	5%	9	11	13	16	19	17%
Animation & VFX	14	17	20	24	18%	28	33	40	47	56	19%
Gaming	4	7	8	10	32%	13	17	23	31	38	31%
Internet	4	6	8	10	39%	13	18	22	28	36	28%
Outdoor	14	16	14	17	6%	19	22	24	27	30	12%
Total Size	516	579	587	652	8%	738	834	957	1,104	1,275	14%

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

India is the only country in the world with 88 million non TV HHs indicating the potential for growth in the market. There are still more than 250 channels awaiting approval as there is growing optimism in the industry. There will be great demand for satellite bandwidth with the introduction of HD channels, the HITS platform, existing DTH channel expansion plans,

new channel launches, and VSAT services. In advertising, only 10 percent of advertisers on print advertise on television currently and a portion of the remaining 90 percent still could be tapped for further growth of the medium.

- DTH growth has enhanced the satellite footprint

The biggest growth story of 2010 came from the DTH platform which exceeded industry growth expectations to reach a net base of 28 million subscribers, clocking a 75 percent growth over its subscriber base of 2009. Contrary to popular belief, 2010 saw a large part of the growth coming from urban India.

- Potential for increase in Average time spent on TV in India

Average time spent on TV is still low in India with two hours in a non metro market and 3 hours in a big metro market because in smaller towns capability and willingness to watch TV exists but the supply of power is an issue. In the US, the average time spent on TV is close to 5 hours in spite of fragmented viewing and in Asian countries like Philippines, Malaysia and Indonesia also the average time spent watching television is higher than 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

Various states in India are preparing and implementing stringent anti piracy laws. In 2009, the Maharashtra Prevention of Dangerous Activities Act (MPDA) was amended to include audio and video piracy. Similarly, in Karnataka, the Karnataka Prevention of Dangerous Activities of Bootleggers, Drug-Offenders, Gamblers, Goondas, Immoral Traffic Offenders and Slum-Grabbers (Amendment) Bill, popularly known as the Goonda Act, brought film and video piracy within its remit in July 2009.

- Effect of Social Networks

The popularity of social networking sites is also having an impact on the box office collections and determining audience preferences for specific movies, genres, actors etc. Indian consumers today are sharing the verdict of a film within their individual networks through social networking platforms and often even before the first critic's review is published. Meanwhile social networks act as a great marketing and promotion platform for films. As opposed to mass media like television and print, these platforms offer interactivity with the end user.

- Success of the non-Hindi film market

The gaining popularity of Hollywood films in India and success of regional films have caused some shift in the share of revenues for Indian multiplexes.

- 3D movies are faring better at the box office than 2D films for many exhibitors. There are now 22 3D English films expected to release in 2011 across Indian screens.
- Hollywood studios are slowly realizing the potential of the Indian market and have been aggressively marketing their films
- With large production houses such as UTV, Reliance Pictures and Mukta arts showing interest in producing and distributing regional films, the industry is poised for interesting times ahead.

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

Traditionally, speed has been a limiting factor in growth of value added services. The ongoing roll-out of 3G and BWA services could potentially address this gap. India is a young nation with over 64% of its citizens below the age of 34 years and literacy rate of around 80% amongst the age group of 15-24 years.

- Wide range of Services

As mobile phones are a personal tool, there is a huge scope to develop MVAS utility services for India's aspirational middle class. Utility MVAS services can range from counting calories to digital aartis. Segments that are gaining ground are education and vocational-related segments i.e. healthcare, banking, agriculture and governance. MVAS services can also empower the rural subscriber base with customized services such as crop price alerts, micro-finance scheme information, installment due alerts etc.

- Rise in off-deck services to impact current revenue sharing agreements

Approximately 98 percent of the current VAS ecosystem is on-deck and telecom operators receive the majority of the share of revenues (60-70 percent) generated from MVAS. With the introduction of 3G services enabling a range of new off-deck data services, carriers will have to create better eco systems that incentivize content creators to develop innovative content.

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

The Indian market is witnessing a surge in the volume sales of mobile devices. It is estimated that by 2014 the number of devices sold will reach 206 million. This increase will help the market for music services grow, adding to revenues of music companies.

- Copyright law likely to impact film music

The Copyright Amendment Bill 2010 seeks to amend The Copyright Amendment Act, 1957 by creating rights for the music composer, lyricist and singers. Once passed, the Bill would bring in a paradigm shift in the Indian music industry where thus far the rights are owned by music companies. This will result in reduction in price paid by music companies for music, since they will no longer own the right but merely enjoy a right to commercially exploit the music content.

SUMMARY OF BUSINESS

OVERVIEW

Founded on October 29, 1962, in Mumbai, as a book circulating library, today we are an established integrated media content house in India with activities across content acquisition, value addition to content and content distribution. Together with film-based copyrights and other entertainment rights, the brand "Shemaroo" is synonymous with quality entertainment.

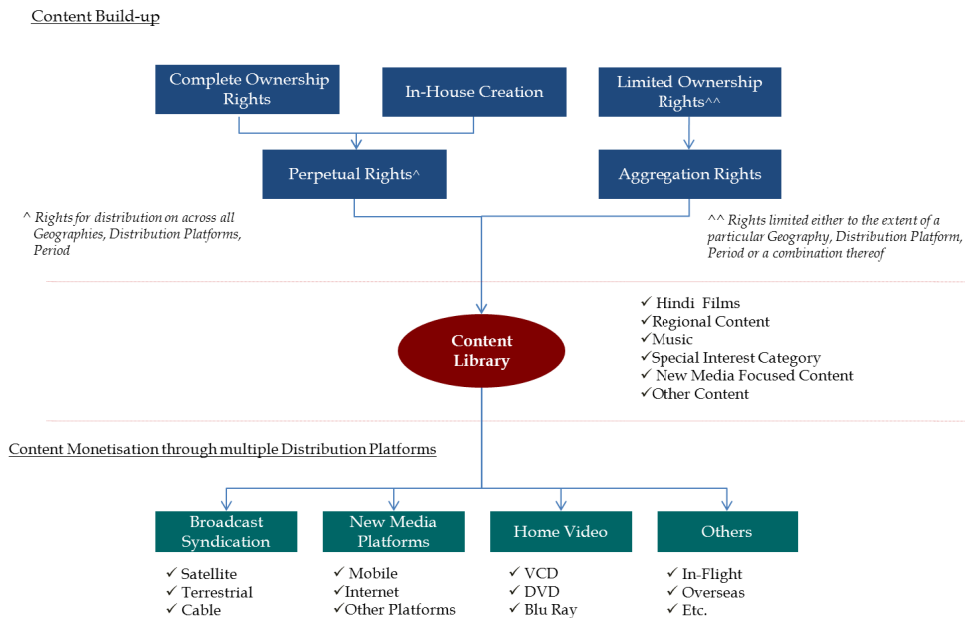
In 1979, we set up India's first video rental business and thereafter in 1987, we forayed into distribution of content through the home video segment in the video home system ("VHS") format. Over the years, our Company has successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into new media platforms.

Our Content Library consists of more than 2,500 titles spanning new Hindi films like Ishqiya, Slumdog Millionaire, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Chandni Chowk to China, Bheja Fry 2, amongst others. Hindi films classics like Mughal-e-Azam, Shree 420, Mera Naam Joker, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali among others as well as non-film content. We are one of the largest independent content aggregators in Bollywood.

Currently, we distribute content over which we have either complete ownership rights or limited ownership rights.

Titles over which we have complete ownership rights are referred to as "**Perpetual Rights**", which allows us to distribute content worldwide for a perpetual period across all mediums. Titles over which we have limited ownership rights are referred to as "**Aggregation Rights**". Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof. Titles where we have Perpetual Rights or Aggregation Rights are known as our "**Content Library**".

We distribute our content through various mediums such as (i) television such as satellite, terrestrial and cable television; (ii) new media platforms consisting of mobile, internet, direct to home ("**DTH**") and other applications; (iii) home entertainment; and (iv) other media. For further details, please refer to "Distribution Platforms" on page 83 of this section.



Our recent initiatives include tying up as an official channel partner for Google Inc.'s You Tube where we are managing 32 channels. We are also moving beyond providing just content, to providing content management solutions to partners including (i) Airtel digital television in connection with an interactive devotional service, namely "iDarshan" (ii) British Telecom's (UK) IPTV service BT Vision for their South-Asian content pack and (iii) Tata DOCOMO's video platform for 3G services.

Our consolidated total income, EBDITA and profit after tax for Fiscal 2011 was ₹ 16,023.82 lakhs, ₹ 3,537.58 lakhs and ₹ 1,362.85 lakhs respectively, representing growth of 54.52%, 81.12% and 4196.50 % respectively, as compared to Fiscal 2010.

Strengths

Our key strengths are set forth below:

1. Shemaroo, an established brand name
2. Vast, diverse and growing Content Library
3. Diversified distribution platforms
4. De-risked business model
5. Experienced directors and management team
6. Strong relationships in the industry

Strategies

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.

The key elements of our strategy are as follows:

1. Scaling up our Content Library driven by return on investment
2. Enhancing monetization of our Content Library through existing and emerging media platforms
3. Enhancing revenue predictability through strategically packaged sales
4. Optimizing content monetization across its life-cycle
5. Creating a sustainable competitive advantage through marketing strategy and moving up the value chain

SUMMARY FINANCIAL INFORMATION

The following tables set forth audited and restated standalone and consolidated summary information on our assets and liabilities, profit and loss statements and cash flows as of and for the financial year ended March 31, 2007, 2008, 2009, 2010 and 2011.

These tables should be read in conjunction with our audited and restated standalone and consolidated financial statements included in the section titled "Financial Statements" on page 128 and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 129 of this Draft Red Herring Prospectus.

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – I

Statement of Standalone Assets and Liabilities (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2011	2010	2009	2008	2007
A	Tangible Assets					
	Fixed Assets					
	Gross Block	5,191.07	5,435.61	5,324.21	5,239.59	-
	Less: Depreciation	1,694.12	1,811.22	1,545.88	1,275.28	-
	Net Block	3,496.95	3,624.38	3,778.33	3,964.31	-
	Less : Revaluation Reserve	-	-	-	-	-
	Net Block after adjustment of revaluation reserve	3,496.95	3,624.38	3,778.33	3,964.31	-
	Capital Work In Progress	5.35	5.57	53.66	51.23	-
	Total	3,502.30	3,629.95	3,832.00	4,015.54	-
B	Investments	650.15	37.96	11.08	11.08	-
C	Current Assets, Loans & Advances					
	Inventories	5,313.06	5,144.00	5,373.36	3,579.51	-
	Sundry Debtors	10,288.13	6,565.80	5,874.28	5,317.68	-
	Cash and Bank Balances	781.18	1,851.97	1,468.17	1,791.00	2.23
	Loans & Advances	4,157.82	4,544.05	4,669.11	4,612.55	-
	Total	20,540.19	18,105.82	17,384.92	15,300.75	2.23
D	Liabilities & Provisions					
	Secured Loans	10,078.28	8,335.34	10,830.50	5,960.40	-
	Unsecured Loans	2,746.15	3,028.07	1,305.54	5,043.81	4.85
	Share Application Money	-	-	-	2.51	-
	Current Liabilities & Provisions	2,280.51	2,053.39	862.07	1,919.32	0.06
	Total	15,104.95	13,416.80	12,998.11	12,926.03	4.91
E	Deferred Tax Liability (Net)	449.46	403.09	401.93	342.14	-
	Net Worth (A+B+C-D-E)	9,138.22	7,953.83	7,827.95	6,059.20	(2.67)
	Net Worth Represented by :					
F	Equity Share Capital	455.71	45.57	45.57	41.01	1.00
G	Reserves & Surplus					
	Share Premium	3,061.03	3,061.03	3,061.03	-	-
	General Reserve	1,685.86	1,590.94	1,590.94	1,666.00	-

	Capital Reserve on Demerger	1,081.32	1,491.46	1,491.46	1,491.46	-
	Profit and Loss Account	2,854.29	1,764.83	1,638.95	2,860.72	(3.67)
	Total	8,682.51	7,908.26	7,782.38	6,018.19	(3.67)
H	Miscellaneous Expenses (To the extent Not written off/ Adjusted)	-	-	-	-	-
I	Net Worth (F+G-H)	9,138.22	7,953.83	7,827.95	6,059.20	(2.67)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II

Statement of Standalone Profit and Loss (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2,011	2,010	2009	2008	2007
A	Income					
	Operating Income	15,492.60	10,160.39	10,333.55	14,577.67	-
	Other Income	203.44	202.43	136.14	220.46	-
	Total	15,696.04	10,362.82	10,469.69	14,798.13	-
B	Expenditure					
	Operating Expenses	10,036.17	6,427.65	7,598.37	9,150.42	-
	Employee Remuneration & benefits	953.42	835.20	1,017.76	915.84	-
	Administration & Other Expenses	933.21	654.21	639.48	814.28	0.03
	Selling Expenses	308.47	399.17	359.93	608.45	-
	Total	12,231.26	8,316.22	9,615.54	11,489.00	0.03
C	Profit before Interest, Depreciation, Tax and Extraordinary Items	3,464.78	2,046.59	854.15	3,309.13	(0.03)
	Financial Expenses	1,532.77	1,650.32	1,784.52	1,906.98	0.00
D	Profit after Interest and before Depreciation, Tax and Extraordinary Items	1,932.01	396.27	(930.37)	1,402.15	(0.03)
	Depreciation	271.21	268.15	286.28	264.19	-
E	Profit before Taxation and Extraordinary Items	1,660.80	128.12	(1,216.65)	1,137.96	(0.03)
	<u>Provision for Taxation</u>					
	- Current Tax	323.11	-	-	332.87	-
	- Deferred Tax	46.37	1.16	59.80	47.23	-
	- Fringe Benefit Tax	-	-	19.00	21.60	-
	- Wealth Tax	0.66	1.08	1.39	1.70	-
F	Profit after Tax and before Extraordinary Items	1,290.66	125.88	(1,296.84)	734.55	(0.03)
	Extraordinary Items	-	-	-	-	-
	Net Profit after Extraordinary Items	1,290.66	125.88	(1,296.84)	734.55	(0.03)
	Surplus/(Deficit) brought forward from the Previous year	1,764.83	1,638.95	2,860.72	(3.67)	(3.64)
	Profit transferred as a result of Demerger				2,199.63	
	Adjustment on account of Demerger				29.26	
G	Profit available for appropriation	3,055.49	1,764.83	1,563.88	2,959.67	(3.67)
	Proposed Dividend	91.14		-	20.51	
	Tax on Dividend	15.14		-	3.49	

	Transfer from/to General Reserve	94.92		(75.06)	75.06	
H	Adjusted Available Surplus / (Deficit) carried forward	2,854.29	1,764.83	1,638.95	2,860.72	(3.67)

Note :

The accompanying standalone statement of Significant Accounting Policies and Notes to the Restated Statements are an integral part of this Statement of Standalone Profit and Loss (As Restated)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II A

Reconciliation Statement between Audited Profit after Tax and Restated Profit after Tax

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Profit/(loss) after Tax as per Audited Profit & Loss Account	1,299.17	129.34	(1,295.51)	750.61	(0.03)
<u>Adjustments on account of:</u>					
Preliminary Expense	-	-	-	3.61	-
Leave Encashment	14.33	(3.61)	0.84	(11.56)	-
Gratuity	23.74	0.01	(0.75)	(15.66)	-
Wealth Tax	0.66	(1.08)	(1.39)	(1.70)	-
Prior Period Items	(33.64)	-	-	-	-
Deferred Tax Asset/(Liability)	(12.94)	1.22	(0.03)	9.25	-
Expense (Wealth Tax Provided)	(0.66)	-	-	-	-
Profit After Tax as Restated	1,290.66	125.88	(1,296.84)	734.55	(0.03)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – III

Statement of Standalone Cash Flow (As Restated)

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
A. Cash flows from Operating Activities					
Net Profit / (Loss) before tax	1,660.80	128.12	(1,216.65)	1,137.96	(0.03)
<i>Adjustments for:</i>					
Depreciation	271.21	268.15	286.28	264.19	-
Interest Received	(172.69)	(99.70)	(129.18)	(139.75)	-
Financial Expenses	1,532.77	1,650.32	1,784.52	1,906.98	0.00
Dividend Income	(0.90)	(1.05)	(0.67)	(0.06)	-
(Profit) / Loss on sale of Fixed Assets	(25.20)	2.17	5.95	6.89	-
(Profit) / Loss on sale of Investments	-	-	-	(39.67)	-
Unrealised Foreign Exchange Gain (Net)	73.76	9.22	(123.98)	30.93	-

Provision for Leave Encashment	24.66	3.61	(0.84)	11.56	-
Provision for Gratuity	35.40	(0.01)	0.75	15.66	-
Provision for Taxation	(0.66)	-	-	-	-
Excess Provision for Taxation in Earlier Years	33.64	-	(3.70)	-	-
Miscellaneous Expenses written off	-	-	-	102.08	-
Operating profit before working capital changes	3,432.79	1,960.84	602.48	3,296.76	(0.03)
<i>Movements in working capital :</i>					
(Increase)/Decrease in Inventories	(169.05)	229.36	(1,793.85)	574.21	-
(Increase)/Decrease in Sundry Debtors	(3,722.33)	(700.74)	(432.62)	(486.10)	-
(Increase)/Decrease in Loans and Advances	111.57	261.86	211.75	212.19	-
Increase/(Decrease) in Current Liabilities, Provision and Other Liabilities	192.34	1,190.10	(973.40)	(71.87)	(3.39)
Cash flows from operations	(154.69)	2,941.42	(2,385.63)	3,525.20	(3.42)
Income tax paid during the year	(205.11)	(118.76)	(344.77)	(1,106.28)	-
Net cash flows from operating activities	(359.79)	2,822.65	(2,730.40)	2,418.92	(3.42)
B. Cash flows from investing activities					
Purchase of Fixed assets (including capital advances)	(182.48)	(68.97)	(110.51)	(336.34)	-
Proceeds from sale of investments	-	-	-	54.76	-
Purchase of Investments in Subsidiaries	(612.19)	(26.88)	-	4.08	-
Sale of Fixed Assets	63.91	0.68	1.82	1.42	-
Dividend Income	0.90	1.05	0.67	0.06	-
Interest Received	172.69	99.70	129.18	139.75	-
Loans given to Subsidiary and others	(82.08)	(21.49)	-	-	-
Net cash flows from investing activities	(639.25)	(15.90)	21.16	(136.28)	-
C. Cash flows from financing activities					
Increase / (Decrease) of Short term Borrowings	1,678.66	2,143.43	(956.14)	(1,768.58)	4.50
Increase / (Decrease) of Long term Borrowings	(217.64)	(2,916.06)	2,087.98	610.54	-
Dividend Paid	-	-	(23.99)	(39.99)	-
Financial Expense	(1,532.77)	(1,650.32)	(1,784.52)	(1,906.98)	-
Share Application Money	-	-	-	2.51	-
Increase in share capital including share premium	-	-	3,063.08	5.94	-
Net cash flows from financing activities	(71.75)	(2,422.95)	2,386.41	(3,096.56)	4.50
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,070.79)	383.80	(322.83)	(813.92)	1.08
Cash and cash equivalents at the beginning of the year	1,851.97	1,468.17	1,791.00	2.23	1.15
Cash and Cash Equivalents of the transferor company acquired as per the Scheme of Arrangement	-	-	-	2,602.69	-
Cash and cash equivalents at the end of the year	781.18	1,851.97	1,468.17	1,791.00	2.23

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – I

Statement of Consolidated Assets and Liabilities (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2011	2010	2009	2008	2007
A	Tangible Assets					

Fixed Assets					
Gross Block	5,191.47	5,437.49	5,325.96	5,240.93	-
Less: Depreciation	1,694.25	1,812.74	1,547.16	1,275.76	-
Net Block	3,497.21	3,624.75	3,778.80	3,965.17	-
Less : Revaluation Reserve	-	-	-	-	-
Net Block after adjustment of revaluation reserve	3,497.21	3,624.75	3,778.80	3,965.17	-
Capital Work In Progress	5.35	5.57	53.66	51.23	-
Total	3,502.56	3,630.32	3,832.46	4,016.40	-
B Investments	615.16	7.00	7.00	7.00	-
C Current Assets, Loans & Advances					
Inventories	5,313.06	5,144.00	5,373.36	3,579.51	-
Sundry Debtors	10,430.60	6,454.60	5,732.94	5,275.98	-
Cash and Bank Balances	842.81	1,862.36	1,520.86	1,816.38	2.23
Loans & Advances	4,054.24	4,522.86	4,669.38	4,621.12	-
Total	20,640.72	17,983.83	17,296.55	15,292.99	2.23
D Liabilities & Provisions					
Secured Loans	10,078.28	8,335.34	10,830.50	5,960.40	-
Unsecured Loans	2,746.15	3,028.07	1,305.54	5,043.81	4.85
Share Application Money	-	-	-	2.51	-
Current Liabilities & Provisions	2,423.93	2,076.72	874.38	1,945.64	0.06
Total	15,248.37	13,440.13	13,010.42	12,952.36	4.91
E Deferred Tax Liability (Net)	449.46	403.09	401.93	342.14	-
Net Worth (A+B+C-D-E)	9,060.61	7,777.93	7,723.66	6,021.89	(2.67)
Net Worth Represented by :					
F Equity Share Capital	455.71	45.57	45.57	41.01	1.00
G Reserves & Surplus					
Share Premium	3,061.03	3,061.03	3,061.03	-	-
General Reserve	1,685.86	1,590.94	1,590.94	1,666.00	-
Capital Reserve on Demerger	1,081.32	1,491.46	1,491.46	1,491.46	-
Profit and Loss Account	2,772.56	1,610.90	1,579.18	2,852.32	(3.67)
Any other reserve (other than Revaluation Reserve)	4.13	6.60	(8.09)	0.04	-
Total	8,604.90	7,760.94	7,714.53	6,009.82	(3.67)
H Miscellaneous Expenses (To the extent Not written off/ Adjusted)	-	28.59	36.44	28.94	-
I Net Worth (G+H-I)	9,060.61	7,777.93	7,723.66	6,021.89	(2.67)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II

Statement of Consolidated Profit and Loss (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2011	2010	2009	2008	2007
A	Income					

Operating Income	15,824.39	10,167.84	10,431.77	14,707.02	-
Other Income	203.45	202.44	136.14	220.46	-
Loss from Associate Concern	(4.02)	-	-	-	-
Total – A	16,023.82	10,370.28	10,567.91	14,927.48	-
B Expenditure					
Operating Expenses	10,195.15	6,458.78	7,622.44	9,167.54	-
Employee Remuneration & benefits	995.81	873.12	1,058.73	952.48	-
Administration & Other Expenses	980.44	685.70	668.63	857.44	0.03
Selling Expenses	314.85	399.56	413.99	648.30	-
Total – B	12,486.25	8,417.15	9,763.79	11,625.76	0.03
C Profit before Interest, Depreciation, Tax and Extraordinary Items					
	3,537.58	1,953.12	804.13	3,301.72	(0.03)
Financial Expenses	1,533.25	1,650.59	1,785.37	1,907.50	0.00
D Profit after Interest and before Depreciation, Tax and Extraordinary Items					
	2,004.33	302.53	(981.24)	1,394.22	(0.03)
Depreciation	271.34	268.58	286.87	264.67	-
E Profit before Taxation and Extraordinary Items					
	1,732.99	33.95	(1,268.11)	1,129.56	(0.03)
<u>Provision for Taxation</u>					
- Current Tax	323.11	-	-	332.87	-
- Deferred Tax	46.37	1.16	59.80	47.23	-
- Fringe Benefit Tax	-	-	19.00	21.60	-
- Wealth Tax	0.66	1.08	1.39	1.70	-
F Profit after Tax and before Extraordinary Items					
	1,362.85	31.72	(1,348.30)	726.15	(0.03)
Extraordinary Items	-	-	-	-	-
G Net Profit after Extraordinary Items					
	1,362.85	31.72	(1,348.30)	726.15	(0.03)
Surplus/(Deficit) brought forward from the Previous year	1,610.90	1,579.18	2,852.32	(3.67)	(3.64)
Profit transferred as a result of Demerger	-	-	-	2199.63	-
Adjustment on account of Demerger	-	-	-	29.26	-
Adjustment on account of Exchange Fluctuations on translations	-	-	0.10	-	-
H Profit available for appropriation					
	2,973.75	1,610.90	1,504.12	2,951.37	(3.67)
Proposed Dividend	91.14	-	-	20.51	-
Tax on Dividend	15.14	-	-	3.49	-
Transfer from/to General Reserve	94.92	-	(75.06)	75.06	-
I Adjusted Available Surplus / (Deficit) carried forward					
	2,772.56	1,610.90	1,579.18	2,852.32	(3.67)

Note :

The accompanying consolidated statement of Significant Accounting Policies and Notes to the Restated Statements are an integral part of this Statement of Consolidated Profit and Loss (As Restated)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II A

Reconciliation Statement between Audited Profit after Tax and Restated Profit after Tax

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Net Profit/(loss) after Tax as per Audited Profit & Loss Account	1,371.36	35.17	(1,346.97)	742.20	(0.03)
Adjustments for:					
Preliminary Expense	-	-	-	3.61	-
Leave Encashment	14.33	(3.61)	0.84	(11.56)	-
Gratuity	23.74	0.01	(0.75)	(15.66)	-
Wealth Tax	0.66	(1.08)	(1.39)	(1.70)	-
Prior Period Items	(33.64)	-	-	-	-
Deferred Tax Asset/(Liability)	(12.94)	1.22	(0.03)	9.25	-
Expense (Wealth Tax Provided)	(0.66)	-	-	-	-
Net Profit After Tax as Restated	1,362.85	31.72	(1,348.30)	726.15	(0.03)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – III

Statement of Consolidated Cash Flow (As Restated)

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
A. Cash flows from Operating Activities					
Net Profit / (Loss) before tax	1,732.99	33.95	(1,268.11)	1,129.56	(0.03)
<i>Adjustments for:</i>					
Depreciation	271.34	276.43	279.37	235.73	-
Interest Received	(172.69)	(99.71)	(129.18)	(139.75)	-
Financial Expenses	1,533.25	1,650.59	1,785.37	1,907.50	0.00
Dividend Income	(0.90)	(1.05)	(0.67)	(0.06)	-
(Profit) / Loss on sale of Fixed Assets	(25.20)	2.17	5.95	6.89	-
(Profit) / Loss on sale of Investments	-	-	-	(39.67)	-
Unrealised Foreign Exchange Gain (Net)	71.26	15.85	(8.23)	28.38	-
Provision for Leave Encashment	24.66	3.61	(0.84)	11.56	-
Provision for Gratuity	35.40	(0.01)	0.75	15.66	-
Provision for Taxation	(0.66)	-	-	-	-
Excess Provision for Taxation in Earlier Years	33.64	-	(3.70)	-	-
Non Cash Expenses Writtenoff	28.59	-	-	-	-
Miscellaneous Expenses written off	-	-	-	102.08	-
Operating profit before working capital changes	3,531.67	1,881.84	660.72	3,257.86	(0.03)
<i>Movements in working capital :</i>					

(Increase)/Decrease in Inventories	(169.05)	229.36	(1,793.85)	574.21	-
(Increase)/Decrease in Sundry Debtors	(3,958.51)	(688.28)	(577.67)	(492.71)	-
(Increase)/Decrease in Loans and Advances	111.87	261.83	220.04	203.63	-
Increase/(Decrease) in Current Liabilities, Provision and Other Liabilities	377.03	1,190.56	(866.71)	2.76	(3.39)
Cash flows from operations	(107.00)	2,875.31	(2,357.47)	3,545.75	(3.42)
Income tax paid during the year	(205.11)	(118.76)	(344.77)	(1,106.28)	-
Net cash flows from operating activities	(312.10)	2,756.55	(2,702.23)	2,439.47	(3.42)
B. Cash flows from investing activities					
Purchase of Fixed assets (including capital advances)	(182.48)	(69.34)	(110.51)	(335.00)	-
Proceeds from sale of investments	-	-	-	54.76	-
Purchase of Investments in Subsidiaries	(608.16)	(26.88)	-	4.08	-
Sale of Fixed Assets	63.91	0.68	1.82	1.42	-
Dividend Income	0.90	1.05	0.67	0.06	-
Interest Received	172.69	99.71	129.18	139.75	-
Loans given to Subsidiary and others	(82.08)	(21.49)	-	-	-
Net cash flows from investing activities	(635.22)	(16.27)	21.16	(134.94)	-
C. Cash flows from financing activities					
Increase / (Decrease) of Short term Borrowings	1,678.66	2,143.43	(956.14)	(1,768.58)	4.50
Increase / (Decrease) of Long term Borrowings	(217.64)	(2,916.06)	2,087.98	610.54	-
Dividend Paid	-	-	(23.99)	(39.99)	-
Financial Expense	(1,533.25)	(1,650.59)	(1,785.37)	(1,907.50)	-
Share Application Money	-	-	-	2.51	-
Increase in share capital including share premium	-	24.43	3,063.08	9.93	-
Net cash flows from financing activities	(72.22)	(2,398.79)	2,385.56	(3,093.08)	4.50
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,069.30)	1,435.42	(99.31)	(2,258.17)	1.08
Cash and cash equivalents at the beginning of the year	1,862.36	1,520.86	1,816.38	2.23	1.15
Cash and Cash Equivalents of the transferor company acquired as per the Scheme of Arrangement	-	-	-	2,602.69	-
Cash and cash equivalents at the end of the year	842.81	1,862.36	1,520.86	1,816.38	2.23

THE ISSUE

The following table summarizes the Issue details:

Public Issue aggregating up to ₹ 11,500 lakhs	[●] Equity Shares
Issue of up to [●] Equity Shares, aggregating up to ₹ 11,500 lakhs	
<i>Of which:</i>	
QIB Portion⁽¹⁾	Not more than [●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion	Not more than [●] Equity Shares*
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Not more than [●] Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion⁽¹⁾	Not less than [●] Equity Shares
Retail Portion⁽¹⁾	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	19,848,904 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	See the section titled "Objects of the Issue" on page 39 of this Draft Red Herring Prospectus.

* Our Company may in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on page 200 of this Draft Red Herring Prospectus. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

⁽¹⁾ Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the QIB Portion, Non-Institutional Portion, and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on December 23, 2005 with the name Shemaroo Holdings Private Limited. Subsequently, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated March 7, 2008 and by a special resolution of our shareholders dated May 28, 2008, the name of our Company was changed to Shemaroo Entertainment Private Limited and a fresh certificate of incorporation consequent to the change of name was granted on June 3, 2008 by the RoC. Thereafter, pursuant to a special resolution of our shareholders dated March 26, 2011, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011 by the RoC. For further details, see the section titled "History and Certain Corporate Matters" on page 94 of this Draft Red Herring Prospectus.

Registered and Corporate Office

Our registered office is situated at Shemaroo House, Plot No.18, Marol Co-operative Industrial Estate, Off Andheri Kurla Road, Andheri East, Mumbai- 400059. For further details relating to changes in our registered office, see the section titled "History and Certain Corporate Matters -Changes in Registered Office" on page 94 of this Draft Red Herring Prospectus.

Registration Number: 11-158288

Corporate Identity Number: U67190MH2005PLC158288

Address of the RoC

The RoC is located at the following address:

The Registrar of Companies
100, Everest, Marine Drive,
Mumbai- 400 002
India .
Telephone: +91 22 2284 6955
Facsimile: +91 22 2281 1977
Email: roc.mumbai@mca.gov.in

Board of Directors

Our Board comprises of the following:

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
<p>Mr. Buddhichand Maroo</p> <p>Designation: Chairman</p> <p>Father's Name: Mr. Hirji Devji Shah</p> <p>Date of Appointment: May 26, 2008</p> <p>Term: Retiring by rotation</p> <p>Occupation: Philanthropist</p> <p>Address: 14th and 15th Floor, Mount Pleasant, 586 A, Lady Jehangir Road, Five Gardens, Mumbai-400019</p> <p>DIN: 00169319</p>	71	Non-Executive Director	1. Shemaroo Holdings Private Limited
<p>Mr. Raman Maroo</p> <p>Designation: Managing Director</p> <p>Father's Name: Mr. Hirji Devji Shah</p>	60	Executive Director	1. Atlas Equifin Private. Limited; 2. Mitoch Pharma Private Limited; 3. Novatech Finvest (India) Private Limited;

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
<p>Date of Appointment: December 23, 2005</p> <p>Term: Re-appointed as Managing Director for a period of 5 years from January 1, 2011</p> <p>Occupation: Business</p> <p>Address: 21-22 A Woodlands, 67 Dr. G Deshmukh Marg, Mumbai- 400026</p> <p>DIN: 00169152</p>			<p>4. Orbit Corporation Limited;</p> <p>5. Multi Screen Media Private Limited;</p> <p>6. Shemaroo Holdings Private Limited;</p> <p>7. Namaste America - Indo American Association for Art and Culture;</p> <p>8. Malabar Hill Club Limited;</p> <p>9. Talwalkars Better Value Fitness Limited;</p> <p>10. Think Walnut Digital Private Limited; and</p> <p>11. Banyan Tree Living & Lifestyle Private Limited.</p> <p>Foreign Companies:</p> <p>1. MSM Satellite (Singapore) Pte Ltd; and</p> <p>2. MSM Asia Limited (UK).</p>
<p>Mr. Atul Maru</p> <p>Designation: Joint Managing Director</p> <p>Father's Name: Mr. Hirji Devji Shah</p> <p>Date of Appointment: December 23, 2005</p> <p>Term: Re-appointed as Joint Managing Director for a period of 5 years from January 1, 2011</p> <p>Occupation: Business</p> <p>Address: 51, 25th floor, Ushakiran, 15 M.L Dhanukar Marg, Mumbai- 400026</p> <p>DIN: 00169264</p>	50	Executive Director	<p>1. Think Walnut Digital Private Limited;</p> <p>2. Shemaroo Holdings Private Limited; and</p> <p>3. Video Federation of India.</p> <p>Partnership Firms</p> <p>1. Shemaroo Corporation.</p>
<p>Mr. Hiren Gada</p> <p>Designation: Wholetime Director</p> <p>Father's Name: Mr. Uday Gada</p> <p>Date of Appointment: May 26, 2008,</p> <p>Term: Appointed as Whole-time Director for a period of 5 years from January 1, 2011.</p> <p>Occupation: Business</p> <p>Address: 1101, Shreenidhi, 76 Bhaudaji Road, Opposite Pioneer High School, Matunga, Mumbai-400019</p>	41	Executive Director	<p>1. Vistaas Digital Media Private Limited;</p> <p>2. Think Walnut Digital Private Limited; and</p> <p>3. Kiron Servepreneures Private Limited.</p> <p>Foreign Companies:</p> <p>1. Shemaroo Entertainment Inc.; and</p>

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
DIN: 01108194			2. Shemaroo Entertainment (UK) Private Limited.
Mr. Jai Maroo Designation: Director Father's Name: Mr. Buddhichand Maroo Date of Appointment: May 26, 2008 Term: Retiring by rotation Occupation: Business Address: 50 Bayshore Road, #22-01, Bayshore Park, Singapore- 469 977, Singapore DIN: 00169399	38	Non-Executive Director	1. Shemaroo Holdings Private Limited; 2. Vistaas Digital Media Private Limited; and 3. Think Walnut Digital Private Limited. Foreign Companies: 1. Shemaroo Entertainment Inc.; 2. Shemaroo Entertainment (UK) Private Limited; and 3. Dyxlar (Singapore) Pte Ltd.
Mr. Jayesh Parekh Designation: Director Father's Name: Mr. Arvind Parekh Date of Appointment: August 29, 2011 Term: Retire by rotation Occupation: Business Address: 114A Arthur Road, #21-08, Singapore - 439 826, Singapore DIN: 01353278	56	Independent Director	Foreign Companies: 1. Apollo Televisions Pte Ltd.; 2. EBus Pte Ltd.; 3. Apollo Television GmbH; 4. Asvathaa Pte Ltd.; and 5. JS Software Investment Pte Ltd.
Mr. Gnanesh Gala Designation: Director Father's Name: Mr. Dungarshi Gala Date of Appointment: August 29, 2011 Term: Retire by rotation Occupation: Business Address: LAKHENI, 21 st Floor, K.M. Munshi Marg, Chowpatty, Mumbai 400 007	49	Independent Director	1. Navvikas Trading Pvt. Ltd.; 2. PRI Holdings Pvt. Ltd.; 3. Ghalla Bhansali Stock Brokers Pvt. Ltd.; 4. Bigspace Realty Pvt. Ltd.; 5. Devish Developers & Infra-Logistics Pvt Ltd; 6. Bigspace Logistics Park Pvt. Ltd.; 7. Chandni Developers & Infra-Logistics Pvt Ltd;

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
DIN: 00093008			<p>8. Lakheni Developers & Infra-Logistics Pvt Ltd;</p> <p>9. eSense Learning Pvt. Ltd.;</p> <p>10. Unidus Developers & Logistics Pvt. Ltd.;</p> <p>11. Swayam Developers & Logistics Pvt. Ltd.;</p> <p>12. Bhudev Developers & Logistics Pvt. Ltd.;</p> <p>13. Sampoorna Realtors & Logistics Pvt. Ltd.;</p> <p>14. Preethvione Real Estates Pvt. Ltd.;</p> <p>15. Kutchi Angel Network Pvt. Ltd.; and</p> <p>16. Space Solution Developers & Infra-Logistics Pvt.Ltd.</p> <p><i>Partnership Firms</i></p> <p>1. Vikas Prakashan</p> <p>2. Gala Publishers</p> <p>3. Gala Comp</p> <p>4. Puja & Poonam Builders</p> <p>5. Lakheni Investments</p> <p>6. Aayushi Builders</p> <p>7. Manav Builders</p> <p>8. Chandni Investments</p> <p>9. Earth Builders</p> <p><i>Designated Partner at LLP</i></p> <p>1. SpringShield Commercials LLP</p> <p>2. Rosepeach Commercials LLP</p> <p>3. Argos Commercials LLP</p> <p>4. Aragonite Commercials LLP</p> <p><i>Trustee</i></p> <p>1. Shri Ramji Tejsey Gala and Lakhani Bai Charitable Trust</p>

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
			2. Shri Lalji Ramji Gala and Tejbai Lalji Gala Charitable Trust 3. Shri Amachand Ramji Gala and Devkaben Amarchand Gala Charitable Trust 4. Shri Dungarshi Ramji Gala and Kasturben Dungarshi Gala Charitable Trust 5. Shri Harakhchand Ramji Gala and Madhuriben Harakhchand Gala Charitable Trust 6. Shri Shantilal Ramji Gala and Vimlaben Shantilal Gala Charitable Trust 7. Shri Velji Megan Maru and Matushri Bhanbai Charitable Trust
Mr. Vasanji Mamania Designation: Director Father's Name: Mr. Asaria Mamania Date of Appointment: August 29, 2011 Term: Retire by rotation Occupation: Business Address: 102, Sunrise, 247, Waterfield Road, Bandra (West), Mumbai- 400 050 DIN: 00013071	73	Independent director	1. Mamania Films Private Limited; 2. Adlabs Shringar Multiplex Cinemas Private Limited 3. Shivam Sundaram Developers and Realtors Private Limited. <i>Partnership Firms</i> 1. Cable Sales Aids; 2. Premier Pressing Works; 3. Pinaki Projects; 4. Neo Films Associates; 5. Satyam Developers; 6. Shiv Sabri Developers; 7. Hindustan Rubber Works; 8. Gujarat Metal and Alloys; 9. P. Bhushan & Company; 10. Miraya Constructions;
Mr. Shashidhar Sinha Designation: Director Father's Name: Mr. Jamna Narain Sinha	53	Independent Director	1. DRAFTFCB-ULKA Advertising Private Limited; 2. Interface Communications Private Limited; 3. The Audit Bureau of Circulations;

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
<p>Date of Appointment: August 29, 2011</p> <p>Term: Retire by rotation</p> <p>Occupation: Business</p> <p>Address: 905, Bldg. No. 13, Indradarshan Phase II, Lokhandwala Complex, Andheri(W), Mumbai 400053</p> <p>DIN: 00953796</p>			<p>4. Jagran Prakashan Limited;</p> <p>5. Mediabrands India Private Limited; and</p> <p>6. Reprise Media India Private Limited.</p>
<p>Mr. Kirit Gala</p> <p>Designation: Director</p> <p>Father's Name: Mr. Vishanji Harshi Gala</p> <p>Date of Appointment: August 29, 2011</p> <p>Term: Retire by rotation</p> <p>Occupation: Business</p> <p>Address: 61/162-Dhanistha, Tarangan Complex, Shahid Mangal Pandey Road, Thane (W) -400606</p> <p>DIN: 01540274</p>	46	Independent Director	<p>1. Gala Precision Engineering Pvt Ltd.</p> <p>2. Gala Springs Pvt Ltd.</p> <p>3. Kutchi Angel Networks Pvt Ltd.</p>

For further details and profile of our Directors, see the section titled "Our Management" on page 101 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Ankit Singh.

His contact details are as follows:

Shemaroo House,
Plot No.18,
Marol Co-operative Industrial Estate,
Off Andheri Kurla Road,
Andheri East,
Mumbai- 400059.
Telephone: +91 22 4031 9911
Facsimile: +91 22 2851 9770
E-mail: compliance.officer@shemaroo.com

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

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

For all Issue related queries and for redressal of complaints, Bidders may also write to the BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to the same. The details of the BRLMs are as follows:

Book Running Lead Managers	
YES Bank Limited 12th Floor, Nehru Centre Discovery of India Dr. A.B. Road, Worli Mumbai 400 018 Telephone: +91 22 6669 9000 Facsimile: +91 22 2497 4158 Email Id: dlprojectshowtime@yesbank.in Website: www.yesbank.in Investor Grievance Id: merchantbanking@yesbank.in Contact Person: Mr. Ankur Singla SEBI Registration No. INM000010874	ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate Mumbai 400 020 Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email Id: shemaroo.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Contact Person: Ms. Payal Kulkarni SEBI Registration No.: INM000011179
Syndicate Members	
[•]	

Legal Counsel to the Issue
J. Sagar Associates Vakils House, 18 Sprott Road Ballard Estate Mumbai - 400 001 Telephone: +91 22 4341 8600 Facsimile: +91 22 4341 8617

Registrar to the Issue
Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078 Telephone No.: +91 22 25960320 Facsimile: +91 22 25960329 Toll Free:- 1-800-22-0320 Email Id: shemaroo.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Id: shemaroo.ipo@linkintime.co.in Contact Person: Mr. Sanjog Sud

Escrow Collection Banks
[•]

Refund Banker(s)
[•]

Self Certified Syndicate Banks

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

Statutory Auditor to our Company
<p>M. K. Dandekar & Co. Chartered Accountants New 244 (138) Angappa Naicken Street, Chennai-600 001 Telephone: +91 44 25222100 Facsimile: +91 44 25220721 Email Id: dandekar@vsnl.com Registration No.: 000679S</p>

Bankers to our Company	
<p>The NKSGB Co-op Bank Limited Laxmi Sadan, 361, V P Road, Girgaum Mumbai 400 004 Telephone: +91 22 2380 0723/2389 8193 Facsimile: +91 22 2389 3911 Email: veenapai@nksb-bank.com Website: www.nksb-bank.com</p>	<p>IDBI Bank Limited IDBI Tower, WTC Complex, Cuff parade, Paradem Mumbai 400 005 Telephone: +91 22 6655 2242 Facsimile: +91 22 2218 6966 Email: mm.kapadia@idbi.co.in Website: www.idbibank.com</p>
<p>Deutsche Bank A.G. 7n bsp, Kodak House, 22 D.N. Road, Fort Mumbai- 400 001 Tel: +91 22 6670 6471 Facsimile: +91 22 2207 4198 Email: rajendra.verma@db.com Website: www.deutschebank.co.in</p>	<p>The Shamrao Vithal Co-Operative Bank Limited Shop No. 11, 12, 30 & 31, Ground floor, Sagar Tech Plaza, A Premises CHS Limited, Andheri Kurla Road, Sakinaka, Mumbai -400 072 Telephone: +91 22 2852 2508/2859 3310 Facsimile: +91 22 2852 0708 Email: bapatrv@svcbank.com Website: www.svcbank.com</p>
<p>Yes Bank Limited 4th floor, Tower 2B, One Indiabulls centre, Mumbai 400 013 Telephone: +91 22 3004 9046 Facsimile: +91 22 6749 5130 Email: reshma.syed@yesbank.in Website: www.yesbank.in</p>	

Statement of Responsibilities of the Book Running Lead Managers

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments., etc.	Yes Bank, ICICI Securities	Yes Bank
2.	Due-diligence of our Company including its operations/management/business plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing	Yes Bank, ICICI Securities	
3.	Drafting and approval of all statutory advertisements and non statutory publicity material including corporate advertisements, corporate films, brochures, etc.	Yes Bank, ICICI Securities	Yes Bank

4.	Preparation and finalization of the road-show presentation and frequently asked questions for the road-show team	Yes Bank, ICICI Securities	ICICI Securities
5.	Appointment of intermediaries, viz., i. Legal Counsel ii. Printer(s) iii. Registrar iv. Advertising agency and v. Bankers to the Issue	Yes Bank, ICICI Securities	ICICI Securities
6.	Non-institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> , ▪ Formulating marketing strategies, preparation of publicity budget ▪ Finalizing media and public relations strategy ▪ Finalizing centres for holding conferences for brokers, etc. ▪ Follow-up on distribution of publicity and Offer material including application form, prospectus and deciding on the quantum of the Offer material ▪ Finalizing collection centres	Yes Bank, ICICI Securities	ICICI Securities
7.	International Institutional marketing International Institutional marketing of the Offer, which will cover, <i>inter alia</i> , Institutional marketing strategy Finalizing the list and division of investors for one to one meetings, and Finalizing road show schedule and investor meeting schedules	Yes Bank, ICICI Securities	ICICI Securities
8.	Domestic Institutional marketing Domestic Institutional marketing of the Offer Finalizing the list and division of investors for one to one meetings	Yes Bank, ICICI Securities	ICICI Securities
9.	Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading	Yes Bank, ICICI Securities	ICICI Securities
10.	Managing the book and finalisation of pricing in consultation with the Company	Yes Bank, ICICI Securities	ICICI Securities
11.	Post bidding activities including management of escrow accounts, co-ordination of allocation, finalization of basis of allotment / weeding out of multiple applications, intimation of allocation and dispatch of refunds to bidders, dealing with the various agencies connected with the work such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks and the bank handling refund business etc. The designated coordinating Book Running Lead Manager shall be responsible for ensuring that the intermediaries fulfil their functions and enable him to discharge this responsibility through suitable agreements with our Company.	Yes Bank, ICICI Securities	Yes Bank

IPO Grading Agency

[Name]
[Address]
Telephone: +91 [●]
Facsimile: +91 [●]
E-mail: [●]
Contact Person: [●]

IPO Grading

This Issue has been graded by [●] and has been assigned the “IPO Grade [●]” indicating [●] fundamentals through its letter dated [●], pursuant to Regulation 26(7) of the SEBI Regulations. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and “IPO Grade 1” indicates poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus to be filed with the RoC and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus till the Bid Closing Date.

Summary of rationale for grading by the IPO Grading Agency

[●]

Disclaimer of IPO Grading Agency

[•]

Monitoring Agency

As the Issue size will not exceed ₹ 50,000 lakhs, the appointment of Monitoring Agency would not be required under Regulation 16 of the SEBI Regulations.

Expert

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations and the examination reports for our (i) audited and restated standalone financial statements, (ii) audited and restated consolidated financial statements and (iii) statement of tax benefits as provided by the Auditors, M/s M.K. Dandekar & Co., Chartered Accountants (a copy of which reports have been included in the Draft Red Herring Prospectus), we have not obtained any other expert opinions.

Project Appraisal

None of the objects of the Issue have been appraised.

Credit Rating

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

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price shall be determined by our Company in consultation with the BRLMs, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the BRLMs;
- (3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters;
- (4) Registrar to the Issue;
- (5) Escrow Collection Banks; and
- (6) SCSBs.

This Issue is being made through the Book Building Process, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs.

Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled “Issue Procedure” on page 200 of this Draft Red Herring Prospectus. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 1000 lakhs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

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

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

In accordance with the SEBI Regulations, QIBs Bidding in the Net QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Period. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, see the sections titled “Issue Structure” and “Issue Procedure” on pages 197 and 200 respectively, of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLMs to manage this Issue and procure subscriptions to this Issue.

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

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see section titled “Issue Procedure” on page 200. Specific attention of ASBA Bidders is invited to section titled “Issue Procedure” on page 200 of this Draft Red Herring Prospectus;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form and the ASBA Form (see the section titled “Issue Procedure” on page 200 of this Draft Red Herring Prospectus). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation (“**Demographic Details**”), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, DPID and Client ID given in the Bid cum Application Form and the ASBA Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder’s name, bank account number etc.
- Bids by ASBA Bidders will have to be submitted to the SCSBs only at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and
- Bids by QIBs, including Anchor Investors but excluding ASBA Bidders, will have to be submitted to the BRLMs or its affiliates.

Illustration of Book Building Process and the Price Discovery Process

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

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

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer, in consultation with book

running lead managers, will finalise the issue price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company intend to enter into the Underwriting Agreement with the Underwriters to the Issue for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

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

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

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned underwriters are registered with SEBI under section 11 of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the underwriting agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, before and after the Issue, is set forth below:

(₹ In lakhs except share data)

		Aggregate nominal value	Aggregate value at Issue Price
A) AUTHORISED SHARE CAPITAL			
	3,00,00,000 Equity Shares	3000.00	-
B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE			
	1,98,48,904 Equity Shares	1984.89	-
C) PRESENT ISSUE IN TERMS OF THIS DRHP			
	Issue of [●] Equity Shares ^(a)	[●]	[●]
	<i>Of which:</i>		
	QIB Portion of not more than [●] Equity Shares	[●]	[●]
	<i>Of which:</i>		
	Anchor Investor Portion is up to [●] Equity Shares ^(b)	[●]	[●]
	Net QIB Portion of up to [●] Equity Shares ^(c)	[●]	[●]
	<i>Of which:</i>		
	Mutual Fund Portion is [●] Equity Shares*	[●]	[●]
	Other QIBs (including Mutual Funds) is [●] Equity Shares*	[●]	[●]
	Non-Institutional Portion of not less than [●] Equity Shares*	[●]	[●]
	Retail Portion of not less than [●] Equity Shares *	[●]	[●]
D) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE			
	[●] Equity Shares	[●]	[●]
E) SECURITIES PREMIUM ACCOUNT			
	Before the Issue	4,213.50	
	After the Issue**	NIL	

*Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

**Determination post finalization of the Issue Price.

- (a) The Issue has been authorised by a resolution of our Board dated August 8, 2011, and by a special resolution passed pursuant to Section 81 (1A) of the Companies Act, at the EGM held on August 29, 2011.
- (b) Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details see section titled "Issue Procedure" on page 200 of this Draft Red Herring Prospectus. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.
- (c) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

Changes in Authorised Share Capital

- (i) The initial authorized share capital of our Company of ₹1,00,000 comprising of 1,000 equity shares of ₹100 each was subdivided from equity shares of ₹100 each to ₹10 each pursuant to a resolution of the shareholders of our company dated December 3, 2007.
- (ii) The authorized share capital was increased from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each pursuant to a resolution of the shareholders of our company dated December 3, 2007.
- (iii) The authorized share capital was increased from ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each to ₹ 100,00,000 comprising of 1,00,00,000 equity shares of ₹ 10 each pursuant to a resolution of the shareholders of our company dated December 20, 2010
- (iv) The authorised share capital was increased from ₹ 10,00,00,000 comprising of 1,00,00,000 equity shares of ₹ 10 each to ₹ 30,00,00,000 comprising of 3,00,00,000 equity shares of ₹ 10 each pursuant to a resolution of the shareholders of our company dated July 11, 2011

Notes to the Capital Structure

1. Share Capital History

(a) History of equity share capital of our Company

The following table sets forth the history of Equity Share capital of our Company:

Date of allotment *	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)
December 23, 2005	1,000	100	100	Cash	Initial subscription to our Memorandum of Association ⁽¹⁾	1,000	1,00,000	Nil
1000 equity shares of ₹ 100 each Subdivided into 10,000 equity shares of ₹10 each on December 3, 2007 ⁽²⁾						10,000	1,00,000	Nil
March 28, 2008	49,423	10	10	Cash	Preferential allotment ⁽³⁾	59,423	5,94,230	Nil
March 31, 2008	3,50,714	10	N.A.	Other than cash	Allotment pursuant to the Scheme of Arrangement ⁽⁴⁾	4,10,137	41,01,370	Nil
March 25, 2009	45,571	10	6,727.06	Cash	Preferential allotment ⁽⁵⁾	4,55,708	45,57,080	30,61,03,290
March 26, 2011	41,01,372	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio 9:1 ⁽⁶⁾	45,57,080	4,55,70,800	30,61,03,290
August 8, 2011	4,05,146	10	395.00	Cash	Preferential allotment ⁽⁷⁾	49,62,226	4,96,22,260	46,20,84,500
August 29, 2011	1,48,86,678	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio 3:1 ⁽⁸⁾	1,98,48,904	19,84,89,040	42,13,50,080

* Rounded off to two decimal points.

⁽¹⁾ Initial allotment of 500 equity shares each of face value of ₹100 each to Mr.Raman Maroo and Mr.Atul Maru

⁽²⁾ Subdivision of 1000 Equity Shares of ₹100 each into 10,000 equity shares of ₹10 each.

- ⁽³⁾ Preferential allotment of 41,013 Equity Shares of ₹10 each to Mr. Hiren Gada, 1,641 Equity Shares of ₹10 each to Mr. Hemant Karani, 2,051 Equity Shares of ₹10 each to Mr. Ketan Maru, 2,871 Equity Shares of ₹10 each to Mr. Vinod Karani, 821 Equity Shares of ₹10 each to Mr. Harakhchand Gada, 1,026 Equity Shares of ₹10 each to Mr. Bipin Dharod.
- ⁽⁴⁾ Pursuant to the Scheme of Arrangement, 107,738 Equity Shares were allotted to Mr. Raman Maroo, 107,738 Equity Shares were allotted to Mr. Atul Maru, 77,738 Equity Shares were allotted to Mr. Buddhichand Maroo, 27,500 Equity Shares were allotted to Hirji Devji Shah (HUF) and 30,000 Equity Shares were allotted to Mr. Jai Maroo For further details about the scheme, please refer to section titled "History and Certain Corporate Matters" on page no. 94 of this Draft Red Herring Prospectus.
- ⁽⁵⁾ Preferential Allotment of 45,571 Equity Shares of ₹10 each to Technology and Media Group Pte Ltd
- ⁽⁶⁾ Pursuant to the Bonus issue in the ratio of 9:1 allotment of 1,082,142 Equity Shares to Mr. Raman Maroo, 1,082,142 Equity Shares to Mr. Atul Maru, 369,117 Equity Shares to Mr. Hiren Gada, 14,769 Equity Shares to Mr. Hemant Karani, 18,459 Equity Shares to Mr. Ketan Maru, 25,839 Equity Shares to Mr. Vinod Karani, 7,389 Equity Shares to Mr. Harakhchand Gada, 9,234 Equity Shares to Mr. Bipin Dharod, 277,695 Equity Shares to Mr. Jai Maroo and 410,139 Equity Shares to Technology and Media Group Pte Ltd.
- ⁽⁷⁾ Pursuant to a preferential allotment, Equity Shares of ₹ 10 each at a premium of ₹ 385 were allotted to the following parties:

12,659 Equity Shares to Mr. Navin Shah, 25,318 Equity Shares Accord Holdings Private Limited, 12,659 Equity Shares to Triplecom Media Private Limited, 25,318 Equity Shares to Golden Future Investments Private Limited, 12,659 Equity Shares Mr. Mahendra Maru, 38,327 Equity Shares to Mr. Jayesh Parekh, 12,659 Equity Shares to Ms. Lata Iyer, 12,659 Equity Shares to Mr. Anil Shah, 12,659 Equity Shares to Seismograph Securities Private Limited, 12,659 Equity Shares to Mr. Vasanthi Mamania, 12,500 Equity Shares to Ms. Rupal Mehta, 2,500 Equity Shares to Mr. Nilesh Bharani, 2,500 Equity Shares to Ms. Lina Bharani, 2,500 Equity Shares to Ms. Ramila Bharani, 2,500 Equity Shares to Mr. Atul Bharani, 2,500 Equity Shares to Ms. Ami Bharani, 6,330 Equity Shares to Radhika Hotels Private Limited, 2,785 Equity Shares to Mr. Sanjay Shah, 1,266 Equity Shares to Ms. Jagruti Mehta, 12,658 Equity Shares to Mr. Prashant Desai, 12,600 Equity Shares to Bhaskar Chemicals Industries Private Limited, 22,784 Equity Shares to Mr. Raghendra Mohta, 19,000 Equity Shares to Seagull Value Consultants LLP, 2,531 Equity Shares to Intellinvest Financial Services Private Limited, 12,658 Equity Shares to Mr. Vijay Biyani, 6,329 Equity Shares to Mr. Vijay Misquitta, 6,329 Equity Shares to Mr. Kamlesh Gupta, 6,329 Equity Shares to Mr. Sanjay Kohli, 1,250 Equity Shares to Mr. Chetan Shah, 7,600 Equity Shares to Antique Finsec Private Limited, 6,329 Equity Shares to Gian Finance Limited, 12,500 Equity Shares to Surplus Finvest Private Limited, 12,658 Equity Shares to Mr. Santosh Desai, 25,316 Equity Shares to Nikhil Prataprai Gandhi Family Trust, and 25,318 Equity Shares to Prince Polyplast Private Limited.

- ⁽⁸⁾ Pursuant to the Bonus issue in the ratio of 3:1 allotment of 14,886,678 Equity Shares to the shareholders of our Company.

(b) History of the preference share capital of our Company

There is no preference share capital in our Company.

(c) Shares issued for consideration other than cash

The details of Equity Shares issued for consideration other than cash is as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Reasons for allotment	Allottees
March 31, 2008	3,50,714	10	N. A	Allotment pursuant to the Scheme of Arrangement ⁽¹⁾	Raman Maroo, Atul Maru, Buddhichand Maroo, Hirji Devji Shah (HUF) and Jai Maroo
March 26, 2011	41,01,372	10	N. A.	Bonus issue of Equity Shares in the ratio 9:1 ⁽²⁾	Raman Maroo, Atul Maru, Hemant Karani, Ketan Maru, Vinod Karani, Harakhchand Gada, Bipin Dharod, Jai Maroo, Hiren Gada, Buddhichand Maroo and Technology and Media Group Pte Ltd.
August 29, 2011	1,48,86,678	10	N.A.	Bonus issue of Equity Shares in the ratio 3:1 ⁽³⁾	Shareholders of our Company as on August 29, 2011.

⁽¹⁾ Pursuant to the Scheme of Arrangement, 107,738 Equity Shares were allotted to Mr. Raman Maroo, 1,07,738 Equity Shares were allotted to Mr. Atul Maru, 77,738 Equity Shares allotted to Mr. Buddhichand Maroo, 27,500 Equity Shares were allotted to Hirji Devji Shah (HUF) and 30,000 Equity Shares were allotted to Mr. Jai Maroo. For further details about the scheme, please refer to section titled "History and Certain Corporate Matters" on page no. 94 of this draft red herring prospectus.

⁽²⁾ Pursuant to the Bonus issue in the ratio of 9:1 allotment of 1,082,142 Equity Shares to Mr. Raman Maroo, 10,82,142 Equity Shares to Mr. Atul Maru, 3,69,117 Equity Shares to Mr. Hiren Gada, 14,769 Equity Shares to Mr. Hemant Karani, 18,459 Equity Shares to Mr. Ketan Maru, 25,839 Equity Shares to Mr. Vinod Karani, 7,389 Equity Shares to Mr. Harakhchand Gada, 9,234 Equity Shares to Mr. Bipin Dharod, 2,77,695 Equity Shares to Mr. Jai Maroo, 4,10,139 Equity Shares to Technology and Media Group PTE Ltd.

⁽³⁾ Pursuant to the Bonus issue in the ratio of 3:1 allotment of 1,48,86,678 Equity Shares to the shareholders of our Company.

Except for the allotment made pursuant to the Scheme of Arrangement for the transfer and demerger of the entertainment business of our Group Company to our Company, no benefits have accrued to our Company out of the above issuances. For further details about the scheme, please refer to section titled "History and Certain Corporate Matters" on page no. 94 of this Draft Red Herring Prospectus.

2. **History of Build up, Contribution and Lock-in of Promoter**

a) **Build up of Promoters' shareholding in our Company**

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

Name of the Promoter	Date of allotment / transfer	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	Consideration	Nature of Transaction	Pre-Issue Percentage (%)	Post-Issue Percentage
Mr. Raman Maroo	December 23, 2005	500	100	100	Cash	Subscription to the Memorandum of Association of our Company	0.03	[●]
	December 3, 2007	5,000	10	N.A.	-	Subdivision of equity shares from ₹ 100 each to ₹ 10 each.	0.03	[●]
	March 31, 2008	1,07,738	10	N.A.	Other than Cash	Allotment of Equity Shares pursuant to Scheme of Arrangement	0.54	[●]
	March 31, 2008	(1,929)	10	10	Cash	Transfer of equity shares to Mr. Buddhichand Maroo, Hirji Devji Shah (HUF) and Mr. Jai Maroo	(0.01)	[●]
	September 30, 2009	9,429	10	N.A.	Distribution of Assets from HUF to Coparceners	Transferred from Hirji Devji Shah (HUF)	0.05	[●]
	March 26, 2011	10,82,142	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio (9:1)	5.45	[●]
	August 29, 2011	36,07,140	10	N.A.	Other than cash	Bonus issue of Equity shares in the ratio (3:1)	18.17	[●]
Total		4,809,520					24.23	[●]
Mr. Atul Maru	December 23, 2005	500	100	100	Cash	Subscription to the Memorandum of Association of our Company	0.03	[●]
	December 3, 2007	5,000	10	N.A.	-	Subdivision of equity shares from ₹ 100 each to ₹ 10 each.	0.03	[●]
	March 31, 2008	1,07,738	10	N.A.	Other than Cash	Allotment pursuant to Scheme of Arrangement	0.54	[●]
	March 31, 2008	(1,929)	10	10	Cash	Transfer of Equity Shares to Mr. Buddhichand Maroo, Hirji Devji Shah (HUF) and Mr. Jai Maroo	(0.01)	[●]
	September 30, 2009	9,429	10	N.A.	Distribution of assets from HUF to Coparceners	Transfer of Equity Shares from Hirji Devji Shah (HUF)	0.05	[●]
	March 26, 2011	10,82,142	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio (9:1)	5.45	[●]
	August 29, 2011	36,07,140	10	N.A.	Other than cash	Bonus issue of Equity shares in the ratio (3:1)	18.17	[●]
Total		48,09,520					24.23	[●]

* The Equity Shares were fully paid on the date of their allotment

* The Equity Shares held by our Promoters and offered as Promoters' Contribution are free from pledge.

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

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

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

Our Promoters have pursuant to letters dated September 19, 2011, 2011 given their consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in	Date of allotment/transfer *	Face value (₹)	Issue price per Equity Shares (₹)	Nature of allotment	Percentage of post-Issue Capital
[●]	[●]	[●]	10		[●]	[20]

* The Equity Shares were fully paid on the date of their allotment.

Whilst the Issue size aggregates up to ₹ 11,500 lakhs, the actual number of Equity Shares that would be offered in the Issue cannot be determined at this stage. Our Company would be able to estimate the number of Equity Shares to be offered in the Issue upon finalization of the Issue Price. Consequently, our Company cannot determine the number of Equity Shares that are required to be offered by our Promoters towards Promoters' Contribution at this stage. However, all the Equity Shares held by our Promoters are eligible for the Promoters' Contribution in terms of Regulation 32 of the SEBI Regulations.

The Promoters shall satisfy the requirement in relation to Promoters' Contribution at least one day prior to the Bid Opening Date. Further, we undertake to update the exact details of the number of Equity Shares forming part of Promoters' Contribution at the time of filing of the Prospectus with the RoC.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from our Promoters, as required under the SEBI Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this connection, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) The Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) The Equity Shares issued to the Promoters upon conversion of a partnership firm; and
- (iv) The Equity Shares held by the Promoters that are subject to any pledge.

For such time that the Equity Shares under the Promoters' Contribution are locked in as per the SEBI Regulations, 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 loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue. For such time that they are locked in as per the SEBI Regulations, the Equity Shares held by the Promoters in excess of 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 if the pledge of the Equity Shares is one of the terms of the sanction of the loan. For details regarding the objects of the Issue, see the section titled "Objects of the Issue" on page 39 of this Draft Red Herring Prospectus.

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.

c) Shareholding of Promoter Group

The shareholding of members of our Promoter Group other than Equity Shares held by our Promoters is as below:

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of holding (Pre-Issue)	Percentage of holding (Post-Issue)
1.	Mr. Buddhichand Maroo	35,75,320	18.01	[•]
2.	Mr. Jai Maroo	12,34,200	6.22	[•]
3.	Mr. Hiren Gada	16,40,520	8.27	[•]
4.	Technology and Media Group Pte Ltd.	18,22,840	9.18	[•]
	TOTAL	82,72,880	41.68	[•]

The company does not have any corporate promoter, hence shareholding of directors of corporate promoter is not applicable.

3. Details of share capital locked-in for one year

Except for the Promoters' Contribution which shall be locked in as above, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time. Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

4. Our shareholding pattern

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

Description	Pre Issue						Post Issue*			
	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a Percentage of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a Percentage of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of shares	As a Percentage			Number of shares	As a Percentage
Shareholding of Promoters and Promoter Group (A)										
Indian										
Individuals/Hindu Undivided Family	4	1,48,34,880	1,48,34,880	74.74	Nil	Nil	[•]	[•]	[•]	[•]
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]
Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]

Description	Pre Issue						Post Issue*				
	Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a Percentage of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a Percentage of total number of Equity Shares	Shares pledge or otherwise encumbered	
						Number of shares	As a Percentage			Number of shares	As a Percentage
Foreign											
Individuals (Non-Resident Individuals/Foreign Individuals)	1	12,34,200	12,34,200	6.22	Nil	Nil	[•]	[•]	[•]	[•]	
Bodies Corporate (OCB)	1	18,22,840	Nil	9.18	Nil	Nil	[•]	[•]	[•]	[•]	
Institutions/FII	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Total Shareholding of Promoters and Promoter Group (A)	6	1,78,91,920	1,60,69,080	90.14	Nil	Nil	[•]	[•]	[•]	[•]	
Public shareholding (B)											
Institutions (B1)											
Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Foreign Venture Capital Investor	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Sub-Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Non-institutions (B2)							[•]				
Bodies Corporate	11	5,96,648	4,95,376	3.01	Nil	Nil	[•]	[•]	[•]	[•]	
Non Resident Indians	3	2,54,580	Nil	1.28	Nil	Nil	[•]	[•]	[•]	[•]	
OCBs	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Trust	1	1,01,264	Nil	0.51	Nil	Nil	[•]	[•]	[•]	[•]	
Individuals	24	9,28,492	8,36,816	4.68	Nil	Nil	[•]	[•]	[•]	[•]	

Description	Pre Issue						Post Issue*				
	Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a Percentage of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a Percentage of total number of Equity Shares	Shares pledge or otherwise encumbered	
						Number of shares	As a Percentage			Number of shares	As a Percentage
Foreign Bodies	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
Others	1	76,000	76,000	0.38	Nil	Nil	[•]	[•]	[•]	[•]	
Sub-Total (B)(2)	40	19,56,984	14,08,192	9.86	Nil	Nil	[•]	[•]	[•]	[•]	
Public (Pursuant to the Issue) (B)(3)	NA	NA	NA	NA	NA	NA	[•]	[•]	[•]	[•]	
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	40	19,56,984	14,08,192	9.86	Nil	Nil	[•]	[•]	[•]	[•]	
(C) Shares held by custodians and against which Depository receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil	[•]	[•]	[•]	[•]	
GRAND TOTAL (A)+(B)+(C)	46	1,98,48,904	1,74,77,272	100%	[•]	[•]	[•]	[•]	[•]	[•]	

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 35 of the Listing Agreements, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

5. Shareholding of our Directors and Key Managerial Personnel

Except as set forth below, none of our Directors or Key Managerial Personnel holds any Equity Shares as on the date of this Draft Red Herring Prospectus:

Shareholding of Directors

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	48,09,520	24.23	[•]
2.	Mr. Atul Maru	48,09,520	24.23	[•]
3.	Mr. Buddhichand Maroo	35,75,320	18.01	[•]
4.	Mr. Hiren Gada	16,40,520	8.27	[•]
5.	Mr. Jai Maroo	12,34,200	6.22	[•]
6.	Mr. Jayesh Parekh	1,53,308	0.77	[•]
7.	Mr. Vasanji Mamania	50,636	0.26	[•]
Total		1,62,73,024	81.99	[•]

Shareholding of Key Managerial Personnel

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Hemant Karani	65,640	0.33	[●]
2.	Mr. Ketan Maru	82,040	0.41	[●]
3.	Mr. Vinod Karani	1,14,840	0.58	[●]
4.	Mr. Harakhchand Gada	32,840	0.17	[●]
5.	Mr. Bipin Dharod	41,040	0.21	[●]
Total		3,36,400	1.70	[●]

6. **Top ten shareholders**

As on the date of this Draft Red Herring Prospectus, our Company has forty six holders of Equity Shares.

- (a) Our top ten Equity Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage
1.	Mr. Raman Maroo	48,09,520	24.23
2.	Mr. Atul Maru	48,09,520	24.23
3.	Mr. Buddhichand Maroo	35,75,320	18.01
4.	Technology and Media Group PTE Ltd	18,22,840	9.18
5.	Mr. Hiren Gada	16,40,520	8.27
6.	Mr. Jai Maroo	12,34,200	6.22
7.	Mr. Jayesh Parekh	1,53,308	0.77
8.	Mr. Vinod Karani	1,14,840	0.58
9.	Accord Holdings Private Limited	1,01,272	0.51
10.	Golden Future Investments Private Limited	1,01,272	0.51
11.	Prince Polyplast Private Limited	1,01,272	0.51
Total		1,84,63,884	93.02

- (b) Our top ten Equity Shareholders and the number of Equity Shares held by them ten days prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage
1.	Mr. Raman Maroo	4,809,520	24.23
2.	Mr. Atul Maru	4,809,520	24.23
3.	Mr. Buddhichand Maroo	3,575,320	18.01
4.	Technology and Media Group PTE Ltd	1822840	9.18
5.	Mr. Hiren Gada	1,640,520	8.27
6.	Mr. Jai Maroo	1,234,200	6.22
7.	Mr. Jayesh Parekh	153,308	0.77
8.	Mr. Vinod Karani	114,840	0.58
9.	Accord Holdings Private Limited	101,272	0.51
10.	Golden Future Investments Private Limited	101,272	0.51
11.	Prince Polyplast Private Limited	101,272	0.51
Total		18,463,884	93.02

- (c) Our top ten Equity Shareholders two years prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage
1.	Mr. Raman Maroo	110,809	24.32
2.	Mr. Atul Maru	110,809	24.32
3.	Mr. Buddhichand Maroo	79,954	17.55
4.	Technology and Media Group Pte Ltd.	45,571	10.00
5.	Mr. Hiren Gada	41,013	9.00

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage
6.	Mr. Jai Maroo	30,855	6.77
7.	Hirji Devji Shah (HUF)	28,287	6.21
8.	Mr. Vinod Karani	2,871	0.63
9.	Mr. Ketan Maru	2,051	0.45
10.	Mr. Hemant Karani	1,641	0.36
	Total	453,861	99.61

7. As on date of filing of this Draft Red Herring Prospectus, we have not adopted any Employee Stock Option Plan.
8. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Issue.
9. Our Company has issued Equity Shares which may be at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus:

Date of allotment*	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment
March 26, 2011	41,01,372	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio 9:1 ⁽¹⁾
August 8, 2011	4,05,146	10	395	Cash	Preferential allotment ⁽²⁾
August 29, 2011	1,48,86,678	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio 3:1 ⁽³⁾

⁽¹⁾ Pursuant to the Bonus issue in the ratio of 9:1 allotment of 1,082,142 Equity Shares to Mr. Raman Maroo, 1,082,142 Equity Shares to Mr. Atul Maru, 369,117 Equity Shares to Mr. Hiren Gada, 14,769 Equity Shares to Mr. Hemant Karani, 18,459 Equity Shares to Mr. Ketan Maru, 25,839 Equity Shares to Mr. Vinod Karani, 7,389 Equity Shares to Mr. Harakhchand Gada, 9,234 Equity Shares to Mr. Bipin Dharod, 277,695 Equity Shares to Mr. Jai Maroo and 410,139 Equity Shares to Technology and Media Group Pte Ltd.

⁽²⁾ Pursuant to a preferential allotment, Equity Shares of ₹ 10 each at a premium of ₹ 385 were allotted to the following parties:

12,659 Equity Shares to Mr. Navin Shah, 25,318 Equity Shares Accord Holdings Private Limited, 12,659 Equity Shares to Triplecom Media Private Limited, 25,318 Equity Shares to Golden Future Investments Private Limited, 12,659 Equity Shares Mr. Mahendra Maru, 38,327 Equity Shares to Mr. Jayesh Parekh, 12,659 Equity Shares to Ms. Lata Iyer, 12,659 Equity Shares to Mr. Anil Shah, 12,659 Equity Shares to Seismograph Securities Private Limited, 12,659 Equity Shares to Mr. VasANJI MAMANIA, 12,500 Equity Shares to Ms. Rupal Mehta, 2,500 Equity Shares to Mr. Nilesh Bharani, 2,500 Equity Shares to Ms. Lina Bharani, 2,500 Equity Shares to Ms. Ramila Bharani, 2,500 Equity Shares to Mr. Atul Bharani, 2,500 Equity Shares to Ms. Ami Bharani, 6,330 Equity Shares to Radhika Hotels Private Limited, 2,785 Equity Shares to Mr. Sanjay Shah, 1,266 Equity Shares to Ms. Jagruti Mehta, 12,658 Equity Shares to Mr. Prashant Desai, 12,600 Equity Shares to Bhaskar Chemicals Industries Private Limited, 22,784 Equity Shares to Mr. Raghendra Mohta, 19,000 Equity Shares to Seagull Value Consultants LLP, 2,531 Equity Shares to Intellivest Financial Services Private Limited, 12,658 Equity Shares to Mr. Vijay Biyani, 6,329 Equity Shares to Mr. Vijay Misquitta, 6,329 Equity Shares to Mr. Kamlesh Gupta, 6,329 Equity Shares to Mr. Sanjay Kohli, 1,250 Equity Shares to Mr. Chetan Shah, 7,600 Equity Shares to Antique Finsec Private Limited, 6,329 Equity Shares to Gian Finance Limited, 12,500 Equity Shares to Surplus Finvest Private Limited, 12,658 Equity Shares to Mr. Santosh Desai, 25,316 Equity Shares to Nikhil Prataprai Gandhi Family Trust, and 25,318 Equity Shares to Prince Polyplast Private Limited.

⁽³⁾ Pursuant to the Bonus issue in the ratio of 3:1 allotment of 14,886,678 Equity Shares to the shareholders of our Company.

10. The BRLMs do not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in the transactions with and perform services for our Company and our Subsidiaries in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and our Subsidiaries, for which they may in future receive customary compensation.
11. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Subsidiaries, the Promoters, the Promoter Group and the Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
12. Our Company has not issued any Equity Shares out of its revaluation reserves, if any.
13. Our Company has not raised any bridge loan against the Issue Proceeds.
14. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

15. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
16. Except for the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
17. Further, our Company has agreed with the BRLMs not to alter its capital structure by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares or issuance of Equity Shares till the end of six months from the date of opening of the Issue. In addition, our Company will not, without the prior written consent of the BRLMs, during the period starting from the date hereof and ending 180 days after the date of the Prospectus (i) issue, offer, lend, pledge, encumber, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable as or exchangeable for the Equity Shares; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise or (iv) indulge in any publicity activities prohibited under the SEBI Regulations or any other jurisdiction in which the Equity Shares are being offered, during the period in which it is prohibited under each such laws. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Issue; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the ESOS Scheme or any other stock incentive and other employee ownership or benefit plans including, for the avoidance of doubt, any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares in connection with the exercise of any options or similar securities, as disclosed in the Draft Red Herring Prospectus and as will be disclosed in the RHP and the Prospectus, provided they have been approved by the Company's Board of Directors.
18. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, see the section titled "Financial Indebtedness" on page 147 of this Draft Red Herring Prospectus.
19. None of our Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, other than any Equity Shares acquired pursuant to a bonus issue, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.
20. Except as disclosed none of our Directors or their immediate relatives have purchased or sold any securities of our Company, other than any Equity Shares acquired pursuant to a bonus issue, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.
21. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person.
22. Our Promoters, Promoter Group and Group Companies will not participate in this Issue.
23. Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allotment'. Consequently, the Allotment may increase by a maximum of 10% of the Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked-in.
24. This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2) (b) (ii) of SCRR read with Regulation 41(1) of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

25. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details see the section titled "Issue Procedure" on page 200 of this Draft Red Herring Prospectus.
26. Subject to valid Bids being received at or above the Issue Price, under-subscription in any category would be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with BRLMs and the Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
27. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time

OBJECTS OF THE ISSUE

The Issue

The objects of the Issue are to:

- (a) Fund working capital requirements; and
- (b) Fund expenditure for general corporate purposes.

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers and business partners.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

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

		(₹. in lakhs)
Sr. No.	Particulars	Amount
1	Gross Proceeds of the Issue	[•]
2	Issue related Expenses	[•]
	Net Issue Proceeds	[•]

Requirement of Funds and Means of Finance

The fund requirements described below are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

We intend to utilise the Net Proceeds of the Issue of ₹ [•] Lakhs for financing the objects as set forth below.

		(₹ in lakhs)
Sr. No	Expenditure Items	Estimated Net Proceeds
1.	Fund working capital requirements	10,500
2.	Fund expenditure for general corporate purposes	[•]
	Total	[•]

Any expenditure incurred towards the aforementioned objects would be recovered from the Net Proceeds of the Issue.

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

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

Details of the Objects

1. Fund working capital requirements

Working Capital Requirements

Our business is working capital intensive and we fund majority of our working capital requirements in the ordinary course of our business from clients' advances in respect of content sold by us, banks facilities, various financial institutions and unsecured funding and from our internal accruals.

As on March 31, 2010 and March 31, 2011 our Company's working capital facilities consisted of ₹ 11,091 lakhs and ₹ 12,770 lakhs respectively, based on the audited and restated standalone financial statements.

Basis of estimation of working capital requirement

The details of our Company's working capital requirements and funding of the same based on the audited and restated standalone financial statements as at March 31, 2011 and March 31, 2010 are as set out in the table below:

Particulars	(₹ in lakhs)	
	As of March 31, 2010	As of March 31, 2011
	(Audited)	(Audited)
CURRENT ASSETS		
Cash & Bank	1,852.0	781.2
Receivables	6,070.8	8,308.1
Receivables (Bill Discounting) *	495.0	1,980.0
Inventory	-	-
(a) Stock inventory (payment till sale)	5,029.2	5,110.5
(b) WIP (under production)	114.8	202.6
Advance to suppliers	2,859.9	2,943.0
Other Current Assets	-	-
(a) Advance payment of Income Tax	1,602.0	1,078.6
(b) Others	82.2	136.2
Total Current Assets (A)	18,105.8	20,540.2
CURRENT LIABILITIES		
Sundry Creditors	2,053.4	2,174
Deposits/ instalments, etc. repayable in 1 year	-	-
Other Current Liabilities & Provisions	-	106
Total Current Liabilities (B)	2,053.4	2,280.0
Net Working Capital (A-B)	16,052.4	18,260.2
Funding Pattern		
Working Capital Facilities	11,091.1	12,769.8
Internal Accruals	4,961.3	5,490.4

The details of our Company's expected working capital requirements as at March 31, 2012 and as at March 31, 2013 is as set out in the table below:

(₹ in lakhs)

Particulars	As of March 31, 2012	As of March 31, 2013
	(Estimated)	(Estimated)
CURRENT ASSETS		
Cash & Bank	351.9	351.9
Fixed Deposit with Banks	500.0	500.0
Receivables	10,139.0	14,798.0
Receivables (Bill Discounting)*	4,630.0	4,940.0
Inventory		
(a) Stock inventory (payment till sale)	6,308.4	10,397.3
(b) WIP (under production)	1,500.0	2,363.9
Advance to suppliers	1,985.2	2,485.2
Other Current Assets		
(a) Advance payment of Income Tax	878.6	678.6
(b) Others	136.2	136.2
Total Current Assets (A)	26,429.3	36,651.1
CURRENT LIABILITIES		
Sundry Creditors	1,275.3	1,618.9
Deposits/ instalments, etc. repayable in 1 year	1,200.0	1,200.0
Other Current Liabilities & Provisions	-	-
Total Current Liabilities (B)	2,475.3	2,818.9
Net Working Capital (A-B)	23,954.0	33,832.2
Funding Pattern		
Working Capital Facilities *	10,078.3	14,020.0
Enhanced working capital funding (Secured and Unsecured)	4,631.7	-
Proceeds from IPO	2,500.0	8,000.0
Internal Accruals	6,744.03	11,812.2

*Includes the funding secured through discounting of receivables. Net impact on the Working Capital Gap accordingly gets reduced.

Assumptions for working capital requirements

Assumption for Holding Levels:

Particulars	Holding Level as of March 31, 2010	Holding Level as of March 31, 2011	Holding Level as of March 31, 2012	Holding Level as of March 31, 2013
Inventory				
(a) Stock inventory (payment till sale)	259	177	179	186
(b) WIP (under production)	17	6	30	42
Debtors				
(a) Receivables	285	264	286	272
(b) Advance to suppliers	156	102	69	48
Current Liabilities				
(a) Sundry Creditors	78	74	58	32

Our Company proposes to utilise ₹ 10,500.00 lakhs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

The justifications for the holding levels mentioned in the table above are provided below:

Inventories	
(a) Stock inventory (payment till sale)	In the FY 2011-12 and FY 2012-13, the Inventory holding days are expected to remain relatively stable against FY 2010-11.
(b) WIP (under production)	The Company had not undertaken any production in the recent past. The company intends to have small presence in production hence, in the FY 2011-12 and FY 2012-13 the days of WIP is reflective of the same.
Debtors	
(a) Receivables	In FY 2011-12, the Receivable holding days are expected to go up marginally as the company plans to grow its business to a higher level, for which higher credit period will be required. In FY 2012-13, the Receivable holding days as compared to FY 2011-12 are expected to go down marginally, as, a change in the overall revenue mix of the industry is expected, leading to change in the company's customer profile. It is also expected that the additional revenue would come from newer customers with shorter payment cycle. This would bring down the overall receivable days.
(b) Advance to suppliers	The company expects to acquire content by paying higher upfront cash in a single tranche, as against staggered advance payments over a period of time. As a result, the Company will get better pricing and the number of days for Advances will accordingly go down
Current Liabilities	
(a) Sundry Creditors	The company expects that suppliers for content will be paid on a shorter cycle (in order to get better pricing) as compared to the present cycle, hence creditor days is expected to reduce going forward.

2. General Corporate Purposes

The proceeds of the Issue will be first utilized towards the aforesaid items and the balance is proposed to be utilized for

general corporate purposes including strategic initiatives, brand building exercises and strengthening of our marketing and distribution capabilities subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Means of Finance

We propose to meet our expenditure towards the objects of the Issue entirely out of the proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) does not apply. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and/or seeking additional debt from existing and other lenders.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The Issue related expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Escrow Collection Banks and Registrar to the Issue, IPO grading, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down for the Issue expenses is as follows:

Activity	Expenses (in ₹)*	As a percentage of Total Issue Expenses*	As a percentage of Issue*
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges etc.	[●]	[●]	[●]
Lead management, underwriting and selling commissions (including commission payable to SCSBs)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Other (legal fees, grading expenses, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be incorporated after finalisation of the Issue Price.

Interim use of proceeds of the Issue

We, in accordance with the policies formulated by the Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks for the necessary duration and investments in money market mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board or a committee thereof. Such transactions would be at the prevailing commercial rates at the time of investment. The Company may utilize the funds raised to temporarily reduce the draw down from its available lines of credit. Our Company undertakes that it will restore the draw down as per the requirements from time to time, thereby funds raised through the IPO would eventually be utilised towards financing the working capital requirements. We confirm that pending utilization of the Issue proceeds we shall not use the funds for any investments in the equity markets.

Monitoring of utilisation of funds

This issue being an issue of less than ₹ 500 crores there shall be no need to appoint a monitoring agency. The utilization of the proceeds of the Issue shall be monitored by our Board. Our Company will disclose the utilization of the proceeds of the Issue under a separate head along with details, if any in relation to all such proceeds of the Issue that have not

been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years commencing from Fiscal 2012.

Pursuant to Clause 49 of the Listing Agreements, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreements, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the process of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the Issue proceeds will be paid by our Company as consideration to the Promoter, the Directors, our key management personnel or the Group Companies, except in the ordinary course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive strengths

1. Long history and strong brand name
2. Vast, diverse and growing Content Library
3. Diversified distribution platforms
4. Well established systems and procedures
5. De-risked business model
6. Experienced directors and management team
7. Strong relationships in the industry

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections entitled “Our Business - Competitive Strengths” and “Risk Factors” on pages 74 and xii respectively, of this Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our restated audited consolidated financial statements prepared in accordance with the Companies Act and Indian GAAP.

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

1. Earnings per Share (“EPS”) (Pre-Bonus issue on August 29, 2011):

Basic EPS and Diluted EPS:

Period	Consolidated (₹ per Equity Share)	Weights
Year ended March 31, 2009	(32.80)	1
Year ended March 31, 2010	0.70	2
Year ended March 31, 2011	29.91	3
Weighted Average	9.72	

2. Earnings per Share (“EPS”) (Post-Bonus issue on August 29, 2011):

Basic EPS and Diluted EPS:

Period	Consolidated (₹ per Equity Share)	Weights
Year ended March 31, 2009	(8.20)	1
Year ended March 31, 2010	0.17	2
Year ended March 31, 2011	7.48	3
Weighted Average	2.43	

Note:

1. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India.

$$\text{Earnings Per Share (₹)} = \frac{\text{Net Profit attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding during the Year}}$$

3. Price Earnings Ratio (“P/E”) in relation to the Issue Price of ₹ [●] per equity share of face value of ₹ 10 each

Sr. No.	Particulars	Consolidated
1	P/E ratio based on Basic EPS for the year ended March 31, 2011 at the Floor Price:	[●]
2	P/E ratio based on Diluted EPS for the year ended March 31, 2011 at the Floor Price:	[●]
3	P/E ratio based on Basic EPS for the year ended March 31, 2011 at the Cap Price:	[●]
4	P/E ratio based on Diluted EPS for the year ended March 31, 2011 at the Cap Price:	[●]
5	Industry P/E*	
	Highest	48.2
	Lowest	12.0
	Industry Composite	18.9

* P/E based on trailing twelve months earnings for the entire Entertainment / Electronic Media software sector
Source: Capital Markets Magazine- Volume XXVI/14 dated Sep 05 – Sep 18, 2011 (Industry - Entertainment / Electronic Media software)

4. Return on Net worth (“RoNW”)

Period	Consolidated (%)	Weights
Year ended March 31, 2009	(17.46)	1
Year ended March 31, 2010	0.41	2
Year ended March 31, 2011	15.04	3
Weighted Average	4.76	

$$\text{Return on net worth (\%)} = \frac{\text{Net Profit After Tax}}{\text{Net Worth excluding Revaluation Reserve at the end of the Year}}$$

Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the Fiscal 2010:

(a). **Based on Basic EPS**

At the Floor Price - [●] % and [●] % based on Consolidated financial statements respectively.

At the Cap Price - [●] % and [●] % based on audited and restated consolidated financial statements respectively.

(b). **Based on Diluted EPS**

At the Floor Price - [●] % and [●] % based on audited and restated consolidated financial statements respectively.

At the Cap Price - [●] % and [●] % based on audited and restated consolidated financial statements respectively.

5. Net Asset Value per Equity Share

Period	NAV (₹) [#]
	Consolidated
Year ended March 31, 2009	47.22
Year ended March 31, 2010	42.82
Year ended March 31, 2011	49.71
NAV after the Issue	[●]
Issue Price*	[●]

[#] The NAV per share is Post-Bonus issue of August 29, 2011

$$\text{Net Asset Value per Equity Share (₹)} = \frac{\text{Net worth excluding revaluation reserve and preference share capital at the end of the Year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

*The Issue Price of ₹ [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

6. Comparison with industry peers

Our Company is primarily engaged in the business of acquisition/aggregation of film/non-film content and its distribution across multiple platforms i.e. TV, New Media and VAS. There is no listed company which is exactly comparable having a similar business model. However, we have chosen the companies which we believe are our peers in the segment in which we operate:

Particulars	Price per share ⁽³⁾ (₹)	Face Value per equity share (₹)	For the year ended March 31, 2011				
			EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E ⁽⁴⁾	RoNW (%)	NAV per share (₹)
Shemaroo Entertainment ⁽¹⁾	[●]	10	7.48	7.48	[●]	15.04%	49.7
Peer Group							
Eros International ⁽²⁾	215	10	14.45	14.35	14.98	17.48%	73.35
UTV Software ⁽²⁾	940	10	33.34	33.05	28.44	14.70%	226.81

(1) Based on restated financial statements for the year ended March 31, 2011

(2) Source: As per Annual Report 2010-11 (Consolidated Figures)

(3) Market Price: www.bseindia.com (Closing Price as on August 30, 2011)

(4) Diluted EPS is taken into consideration for calculation of P/E

Net Asset Value per share (NAV per share) and Return on Net worth (RONW) for the peer group (on a consolidated basis) are calculated based on their respective Annual Reports for the year ended March 31, 2011.

- NAV per share = Shareholders' funds (i.e. Share Capital + Reserves and Surplus excluding revaluation reserves) / paid-up number of shares outstanding as on March 31, 2011
- RONW = PAT after minority interest / Shareholders' funds (i.e. Share Capital + Reserves and Surplus excluding revaluation reserves) X 100

The peer group listed companies as stated above are engaged in the media and entertainment business.

The Issue Price of ₹ [●] has been determined by the Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building process and is justified based on the above accounting ratios. For further details, please see the section entitled "Risk Factors" on page xii and the financials of the Company including important profitability and return ratios, as set out in the section entitled "Financial Statements" on page 128, of this Draft Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Shemaroo Entertainment Limited,
Shemaroo House, Plot No. 18,
Marol Co-operative Ind. Estate,
Off. Andheri Kurla Road,
Andheri (East),
Mumbai – 400 059

Dear Sirs,

Sub: Certification of statement of Possible Tax Benefits in connection with Initial Public Offering by Shemaroo Entertainment Limited (“the Company”) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the Regulations”)

We, M. K. Dandekar & Co., the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957 and Gift Tax Act, 1958 presently in force in India as of date in connection with the proposed Initial Public Offerings of the Company.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance Act, 2011 where applicable. We do not express any opinion or provide any assurance as to whether:

- the Company or its Shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been / would be met with; or
- the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

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

For M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S
Mr. K.J. Dandekar
Partner
Membership No.: 18533
Place: Mumbai
Date: September 19, 2011

ANNEXURE

Statement of Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 (“ITA”) and other Direct Tax Laws presently in force in India:

Statement of Special Tax Benefits:

I. Benefits available to the Company

1. 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:

<i>Situation</i>	<i>Quantum of deduction</i>	
	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 realised 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

2. 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:

<i>Situation</i>	<i>Quantum of deduction</i>	
	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 of exhibition of the film in the same FY in which it is acquired by him	Entire cost of acquisition	Entire cost of 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 realised 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. Benefits available to the Shareholders of the company

There are no special tax benefits available to the shareholders.

Statement of General Tax Benefits

I. Benefits available to the Company

- As per Section 10(34) of the ITA, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax. Moreover, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115-O (1A) on which tax on distributed profits has been paid by the subsidiary. Furthermore, the amount of above said dividend shall be reduced by amount of dividend paid to any person for the New Pension System Trust referred to in clause (44) of section 10 of the ITA.

As per Section 10(35) of the ITA, the following income will 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.

- As per Section 2(29A) read with Section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of Section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of Section 10 are held for more than twelve months.

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

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

- 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 ITA. As per Section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of Section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 18.5% (plus applicable surcharge and education cess) of the book profits.
4. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 Lacs.

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

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

- i. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or
 - ii. Rural Electrification Corporation Limited, a company formed and registered under The Companies Act, 1956.
5. As per Section 111A of the ITA, 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 and education cess).
 6. As per Section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of Section 48 of the ITA or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under Section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.
 7. Under Section 115JAA(1A) of the ITA, credit is allowed in respect of any Minimum Alternate Tax ("MAT") paid under Section 115JB of the ITA for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the ITA for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.
 8. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(c)(iv) of the Act, subject to the limit specified in Section 35D(3) and fulfillment of requirements u/s 35(1) (ii).
 9. Deduction under Section 32: As per provisions of Section 32(1) (iia) of the Act, the company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfillment of conditions prescribed therein.
 10. Short-term capital loss suffered during the year shall be set off against income if any under the head capital gain; balance loss if any, could be carried forward for set off against capital gains of future years up to eight subsequent assessment years.

11. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains; balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gain.

II. Tax Benefits available to shareholders of the Company under the Income Tax Act, 1961

A. Resident shareholders

1. Under Section 10(32) of the IT Act, any income of minor children who is a shareholder of the Company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included in the income of the parent.
2. The Company is required to pay a 'dividend distribution tax' currently at the rate of 16.223% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O of the IT Act, received on the shares of the Company is exempt from income tax in the hands of shareholders. However, it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income are not an allowable expenditure.
3. The characterization of the gains/losses, arising from transfer of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors.
4.
 - (a) The long-term capital gains (under section 2(29B) of the IT Act) accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to securities transaction tax ("STT"), is exempt from tax as per provisions of Section 10(38) of the IT Act.
 - (b) The short-term capital gains (under section 2(42A) of the IT Act) accruing to the shareholders of the Company on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A of the IT Act. Further no deduction under Chapter VI-A of the IT Act, would be allowed in computing such short term capital gains subjected to tax under Section 111A. In other cases, where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rates would depend on the income slab.
 - (c) As per the provisions of Section 112 of the IT Act, long term gains accruing/ arising to the shareholders of the Company from the transfer of shares/ securities of the Company being listed in recognized stock exchanges, where no security transaction tax is paid then it is chargeable to tax at 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation or chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) after claiming the benefit of indexation, surcharge and education cess, whichever is lower. Under Section 48 of the IT Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition / improvement.
 - (d) Shareholders are entitled to claim exemption in respect of tax on long term capital gains (other than those exempt under Section 10(38) of the IT Act) under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer, subject to the fulfilment of the conditions specified therein. The maximum investment permissible on and after April 1, 2007 for the purposes of claiming the exemption in the notified bonds, by any person in a financial year, is ₹ 50 lacs. However, according to Section 54EC (2) of the IT Act, if the shareholder transfers or converts the notified bonds 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 such bonds are transferred or otherwise converted into money.
 - (e) Shareholders that are individuals or Hindu undivided families can avail of an exemption under Section 54F of the IT Act, by utilization of the net consideration arising from the transfer of the Company's share held for a period of more than 12 months (which is not exempt under Section 10(38)), for purchase / construction of a residential house within the specified time period and subject to the fulfilment of the conditions specified therein.
5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-

off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

6. As per section 56 (2) (vii) Where an individual or a Hindu undivided family receives from any person on or after the 1st day of October, 2009, any property, (moveable/immovable property includes shares & securities [being capital asset of the assessee]),
- (i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
 - (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received:

- (a) from any relative;
- (b) on the occasion of the marriage of the individual;
- (c) under a will or by way of inheritance;
- (d) in contemplation of death of the payer or donor, as the case may be;
- (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act;
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
- (g) from any trust or institution registered under Section 12AA of the IT Act.

B. 1 Non-resident shareholders – other than Foreign Institutional Investors

1. Under Section 10(32) of the IT Act, any income of minor children, who is a shareholder of the Company, which is clubbed with the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included.
2. The Company is required to pay a 'dividend distribution tax' currently at the rate of 16.223% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend. Dividend (whether interim or final) declared, distributed or paid, under Section 115-O of the IT Act, by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the IT Act. However, it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income are not an allowable expenditure.
3. The characterization of the gains/losses, arising from transfer of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors.
4. The long-term capital gains accruing/ arising to a shareholder of the Company, being a non-resident, on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of Section 10(38) of the IT Act.
5. The short-term capital gains accruing/ arising to a shareholder of the Company on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax is chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A of the IT Act. Further, no deduction under Chapter VI-A and rebate would be allowed in computing such short term capital gains subjected to tax under Section 111A. In other case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rate would depend on the income slab.
6. As per the provisions of Section 112 of the IT Act, long term gains accruing/ arising to the shareholders of the Company from the transfer of shares/ securities of the Company being listed in recognized stock exchanges, where no security transaction tax is paid then it is chargeable to tax at 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation or chargeable to tax at the rate of 20%

(plus applicable surcharge and education cess) after claiming the benefit of indexation surcharge and education cess, whichever is lower.

7. Under the provisions of Section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement (“DTAA”) between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
8. The shareholders are entitled to claim exemption in respect of tax on long term capital gains other than those exempt under Section 10(38) of the IT Act under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer subject to the fulfilment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the notified bonds by any person in a financial year is ₹ 50 lacs. However, according to Section 54 EC (2) of the IT Act, if the shareholder transfers or converts (otherwise than by transfer) the notified bonds 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 such bonds are transferred or otherwise converted (otherwise than by transfer) into money.
9. Individual shareholders can avail of an exemption under Section 54F by utilization of the net consideration arising from the sale of company’s share held for a period more than 12 months (which is not exempt under Section 10(38)), for purchase/construction of a residential house within the specified time period and subject to the fulfilment of the conditions specified therein.
10. As per the first proviso to section 48, capital gains arising from the transfer of shares of the Company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares. Cost Indexation benefit will not be available in such a case. The capital gains so computed in such foreign currency shall be reconverted into Indian currency and such manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares of the Company.
11. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
12. As per section 56 (2) (vii) where an individual or a Hindu undivided family receives from any person on or after the 1st day of October, 2009, any property, (moveable/immovable property which includes shares & securities [being capital asset of the assessee]),
 - (i) Without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
 - (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received

- (a) from any relative; or
 - (b) on the occasion of the marriage of the individual; or
 - (c) under a will or by way of inheritance; or
 - (d) in contemplation of death of the payer or donor, as the case may be; or
 - (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act; or
 - (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
 - (g) from any trust or institution registered under Section 12AA of the IT Act.
13. As per Section 115E of the ITA, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term

capital gains arising on transfer of the shares of the Company (in cases not covered under Section 10(38) of the ITA) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

14. As per Section 115F of the ITA and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
15. As per Section 115G of the ITA, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the ITA, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the ITA.
16. As per Section 115H of the ITA, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the ITA to the effect that the provisions of Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
17. As per Section 115I of the ITA, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under Section 139 of the ITA, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the ITA.

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

B.2 Non-resident shareholders – Foreign Institutional Investors

1. The Company is required to pay a ‘dividend distribution tax’ currently at the rate of 16.223% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income.
2. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding (whether for investment or trading in Equity Shares) in the hands of the shareholder and various other factors.
3.
 - (a) The long-term capital gains accruing to the shareholders of the Company on sale of the Company’s shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of Section 10(38).
 - (b) The short-term capital gains accruing / arising to the members of the Company on sale of the Company’s equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A. In other case, i.e. where the transaction is not subjected to STT, as per the provisions of Section 115AD of the Act, the short term capital gains would be chargeable to tax at 30% plus applicable surcharge and education cess.
 - (c) As per the provisions of Section 115AD of the Act, long term gains accruing to the shareholders of the Company from the transfer of shares of the Company being listed in recognized stock exchanges and purchased in foreign currency, otherwise than as mentioned in point 3(a) above, are chargeable to tax at 10% (plus applicable surcharge and education cess). The benefit of indexation and the adjustment with respect to fluctuation in foreign exchange rate would not be allowed to such shareholders. The filing of return under section 139(1) for income computed under Section 115AD is mandatory. Further, where the Gross Total

Income (GTI) of the members includes any income on which tax has been paid as per special rates provided under Section 115AD, then the GTI shall be reduced by the amount of such income and deduction under chapter VIA shall be allowed in respect of reduced GTI.

(d) The shareholders are entitled to claim exemption in respect of tax on long term capital gains under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds /securities within six months from the date of transfer subject to the fulfilment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the notified bonds by any person in a financial year is ₹ 50 Lacs . However, according to section 54 EC(2) of the IT Act, if the shareholder transfers or converts (otherwise than by transfer) the notified bonds 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 such bonds are transferred or otherwise converted (otherwise than by transfer) into money.

4. Under the provisions of Section 90(2) of the IT Act, if the provisions of the DTAA between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

III. Tax Benefits available to the shareholders under the Wealth Tax Act, 1957

Equity Shares of 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 no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

IV. Tax Benefits available to the shareholders under the Gift Tax Act, 1958

Gift Tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract gift tax.

V. Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered under the SEBI Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorised by RBI would be exempt from income tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

VI. Tax Deduction at Source

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

Notes:

- 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;
- 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 share holders.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Overview of the Indian Media & Entertainment Industry

According to a joint report of KPMG and FICCI an industry chamber the Indian Media and Entertainment (M&E) industry grew from INR 587 billion in 2009 to INR 652 billion in 2010, registering an overall growth of 11 per cent and is projected to grow at a CAGR of 14 percent between 2010 and 2015. It is one sector which responds extraordinarily to GDP growth with a multiplier. When incomes rise, more resources get spent on leisure.

The following table sets forth certain details in relation to the different segments comprising the Indian M&E industry.

INR in Billion

	2007	2008	2009	2010	CAGR (07-10)	2011P	2012P	2013P	2014P	2015 P	CAGR (10-15)
Television	211	241	257	297	12%	341	389	455	533	630	16%
Print	160	172	175	193	6%	211	231	254	280	310	10%
Film	93	104	89	83	-3%	91	98	109	120	132	10%
Radio	7	8	8	10	11%	12	15	18	21	25	20%
Music	7	7	8	9	5%	9	11	13	16	19	17%
Animation & VFX	14	17	20	24	18%	28	33	40	47	56	19%
Gaming	4	7	8	10	32%	13	17	23	31	38	31%
Internet	4	6	8	10	39%	13	18	22	28	36	28%
Outdoor	14	16	14	17	6%	19	22	24	27	30	12%
Total Size	516	579	587	652	8%	738	834	957	1,104	1,275	14%

Source: FICCI- KPMG Report 2011

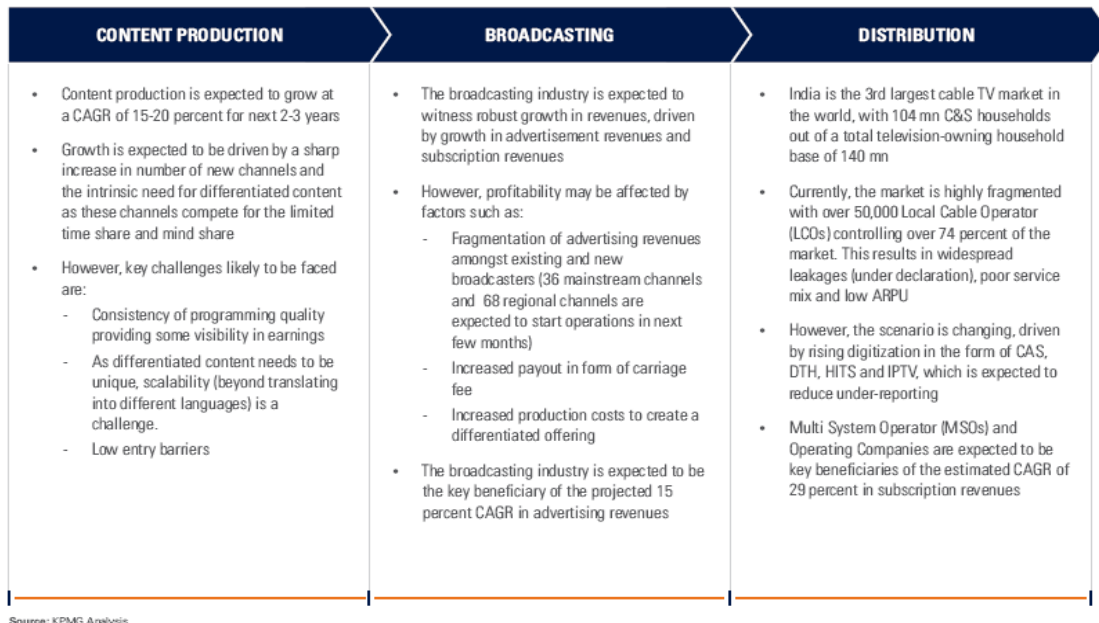
A. Television

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. New technologies like High Definition (HD), STBs (Set Top Boxes) with inbuilt recorders and delivery platforms like mobiles are rapidly evolving, creating further opportunities for innovation and growth. (*Source: FICCI- KPMG Report 2011*).

The television and broadcasting industry has grown tremendously over the last two decades, with an average growth rate in double digits. The industry added almost 100 million viewers in 2010 to reach 600 million viewers and crossed the 550 channel mark from 460 in 2009. New players are entering the market with niche offerings like food channels and more channels in English Entertainment space. Viewers are able to access niche content easily on DTH platform even in smaller markets. (*Source: FICCI- KPMG Report 2011*).

Film broadcasting is the most popular programming format on television and continues to be the major revenue driver and, is therefore, of great importance to every television channel. On Television, films are broadcasted largely across three platforms - Satellite TV (i.e. Hindi Movie Channels - STAR Gold, SET Max; General Entertainment Channels - SONY, Colors, Star Plus; Kids Channels - Pogo, Cartoon Network; Regional Channel - Star Pravah) Terrestrial TV (Doordarshan) and Cable (Hathway, Digicable, etc.).

Television Industry Value Chain

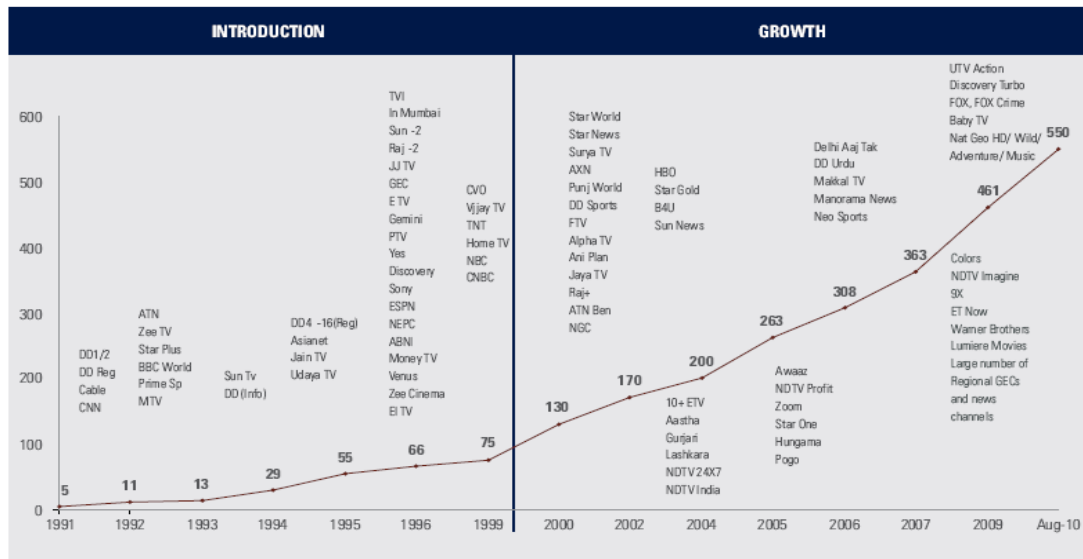


TV Industry Growth Drivers

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

India is one of the largest media consuming markets in the world; however, the size and scale of industry is limited when compared with global M&E Industry. Majority of companies are still small in size or profits when compared to other growing sectors like Retail, Telecom or Information Technology. However, the medium has many drivers in place for growth in the years ahead. India is the only country in the world with 88 million non TV HHs indicating the potential for growth in the market. There are still more than 250 channels awaiting approval as there is growing optimism in the industry. There will be great demand for satellite bandwidth with the introduction of HD channels, the HITS platform, existing DTH channel expansion plans, new channel launches, and VSAT services. The consumers in India are less amenable to paying for content, compared to counterparts in other countries representing a gap which can be addressed. In advertising, only 10 percent of advertisers on print advertise on television currently and a portion of the remaining 90 percent still could be tapped for further growth of the medium. (Source: FICCI- KPMG Report 2011).

Growth in the number of TV channels



Source: TAM. Others include channels which are not captured by TAM

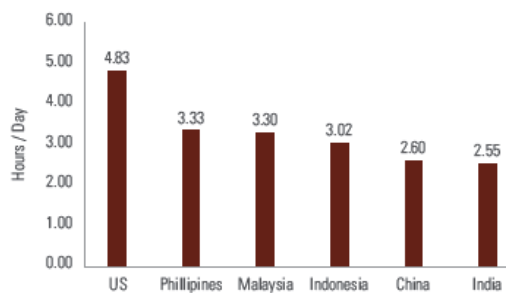
DTH growth has enhanced the satellite footprint

The biggest growth story of 2010 came from the DTH platform which exceeded industry growth expectations to reach a net base of 28 million subscribers, clocking a 75 percent growth over its subscriber base of 2009. Contrary to popular belief, 2010 saw a large part of the growth coming from urban India. Bigger metro markets grew, specifically among the lower socio economic segments, as a result of subsidies offered such as reduced cost of STBs, free installation of STBs and free services etc. In an attempt to rationalize pricing for customers, the year also saw ala-carte options being provided by DTH players. For example, Airtel and Tata sky followed a TRAI directive to operators requiring them to allow customers to select and pay subscription for channels they choose to watch instead of offering only bundled packages. This practice is being adopted by other players as well.

Potential for increase in Average time spent on TV in India

Average time spent on TV is still low in India with two hours in a non metro market and 3 hours in a big metro market because in smaller towns capability and willingness to watch TV exists but the supply of power is an issue. In the US, the average time spent on TV is close to 5 hours in spite of fragmented viewing and in Asian countries like Philippines, Malaysia and Indonesia the average time spent watching television is higher than in India.

Average Time spent Watching television



Source: 'How People Watch: A Global Nielsen Consumer Report', August 2010

Expansion into new and niche genres

The past few months have seen existing players implement a portfolio strategy and expand into different genres and niches. For example, Fox consolidated their presence in the Indian market by launching channels in different genres like general entertainment, wildlife and music.

Near immediate launch of movies on broadcasting and DTH following theatrical release, albeit at high acquisition costs

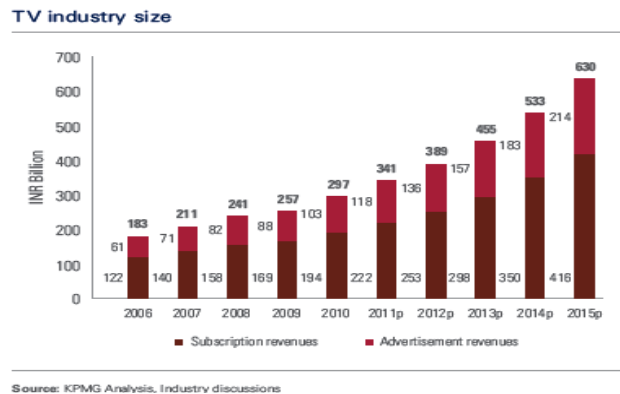
The recent trend of broadcasting just-released movies on television marks a sharp contrast to the earlier practice of maintaining a gap of 90 or more days. It reflects the search of broadcasters for fresh content and is forcing them to spend more on acquiring satellite rights for movies.

The trend of near-immediate broadcast of movies upon release on DTH and on television has been growing in 2010, encouraged in part by the pressure on movie production houses to generate early liquidity, given the increasing size of film budgets.

TRPs of films shown on TV in 2010 are much higher than those in 2009. The shortening of the window between a film's theatrical release and its telecast on a GEC has led to higher viewership. In comparison, the fiction and reality shows on television managed to get lower ratings than films in 2010. The average TRP achieved by the top rated fiction show was 3.7 and by the top rated non fiction show was 3.3.

Outlook for the TV Industry

Overall the industry grew from INR 257 billion in 2009 to INR 297 billion in 2010 recording a growth rate of 15 percent 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 17 percent. The growth in advertisement revenues in 2010 happened at a rate of 16 percent owing to resurgence witnessed in the industry.



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).

B. 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-a-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).

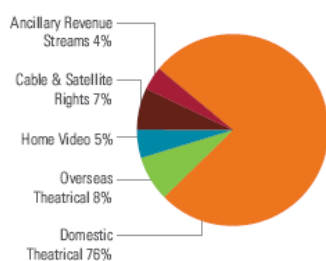
Segment-wise break-up of revenues for the Indian Film Industry

Size of the Indian film industry											
Film Industry (INR bn)	2007	2008	2009	2010	CAGR (2007-10)	2011p	2012p	2013p	2014p	2015p	CAGR (2010-14)
Domestic Theatrical	71.5	80.2	68.5	62.0	-4.6%	67.4	72.2	79.2	87.0	94.8	8.9%
Overseas Theatrical	8.7	9.8	6.8	6.6	-8.8%	6.7	7.2	7.9	8.7	9.5	7.5%
Home Video	3.3	3.8	4.3	2.3	-11.0%	2.5	2.6	2.8	2.9	3.0	5.0%
Cable & Satellite Rights	6.2	7.1	6.3	8.3	10.3%	9.6	11.0	12.6	14.5	16.6	14.8%
Ancillary Revenue Streams	2.9	3.5	3.5	4.1	11.4%	4.7	5.4	6.2	7.1	8.2	15.0%
Total Industry Size	92.7	104.4	89.3	83.3	-3.5%	90.9	98.4	108.6	120.1	132.1	9.6%

Source: KPMG analysis and industry interviews

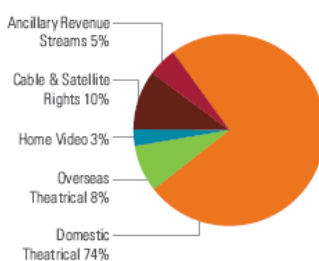
The Indian film industry is projected to grow at a CAGR of 9.6 percent to touch INR 132.1 billion in revenues by 2015. The contribution of domestic theatrical revenues to the overall industry pie is expected to reduce slightly, while the share revenues from cable and satellite rights is expected to increase going forward and account for 13 percent of overall industry size. (Source: FICCI- KPMG Report 2011).

Revenue Split - 2009



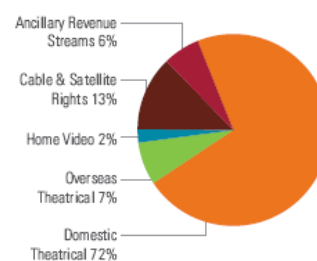
Source: KPMG analysis and industry interviews

Revenue Split - 2010



Source: KPMG analysis and industry interviews

Revenue Split 2015P



Source: KPMG analysis and industry interviews

C&S rights and Ancillary Revenue Streams are expected to grow at the highest rate. C&S is expected to grow at a CAGR of 14.8% and ancillary revenues are expected to grow at a CAGR of 15%.

Domestic & Overseas Theatrical

The number of prints for domestic theatrical release has seen an approximate 50 percent increase 2010 vs. 2009. The domestic theatrical business is expected to grow at a CAGR of 8.9% (2010-14). The market for overseas distribution has not opened up to the levels anticipated. As a consequence, several smaller movies are giving international box office a miss given the high cost involved in marketing and promotion across each region. The overseas theatrical business is expected to grow at 7.5%.

Cable & Satellite rights

2010 witnessed revenues from Cable & Satellite (C&S) rights reach an all time high. Driven by intense competition amongst broadcasters, C&S rights market grew by approximately 33 percent in 2010. Industry participants believe that demand for recent films from TV broadcasters is usually driven by General Entertainment Channels (GEC) channels, which view movie content as a key tool to achieving spikes in viewership, especially in case of a new channel. While these players do not foresee new GEC channel launches in the immediate future, the intensity of competition amongst broadcasters is expected to drive growth of C&S rights. (Source: FICCI- KPMG Report 2011).

Home Video

With movies being premiered on television within four weeks of their releases in theaters, and increased levels of piracy, the home video market is estimated to have witnessed a steep decline last year. Its contribution to the overall revenues of the film industry has reduced from 5 percent in 2009 to 3 percent in 2010.

Amongst the recent movies released on home video, majority belonged to studios who released the DVDs and CDs under the parent company's home video label. These included Reliance Mediawork's Big Home Video, UTV Motion Pictures under Disney and Eros International under Eros. As a result the number of movies available for purchase of home video rights was also limited.

In 2010, amongst the movie rights available, the rights of 30-40 percent of the movies were not bought. This was largely because the high cost of movie acquisition coupled with declining unit sales put pressure on recovery and profitability. As a consequence, the industry saw a rationalization in film acquisition costs towards the end of 2010. At the current price points the activity on sale of home video rights is expected to gain momentum. Players are now looking at acquiring movies once again and the trend is expected to continue if the acquisition costs do not escalate radically. (Source: FICCI- KPMG Report 2011).

Ancillary Revenue Streams

Ancillary revenue streams accounted for 4 percent of the total size of the Indian film industry in 2010. With rapid digitization, roll out 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.

- ***Pay Per View (PPV)***

With DTH subscriber base witnessing a growth of 75 percent in 2010, the pay per view format has also seen a significant jump especially during the second half of the year. However, only about 1 to 3 percent of the DTH subscribers currently opt for PPV films. Dabangg, one of the most-watched films on DTH, received 4.32 lakhs downloads across five DTH players (Tata Sky, Airtel, Dish, Reliance, Videocon) and earned INR 83 lakhs. The window between a film's theatrical release and its broadcast on the DTH platform is a key determinant of the success of PPV as the recency and box office performance work as attractions for the service. (Source: FICCI- KPMG Report 2011).

- ***Licensing and Merchandising***

A popular concept in the west, licensing and merchandising (L&M) in India is viewed more as marketing tool than as a revenue stream. UTV's Chance Pe Dance, fetched distribution partner Shoppers Stop INR 15 million in merchandised apparel sale while Om Shanti Om had earned the company INR 60 million. The sale of licensed products of a movie is also linked to its box office performance and having the right distribution partners is also important. Meanwhile Dabangg, in collaboration with PVR cinemas launched limited edition exclusive movie merchandise only after the movie released and was also made available on the official website. (Source: FICCI- KPMG Report 2011).

- ***Other ancillary rights***

With the recent trend of re-makes of old films such as *Don*, *Sholay* and *Umrao Jaan*, the sale of remake rights has also emerged as another revenue-earning opportunity for owners of film rights. Another recent trend in film advertising, which refers to the placement of products of certain companies in films in exchange for a fee. (Source: FICCI- KPMG Report 2011).

Film - Industry Growth Drivers

New piracy laws

In 2009, the Maharashtra Prevention of Dangerous Activities Act (MPDA) was amended to include audio and video piracy. Similarly, in Karnataka, the Karnataka Prevention of Dangerous Activities of Bootleggers, Drug-Offenders, Gamblers, Goondas, Immoral Traffic Offenders and Slum-Grabbers (Amendment) Bill, popularly known as the Goonda Act, brought film and video piracy within its remit in July 2009. (Source: FICCI-KPMG Report 2010).

Effect of Social Networks

The popularity of social networking sites is also having an impact on the box office collections and determining audience preferences for specific movies, genres, actors etc. Indian consumers today are sharing their verdict of a film within their individual networks through social networking platforms and often even before the first critic's review is published. Meanwhile social networks act as a great marketing and promotion platform for films. As opposed to mass media like television and print, these platforms offer interactivity with the end user. (Source: FICCI- KPMG Report 2011).

Success of the non-Hindi film market

The gaining popularity of Hollywood films in India and success of regional films have caused some shift in the share of revenues for Indian multiplexes. While Hindi films still continue to dominate revenues for the Indian film industry, the competition from Hollywood and regional cinema has resulted in a decrease in share of overall pie of box office collections for Hindi films.

- **3D films**

There has been a sudden surge in the number of 3D films released in India and most of these have done well at the box office. This trend particularly picked up in India after the release of Avatar. In July 2009, Fox Star Studios released ICE Age 3 across 3D screens in India and recently the studio released the Chronicles of Narnia across 120 3D screens across the country. To take opportunity of this growing format, cinema owners are also increasing ticket prices of 3D films by almost 25 percent and as a result 3D movies are fairing better at the box office than 2D films for many exhibitors. There are now 22 3D English films expected to release in 2011 across Indian screens. (Source: FICCI- KPMG Report 2011).

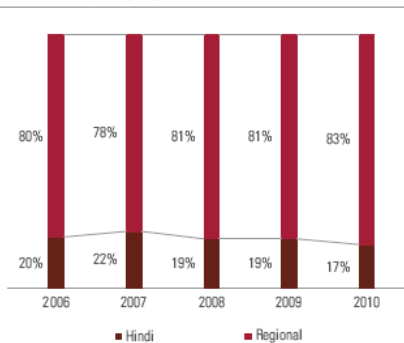
- **Hollywood films**

The popularity and share of Hollywood films in India is getting bigger year on year. While this is largely a metro centric phenomenon, the dubbed versions in Hindi and Tamil have also been doing well in non-metros. Hollywood studios are slowly realizing the potential of the Indian market and have been aggressively marketing their films. Hollywood films across universally appealing genres such as event and action are exploring greater penetration across India. (Source: FICCI- KPMG Report 2011).

- **Regional films**

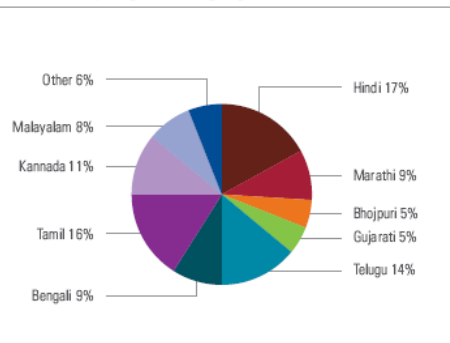
The proportion of Hindi films to the total number of Indian films has seen a decline in recent years as indicated in the graph below. The share of regional films on the other hand has seen a gradual increase. While the four southern markets including Tamil, Telugu, Kannada and Malayalam continue to dominate the regional film markets, Marathi and Bengali cinema are also regaining their popularity. Some of these films like “Janala” and “Natrang” have represented India at several international film festivals and won honors. Moreover some Indian states such as Kerala have been taking initiatives to back their regional film industry. In 2010, the Maharashtra Cine and Television Sena, demanded 500 compulsory shows of Marathi movies every year. With large production houses such as UTV, Reliance Pictures and Mukta arts showing interest in producing and distributing regional films, the industry is poised for interesting times ahead. (Source: FICCI- KPMG Report 2011).

Certified films by language



Source: Central Board of Film Certification

Certified films by Regional Language



Source: Central Board of Film Certification

B. 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

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) ³	1.9 billion ⁴	5.3 billion mobile subscribers ⁵
US	115.9 mn (Sep 2010) ⁶	245 million ⁷	292.8 million mobile phones (June 2010) ⁸
India	134 million ⁹	81 million ¹⁰	771.2 million mobile phones and 548.7 million active mobile subscribers ¹¹

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**

The Indian telecommunications industry is one of the fastest growing in the world. The industry has witnessed consistent growth during the last year on the back of rollout of newer circles by operators, successful auction of third-generation (3G) and broadband wireless access (BWA) spectrum, network rollout in semi-rural areas and increased focus on the value added services (VAS) market. According to the data released by Telecom Regulatory Authority of India (TRAI), the number of wireless subscriber base has increased to 771.18 million at the end of January 2011 from 752.19 million in December 2010, registering a growth of 2.52 per cent. (Source: www.ibef.com)

- **Mobile phones in the spotlight:**

Globally, smartphones such as the iPhone have revolutionized the market. Handset manufacturers, carriers and content developers are constantly innovating in order to stay competitive. Smartphone sales in India accounted for 5.2 percent of device sales in the first quarter of 2010. This share is expected to increase to 18 percent by 2014, driven by broadband technologies, customer aspirational value and peer acceptance. (Source: FICCI- KPMG Report 2011).

The mobile user base is an audience that companies cannot afford to ignore. Large brands from Adidas to Procter & Gamble are increasing their mobile marketing budgets. The launch of 3G services is expected to further increase the number of mobile internet users. (Source: FICCI- KPMG Report 2011).

- **Multiple device usage to take off in India:**

In the next five years, more internet users are expected to connect to the internet via mobile devices than desktop PCs. Consumers in BRIC countries have leapfrogged to newer devices like tablets, as compared to consumers in more mature markets. In July 2010, news of India developing the world's cheapest tablet hit headlines. Initially expected to cost USD 35, the device is another way to provide cheap computing power to the masses. (Source: FICCI- KPMG Report 2011).

The entry of affordable tablets for the price sensitive Indian consumer in time for the launch of 3G services is expected to boost growth in this segment. Tablets are expected to attract consumers looking to replace secondary PCs. Ten percent of Indians plan to purchase a tablet PC in 2011. In India, some forecasts suggest that there will be 1 million tablet devices in the market by 2011. (Source: FICCI- KPMG Report 2011).

- **Explosion of content:**

Faster broadband speeds and high user demand in India will drive content to be presented and consumed in different ways such as social media, videos and streaming of music and movies. For instance, last year, YouTube streamed live telecasts of IPL matches on its website – the first time the company showed a major sporting event live. The IPL channel received viewers from over 200 countries and territories, and grew from 2 million channel views on the first day of the IPL to 54 million at the end of the season. IPL was the number one YouTube sports channel and the number one channel on YouTube India. (Source: FICCI- KPMG Report 2011).

- **Monetization of online content**

For all the hype surrounding new media, few companies have figured out how to profit from their initial forays into the arena. From running a social media website to publishing a traditional print newspaper online, every company needs to turn the corner from investing in digital businesses to profiting from them. Companies can monetize their offerings through advertising and subscription-based models. (Source: FICCI- KPMG Report 2011).

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

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

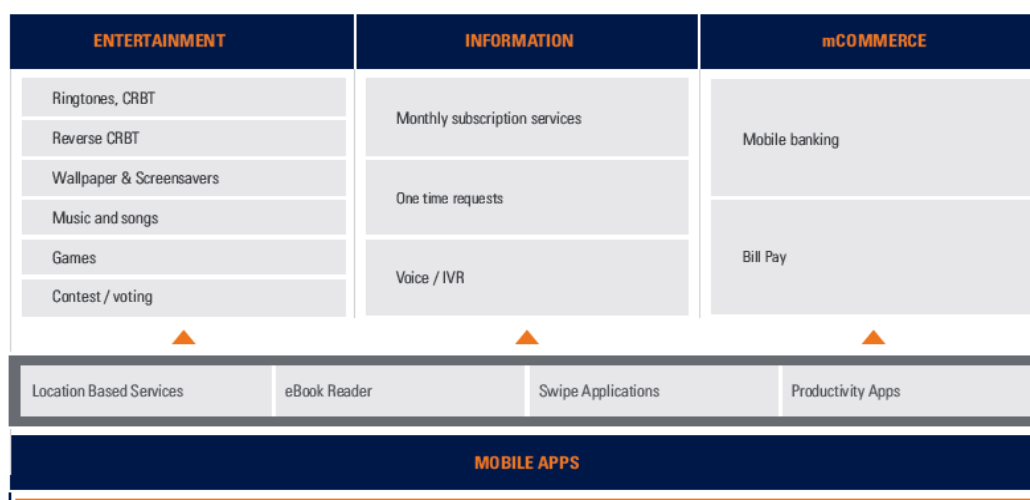
Mobile Value Added Services (MVAS)

Mobile Value Added Services are those services that are not part of the basic voice offer and are availed separately by the end user. They are used as a tool for differentiation and allow mobile operators to develop another stream of revenue.

Products			
	Entertainment VAS	Information VAS	mCOMMERCE
Overview	<ul style="list-style-type: none"> • Provides entertainment for leisure time. • Generates mass appeal 	<ul style="list-style-type: none"> • Provides useful information to end user. • User interest generated based on relevant component of content. 	<ul style="list-style-type: none"> • Services that involve some transaction on mobile devices.
Current Status	<ul style="list-style-type: none"> • Presently driving revenues and volumes for MVAS industry. 	<ul style="list-style-type: none"> • Certain sub-categories gaining popularity. 	<ul style="list-style-type: none"> • Presently in embryonic stage.
Drivers	<ul style="list-style-type: none"> • New players from media and movie houses. Eg. STAR, Rajshri 	<ul style="list-style-type: none"> • Enterprises are utilizing mobile as a channel to deliver information such as stock updates, bank account info. etc. 	<ul style="list-style-type: none"> • RBI guidelines are expected to provide a boost to mBanking.
Challenges	<ul style="list-style-type: none"> • Music is the largest component. Challenge is to drive usage of other contents/services like games. 	<ul style="list-style-type: none"> • Marketing is challenge as information preference differs across segments. 	<ul style="list-style-type: none"> • Security concerns • Handset penetration and usage of GPRS is low in India.
Future Status	<ul style="list-style-type: none"> • Key driver for VAS industry over the next couple of years. 	<ul style="list-style-type: none"> • Information VAS will be key driver for rural markets. 	<ul style="list-style-type: none"> • Post addressal of security concerns, can emerge as a key driver.

Source: KPMG analysis and industry interviews

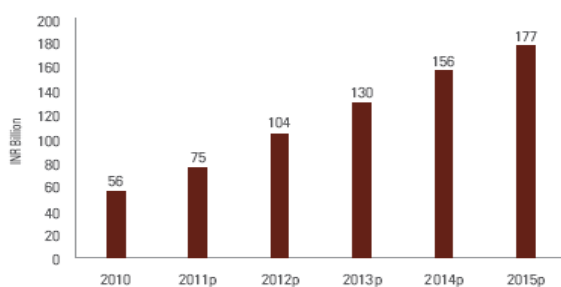
The mobile VAS industry has grown significantly over the last few years on the back of huge growth in mobile subscriber additions and increasing acceptance by subscribers to use mobile handsets for various other applications apart from the conventional voice communication. (Source: FICCI- KPMG Report 2011).



Source: IAMAI "Mobile VAS in India" report, July 2010

Indian consumers have gradually evolved in their mobile VAS usage (these services have also been pushed by the network operators to compensate for the falling voice ARPU). Indian consumers started with SMS, and ring-tone downloads formed the second phase of VAS adoption. Currently, usage of GPRS (Internet) services is becoming a popular VAS being used by consumers. (Source: FICCI- KPMG Report 2011).

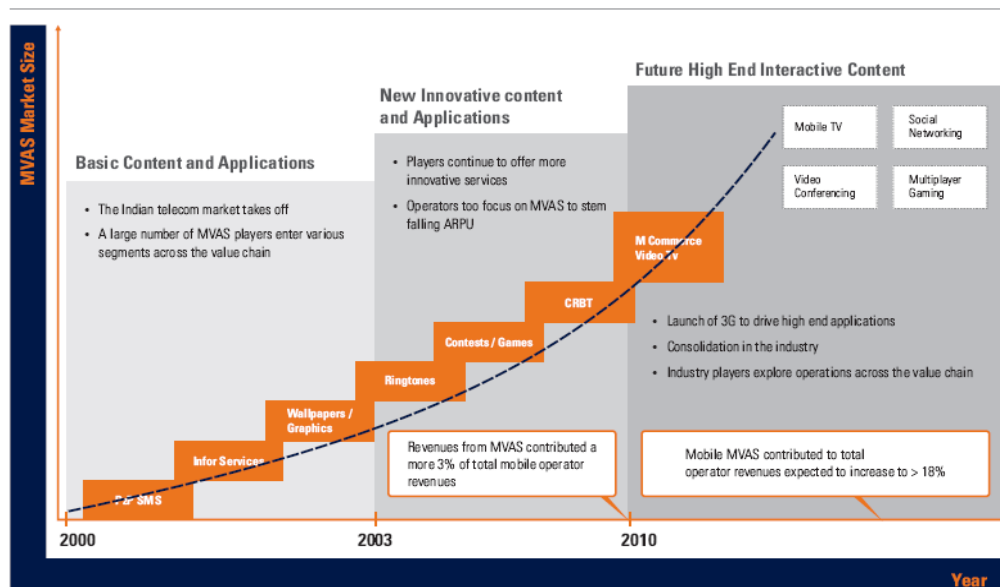
MVAS (excluding mobile gaming)



Source: KPMG analysis and industry interviews

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. (Source: FICCI- KPMG Report 2011).

Entertainment VAS accounts for 70 percent, information VAS accounts for 29 percent and m-commerce accounts for 1 percent of 2010 revenues. (Source: FICCI- KPMG Report 2011).



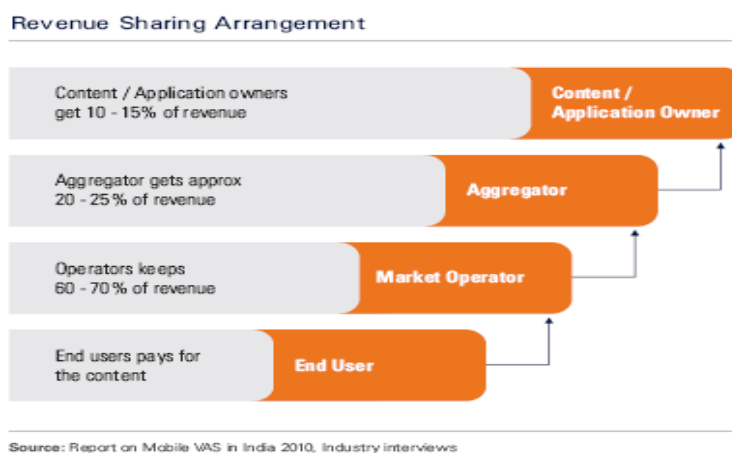
Source: KPMG analysis and industry interviews

Growth Drivers for MVAS

- Innovative pricing:** Low-cost phones such as G5 and Micromax has resulted in significant wireless subscriber growth at the base of the pyramid. Further, over 90 percent of mobile phone subscribers belong to the prepaid segment. Consequently, MVAS players have focused on developing services with micro-charging concepts such as sachet billing and per second billing that are affordable to the vast majority of consumers. (Source: FICCI- KPMG Report 2011).
- From ring-tones to utility MVAS:** As mobile phones are a personal tool, there is a huge scope to develop MVAS utility services for India's aspirational middle class. Utility MVAS services can range from counting calories to digital aartis. Segments that are gaining ground are education and vocational-related segments, healthcare, banking, agriculture

and governance. MVAS services can also empower the rural subscriber base with customized services such as crop price alerts, micro-finance scheme information, and installment due alerts etc. (Source: FICCI- KPMG Report 2011).

- Rise in off-deck services to impact current revenue sharing agreements:** Approximately 98 percent of the current VAS ecosystem is on-deck and telecom operators receive the majority of the share of revenues (60-70 percent) generated from MVAS. With the introduction of 3G services enabling a range of new off-deck data services, carriers will have to create better eco systems that incentivize content creators to develop innovative content. (Source: FICCI- KPMG Report 2011).



Outlook

As the market matures, consumers are getting used to new ways of consuming content which bodes well for the success of 3G services. Further, the availability of feature-rich phones at attractive price points is expected to boost VAS usage amongst low-end users. (Source: FICCI- KPMG Report 2011).

IMPACT OF 3G

The much awaited 3G auction was completed in the month of May'10. All the leading mobile operators participated in the auction, which itself was indication that 3G has large potential. It is expected that 3G will bring in lot of services and revenues for the entire ecosystem. 3G is expected to bring in high quality voice as well as high speed data and video services, all three being key components of future Mobile VAS. Services such as video telephony, mobile TV, video on demand will be offered relatively in short span of time; other services such as music download, online gaming might take little longer. (Source: IAMAI – 2010).

Traditionally, speed has been considered as limiting factor in growth of value added services. The ongoing roll-out of 3G and BWA services could potentially address this gap. India is a young nation with over 64% of its citizens below the age of 34 years with literacy rate of around 80% amongst the age group of 15-24 years. (Source: IAMAI – 2010).

Multilingual content, application support around languages, killer applications and readiness of handsets; could drive over INR 55,000 crores of VAS revenue by 2015. The constituents of VAS ecosystem such as mobile operators, content creator and handset manufacturer will need to show greater collaboration to achieve full potential of VAS. (Source: IAMAI – 2010).

According to KPMG Consumer and Convergence Survey IV, August 2010, propensity to buy mobile content is highest amongst Indians when compared with consumers in G7 countries and BRIC average. The survey revealed that 65% of Indians are willing to pay for at least some online mobile content (entertainment, games, apps etc.) - this is much higher than what consumers in other geographies are willing to pay.

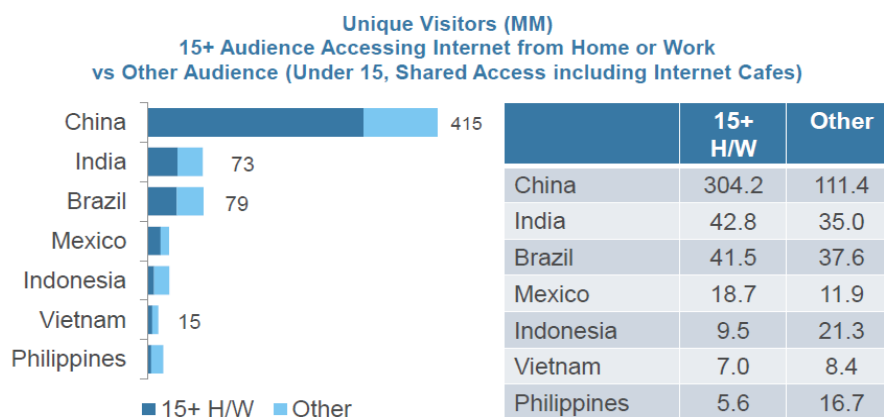
Challenges

- Hyper competition destroying value of VAS:** With the high levels of churn among existing consumers, consumers switching networks may not transfer the VAS services to their new networks. Consumers are spending a shorter duration on a network, resulting in a significant drop in yields which may not be compensated by the growth of the consumer base. (Source: FICCI- KPMG Report 2011).

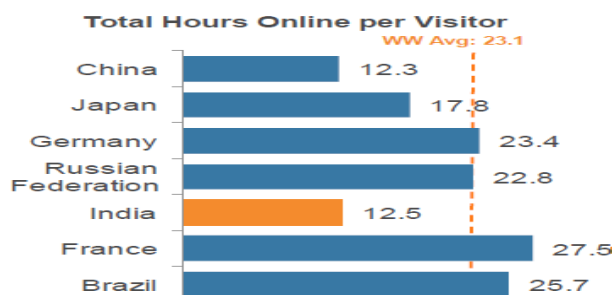
- **Potential impact of new TRAI regulations:** TRAI regulations around consumer oriented issues such as mobile advertising and issues related to violation of customer privacy need be carefully considered for their impact on the market potential. Industry players believe that protecting the interests of consumers should not hamper the ability of carriers to educate consumers on the various services available to them. (Source: FICCI- KPMG Report 2011).
- **Piracy:** Media companies are seeing a shift of eyeballs towards new media. If new media services cannot be introduced in a piracy free environment then there is an erosion of value. Services such as caller tunes were essentially piracy-free but the introduction of mobile internet opens new avenues for piracy. There is a pressing need to introduce regulations that prevent piracy by making ISP accountability essential. As voice charges fall, it is in the interest of ISPs to protect data and block access to websites encouraging piracy. (Source: FICCI- KPMG Report 2011).
- **Lack of coordination between participants:** There exists no common platform for handset manufacturers and VAS players to ensure consistency of features and software across various handset models. This leads to an array of testing and porting requirements prior to the launch of a new application and often to a poor user experience (some users may not be able to use a service if their handset does not support it). (Source: FICCI- KPMG Report 2011).
- **Imbibing consumer insight:** There is a lack of research in understanding customer preferences and, hence, launching customized solutions for each strata of the population—it is easier in music or Bollywood-based content, as the movies and songs are proven. For newer technologies such as a push-to-talk or m-commerce applications, adequate market profiling is not available from the only sources of information—operators. Hence, the market continues to run and grow via trial and error. The dilemma remains whether to invest in a market to help make it grow or to see early-stage adoption and then go the full distance. (Source: FICCI- KPMG Report 2011).

Internet

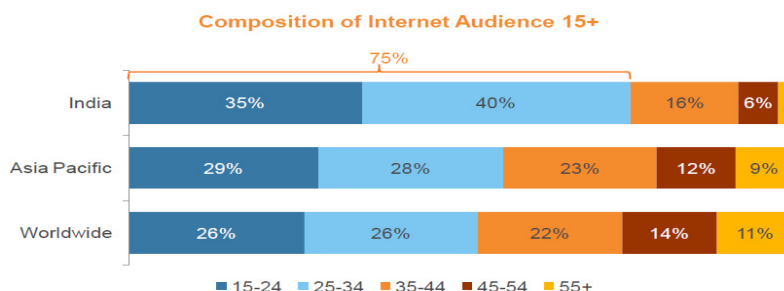
According to a recent report by comScore, there were around 73 million unique Indian visitors on the internet in the month of March, 2011. Of the 73 million, around 35 million users accessed internet from shared access locations like internet cafés.



While India is far behind China in terms of internet penetration, average time spent on internet per month in India is comparable to that in China. Broadband penetration is the major constraint for Internet proliferation in India, as Indians who can access internet display similar levels of online activity as the Chinese. With the arrival of 3G and BWA, increase in broadband penetration is expected to increase and many more Indians will start using the internet.

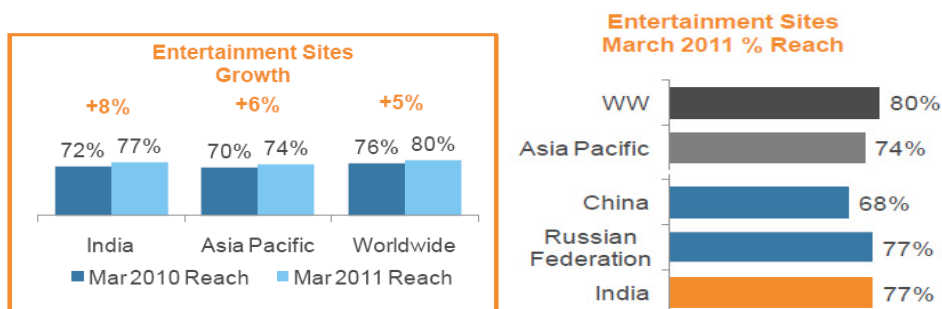


Internet usage in India is dominated by its younger population. The share of youth (< 35 years age) in the Indian internet audience is much higher in India (75%) when compared to the statistics for the Asia – Pacific region (57%) and overall worldwide (52%).

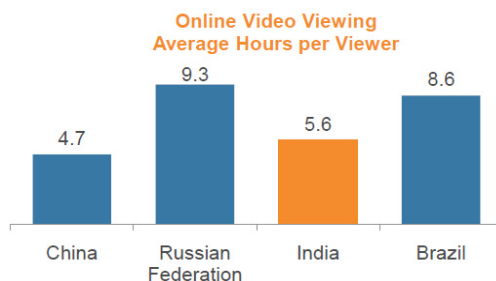


There is a large appetite for online entertainment in India. According to comScore:

- 77% of web users in India visited an Entertainment site in March, 2011
- Growth of 8% is higher than regional and worldwide growth
- This category will continue to grow as broadband penetration increases



7 of 10 Indian internet users watch online video in a month. According to comScore Video Metrix service, 30.2 million online users in India watched online video in January 2011, representing 72% of the total online population. However, despite the high interest for online videos, average time spent on online videos by Indian internet users (5.6 hours in March, 2011) is much lower than that of internet users in USA (15.7 hours in March, 2011). In fact, India has the lowest average time spent on online videos even within the developing countries (refer graph below). Given the high interest for entertainment content in India, online video consumption is expected to grow with increased broadband penetration.



Google Sites are ranked as the top online video viewing destination in India across several metrics. More than 23.5 million viewers watched a total of 785 million videos on Google Sites, with viewers averaging 1.7 viewing hours during January, 2011. Viewership at Google Sites was mainly driven by YouTube.com which accounted for 780.7 million videos, representing 44.5% of all videos viewed in India in January.

Top Video Properties in India**Based on Total India Audience, Age 15+	Total Unique Home & Work Viewers, January 2011	Locations*
	Total Unique Viewers ('000)	Minutes per Viewer
	Videos ('000)	

Total Internet : Total Audience	30,155	1,755,186	302.8
Google Sites	23,563	785,417	101.0
Facebook.com	6,637	30,091	12.4
Metacafe	3,937	33,808	35.3
Yahoo! Sites	2,843	10,960	13.0
Dailymotion.com	2,720	24,128	56.5
VEVO	1,374	4,010	30.1
Network 18	1,229	5,525	109.0
Rediff.com India Ltd	861	2,930	5.0
Microsoft Sites	845	4,890	20.2
MIPS.TV	782	3,414	49.8

*Excludes visitation from public computers such as Internet cafes or access from mobile phones or PDAs.
**Video Properties include all sites under that parent company. For example, Google Sites includes YouTube.com.

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

Digital Music revenue has overtaken physical in 2010 and expected to become around 12 times of physical sales by 2015.

The 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. (Source: FICCI- KPMG Report 2011).

Music Industry Growth Drivers

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 true impact of 3G is expected to be felt by early 2012. 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.

Music is the largest contributor to VAS revenues of the telecom industry and is expected to continue being the biggest driver of revenues as it contains caller tunes, ring tones downloads etc. which is a popular segment. With the rollout of high speed 3G data services, digital distribution platforms such as full track downloads, streaming music and subscriptions, are likely to evolve. (Source: FICCI- KPMG Report 2011).

Surge in the number of devices leading to newer platforms for consuming music

The Indian market is witnessing a surge in the volume sales of mobile devices. About 140 million devices have been reportedly sold in 2010, which is 19 percent over the 117 million sold in the previous year. It is estimated that by 2014 this number is likely to reach 206 million. India is the second largest wireless market in the world, after China, with 636 million mobile subscribers (reported in mid-2010). The existing mobile phone subscriber base plus the technological advancement of handsets coupled with the 3G platform will help the market for music services grow, adding to revenues of music companies. (Source: FICCI- KPMG Report 2011).

Social media is expected to be a significant driver for music consumption

Indian music fraternity is finally exploring the potential of social networking sites as a promotional tool. In Nov 2010, more than 35 million Indians were logged on to some kind of social network with more than 17.3 million Facebook users.

Social networking sites are emerging as the favoured medium of labels and independent musicians to promote new albums and create a buzz. Globally music companies have been leveraging social networks such as MySpace, Facebook and Twitter to popularize artists and their music by enabling artists to communicate to their audiences through these interactive platforms. (Source: FICCI- KPMG Report 2011).

Globally, YouTube has been used by music companies to distribute music. Licensing arrangements have helped music companies earn revenues either on a per user view basis or from a share in the advertising revenues. In.com partnered with Sony Music for live streaming Shakira's first single SheWolf. Taking cue from global successes various music labels in India have entered into strategic partnerships with social networking websites. These social networks are actively being leveraged for promotion activities.

- ibibo.com has partnership agreements with Sony Music, EMI Saregama and Warner Music
- Bigadda.com has promoted Bollywood properties like 20 Kambakht Ishq and Love Aaj Kal.

Hungama Mobile has launched a unique social music-on demand service called 'MusicConnect' for Aircel subscribers. The service enables Aircel subscribers to enjoy their favorite songs via interactive voice response (IVR) on their mobile device via the mobile internet. This can be shared using social 21 networking sites like Facebook and Twitter. (Source: FICCI- KPMG Report 2011).

Copyright law likely to impact film music

The Copyright Amendment Bill 2010 seeks to amend The Copyright Act, 1957 by creating rights for the music composer, lyricist and singers. Once passed, the Bill would bring in a paradigm shift in the Indian music industry where thus far the rights are owned by music companies. This will result in reduction in price paid by music companies for music, since they will no longer own the right but merely enjoy a right to commercially exploit the music content. With the emergence of multiple stakeholders the relative strength of music companies to exploit the economic rights hitherto acquired upon buying music rights could go down. However, the precise impact on the music businesses in the medium to long term remains to be seen.

Radio and Television

Television and radio together contributed eight percent to the total industry revenues, up from six percent in 2009. The relatively low cost of launching a music channel has resulted in 40 music channels operational on television in 2010.

The segment is expected to grow at a CAGR of 15 percent in next five years to reach INR 1.38 billion by 2015. However, the Copyright Board's recommendation of a revenue sharing model between radio and music companies is likely to flatten the revenue contribution of broadcasters. As per the recommendation, around two percent of the net advertising revenues of radio companies are to be passed on as royalty to the music companies. This is as opposed to the earlier arrangement which required some players in the radio industry to pay as much as 20 percent of their revenues as royalties on a fixed charge per needle hour basis. The shift from needle-hour rate to revenue sharing model is expected to squeeze down revenues for music companies. Indian music companies will see a drop in revenues from radio royalties, from 7-8 percent of net advertising revenues in the needle hour rate era, down to about two percent of net advertising revenues earned by radio companies. (Source: FICCI- KPMG Report 2011).

OUR BUSINESS

This section, unless the context otherwise requires, a reference to our "Company" refers to "[●]" and a reference to "we", "us" and "our" refers to our Subsidiaries and where the context requires the entertainment business of our Group Company Shemaroo Holdings Private Limited which was transferred to our Company pursuant to the Scheme of Arrangement. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our audited restated financial information as detailed in the section "Financial Statements" at page 128. This section should be read together with "Risk Factors" on page xii and "Industry" on page 58, of this Draft Red Herring Prospectus.

OVERVIEW

Founded on October 29, 1962, in Mumbai, as a book circulating library, today we are an established integrated media content house in India with activities across content acquisition, value addition to content and content distribution. Together with film-based copyrights and other entertainment rights, the brand "Shemaroo" is synonymous with quality entertainment.

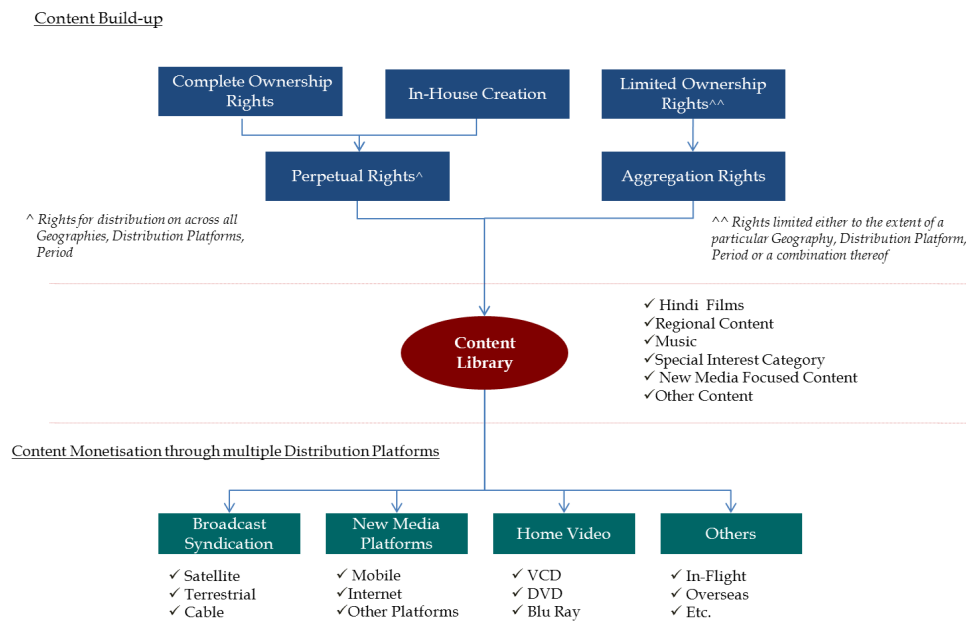
In 1979, we set up India's first video rental business and thereafter in 1987, we forayed into distribution of content through the home video segment in the video home system ("VHS") format. Over the years, our Company has successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into new media platforms.

Our Content Library consists of more than 2,500 titles spanning new Hindi films like Ishqiya, Slumdog Millionaire, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Chandni Chowk to China, Bheja Fry 2, amongst others. Hindi films classics like Mughal-e-Azam, Shree 420, Mera Naam Joker, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali among others as well as non-film content. We are one of the largest independent content aggregators in Bollywood.

Currently, we distribute content over which we have either complete ownership rights or limited ownership rights.

Titles over which we have complete ownership rights are referred to as "**Perpetual Rights**", which allows us to distribute content worldwide for a perpetual period across all mediums. Titles over which we have limited ownership rights are referred to as "**Aggregation Rights**". Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof. Titles where we have Perpetual Rights or Aggregation Rights are known as our "**Content Library**".

We distribute our content through various mediums such as (i) television such as satellite, terrestrial and cable television; (ii) new media platforms consisting of mobile, internet, direct to home ("**DTH**") and other applications; (iii) home entertainment; and (iv) other media. For further details, please refer to "Our Business"- "Distribution Platforms" on page 83 of this Draft Red Herring Prospectus..



Our recent initiatives include tying up as an official channel partner for Google Inc.’s You Tube where we are managing 32 channels. We are also moving beyond providing just content, to providing content management solutions to partners including (i) Tata DOCOMO’s video platform for 3G services (ii) Airtel digital television in connection with an interactive devotional service, namely “iDarshan” and (iii) British Telecom’s (UK) IPTV service BT Vision for their South-Asian content pack .

Based on our audited and restated consolidated financial statements the total income, EBDITA and profit after tax for Fiscal 2011 was ₹ 16,023.82 lakhs, ₹ 3,537.58 lakhs and ₹ 1,362.85 lakhs respectively, representing growth of 54.52%, 81.12% and 4196.50 % respectively, as compared to Fiscal 2010.

OUR STRENGTHS

We believe that the following are our primary competitive strengths:

1. Shemaroo, an Established Brand Name

On October 29, 2011 “Shemaroo” brand will enter into its 50th year of its existence. From 1962 to date. the “Shemaroo” brand has been used by us in various media related activities including books and magazines rental business, a video rental business, content aggregation, content distribution, home video distribution and content creation. We believe that over the years the “Shemaroo” brand has high consumer recall as being associated with quality entertainment. Our content appears regularly on several television channels and is widely available on new media platforms such as mobile and internet and across a vast network of retail outlets. This gives the “Shemaroo” brand a considerable and constant media visibility.

2. Vast, Diverse and Growing Content Library

We believe that we have a diverse Content Library, which is growing continuously with the addition of new releases as well as through catalogue acquisitions. We believe this enables us to distribute to platforms catering to a wide range of audiences. Our Content Library consists of more than 2,500 titles spanning new Hindi films like Ishqiya, Slumdog Millionaire, Ajab Prem Ki Ghazab Kahani, Omkara, Dil To Baccha Hai, Chandni Chowk to China, Bheja Fry 2, amongst others, Hindi film classics like Mughal-e-Azam, Shree 420, Mera Naam Joker, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali etc., as well as non-film content.

We have built a vast library of content ownership through Perpetual Rights and Aggregation Rights. As of August 31, 2011, our Company has Perpetual Rights for 640 titles out of which 301 are Hindi films. We have Perpetual Rights over content like Chal Mere Bhai, Dus, Dewaar, Shool, Aankhein, Love Ke Liye Kuch Bhi Karega and other classics like Anari, Jab Jab Phool Khile, Neel Kamal, Kaajal, and Shiva. We have strong content identification and acquisition capability as a result of our experienced management team which is focused on commercial viability backed by stringent legal and technical processes. For further details, please refer to “Content Library” on page 78 of this section.

Details of our current Content Library, (as of August 31, 2011), are as follows:

Sr. No.	Types of Content	Total Number of Perpetual Titles	Total Number of Limited Ownership Titles	Total Number of Titles
1.	Hindi films	301	977	1,278
2.	Regional Titles	316	702	1,018
3.	Special Interest content i.e. Devotional Content, Kids Content, Motivational/Spiritual Content, Classic Television Serials, Health Related Content etc.	23	197	220
	TOTAL	640	1,876	2,516

For new media platforms, we have tied up with more than 100 labels or content providers who provide us with a range of content including music, videos, imagery content, games, applications, celebrity chats, text content, and voice based services etc.

Our Content Library includes a mix of Hindi films, regional content, devotional content, and special interest content. The ongoing addition to our Content Library helps us generate diversified revenues and reduce our reliance on the success of films alone. For example, during the year ended March 31, 2011, we have distributed 361 films on various television channels, including content in Hindi and other regional languages, thereby reducing our dependency on a single film.

The size, extent and diverse nature of our Content Library allow us to package and distribute a diverse portfolio of content together, such that we are able to maximize our return on an aggregate basis. For example, our television syndication strategy is driven by licensing a package of films to television channels.

3. Diversified Distribution Platforms

We have a presence in various distribution platforms such as television, home entertainment, digital new media and other media. For further details, please refer to “Distribution Platforms” on page 83 of this section.

We believe that we have an extensive distribution network which is our key strength and sustainable competitive advantage. We believe that we are one of the few companies within the Indian media and entertainment industry to have a comprehensive distribution capability backed by an in-house television syndication team, a new media marketing team for mobile value added services (“MVAS”), internet, DTH and IPTV, and a nationwide home entertainment distribution network. 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.

4. De-risked Business Model

We de-risk our business in following ways:

i. Large Number of Titles:

Our revenues are not dependent on the success of individual titles or content. Given the size of our Content Library, we are able to package diverse content and improve the overall returns.

ii. Width and depth of distribution Platforms:

We monetize our Content Library by exploiting our content over various existing and emerging distribution platforms. This reduces our dependence on any single customer or platform. Within platforms, we optimize the monetization throughout the lifecycle of the content. We also repurpose our content to suit consumption needs of individual distribution platforms.

iii. Multiple genres and Types of Content

We are also expanding our Content Library to include other regional content, as currently our Content Library focuses predominantly on the Hindi film segment. Further, we are also expanding our library beyond filmed entertainment content to various types of content such as special interest content, music content, devotional content, MVAS content etc. This helps us diversify our revenue mix.

5. Experienced Directors and Management Team

Our Directors and business management group are experienced within their respective specialised segments, as well as in the entertainment industry.

Our Managing Director Mr. Raman Maroo with over 37 years of experience and Joint Managing Director Mr. Atul Maru with over 30 years of experience, have had a major role in the growth and development of our business and brandname, “Shemaroo”.

We also have senior professionals, as a part of our management team, who have domain knowledge and experience, having acquired and distributed content for more than 25 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, we believe that our Company’s management has in-depth knowledge of content consumption habits of customers across various platforms. Some of our senior executives such as Mr. Hiren Gada, Mr. Vinod Karani, Mr. Hemant Karani, Mr. Bipin Dharod, Mr. Ketan Maru, Mr. Harakhchand Gada and Ms. Smita Maroo are early entrants of the entertainment industry in India and accordingly have a deep insight on technology and market trends. Sensing the opportunity in new media, Mr. Jai Maroo was given the responsibility to guide the strategy on and Ms. Kranti Gada was subsequently inducted to build the new media team. Further, building on the existing team, our Company has inducted several experienced executives to drive the new media distribution business.

6. 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 content such as R.K. Studios, Mukta Arts, Shree Ashtavinayak Cine Vision Ltd., Percept Limited, Venus Worldwide Entertainment Pvt. Ltd. and Boney Kapoor as well as for distribution of content with platforms such as SONY, STAR, Colors amongst others. We have been acquiring and aggregating content for the last 25 years. Having worked with more than 500 producers of film and television content, we have access to content across various media. We have aggregated content rights across various segments including Hindi film content, regional language content, devotional content, music content and special interest content.

We believe that these relationships and the goodwill built by us has, for example, translated into R.K. Films entering into an agreement with us in connection with the distribution of their content, (namely films like Mera Naam Joker, Awaara, Shree 420 amongst others), over new media platforms, (for further details, please refer to “New Media” on page 84 of this section).

OUR 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.

The key elements of our strategy are as follows:

1. 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. For further details, please refer to “Distribution Platforms” on page 83 of this section. 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.

2. Enhancing Monetization of Our Content Library through Existing and Emerging Media Platforms

Over the last few years, television has emerged as a key monetization medium for distribution of films. Given our past performance in this segment, we expect this segment to continue to be an important revenue stream for us. Our strategy is to further consolidate our position through a combination of compelling content ownership, identifying viewership tastes and preferences and understanding of channel positioning and strategies.

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. For instance, we have entered into arrangements with technology providers to power video delivery platforms in the backend where we offer combined solutions of video delivery platform plus video content to telecom operators. We have also entered into arrangements with telecom operators to have our own short code i.e. 58800 to distribute voice and video content and services. These arrangements will help us to enhance the monetization of our content through better control of our products and their promotion. For further details, please refer to the section "New Media" on page 84 of this section.

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.

3. Enhancing Revenue Predictability through Strategically Packaged Sales

As non-theatrical revenues gain more importance, we believe that we have a vast and diverse Content Library that will allow us to monetize satellite licensing, digital new media licensing and home video distribution efficiently, as we will be able to aggregate and package several films together instead of monetizing each title on an individual basis.

Given our understanding of programming requirements and positioning of our customers, we typically package compelling content and not so compelling content together. We believe that this is a key competitive strategy which is a determining factor for content acquisition and distribution. This packaging of films enhances our overall return on investments.

4. Optimizing Content Monetization across its Life-Cycle

Managing the monetization of content across various distribution platforms over its life-cycle is a key part of our strategy to enhance profitability and generate revenue.

Monetization of content on various distribution platforms creates different revenue models and hence, a film's monetization needs to be carefully planned in order to optimize the potential of each available distribution platform.

Further, in view of different consumption patterns, our content needs to be reorganized for some of the distribution platforms. For example, for certain new media platforms, smaller clips and song extracts of the entire film could typically attract good consumer viewership. In this regard, we have extracted several shorter clips of songs and scenes and created an innovative product by editing films to 15-20 minute length for distribution on new media platforms.

Some older films need to be technically restored in order to make them fit for viewing on certain platforms. We have set up an in-house film restoration facility in 2006, where we have restored 82 films up to date.

5. Creating a sustainable competitive advantage through Marketing Strategy and moving up the Value Chain

Our marketing strategy is based on (i) leveraging industry relationships; (ii) monitoring distribution platforms; (iii) tracking varying consumer preferences; (iv) adapting our content offering; and (v) enhancing visibility and recall of our content

titles.

For example, we believe that there is a need to reconnect younger audiences to old films given the age of certain films. This may take place in various ways including telecasting, media coverage and promotional arrangements. With the technology available today, our team is active in creating various activities and events around films, particularly on new media platforms in order to attract and retain younger audiences.

Based on various events, festivals, seasons and other such events, we create a promotions plan to help promote our content on various platforms. Further, we package and/or customize the content to suit the respective event. We also tie-up with various operators to create joint promotions around various events.

While there are multiple content providers, we are building competitive advantages by moving up the value chain and providing not just content but more complete solutions. We do this by additionally providing content management services or bundling technology platforms with the content. We believe that this creates a deeper engagement with the operator and also adds value to them for a given service. At the same time, it helps us move up the value chain and gives us an additional revenue stream. We believe that these factors will combine to allow us to build a competitive advantage that we can leverage for our growth and to build a sustainable edge over competition.

OUR BUSINESS ACTIVITIES

Our business activities can broadly be divided into (I) Content Ownership, and, (II) Distribution and other related services as better detailed below:

I. Content Ownership and Aggregation

Our Content Library can broadly be classified into (i) titles over which we have complete ownership rights are referred to as “**Perpetual Rights**”, which allows us to distribute content worldwide for a perpetual period across all mediums, (ii) titles over which we have limited ownership rights are referred to as “**Aggregation Rights**”. Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof. Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or a combination thereof.

We source our content through acquisitions, and exploit our Content Library through various distribution platforms (For further details, please refer to “Distribution Platforms” on page 83 of this section). The selection of the content to be acquired, as a Perpetual Right or Aggregation Right, is decided by the acquisition committee consisting of members who are a part of the senior management of our Company (the “**Acquisition Committee**”), with the assistance of senior employees of our Company and other business heads.

The cost of content acquisition is an important aspect of our business and an important factor for the determination of our return on investment. Our experience in the entertainment industry has enabled us to set up systems and processes, which we believe enables us to determine the cost of such content acquisition. We, selectively acquire our content, based on our projection of the return on investment in such content.

Content, either having Perpetual Rights or Aggregation Rights, is acquired by us, only after thorough research, viewership ratings, box office records, cast, technical execution, genre, track record of the relevant production house, reviews, awards and commercial value of the potential content exploitation on various distribution platforms. Also typically, content owners sell the content as a bundle of titles with varying commercial value. Every potential acquisition is evaluated by the Acquisition Committee based on above factors. We utilize our exhaustive in house data base for this purpose.

Although there is no fixed process for arriving at the acquisition price for a particular content, the Acquisition Committee uses the criteria described above and couples it with their past experience and relationships with content owners. Based on this evaluation, we are able to make competitive quotations for acquiring the content.

I. Types of Rights

i. Perpetual Rights

We have complete ownership rights which allow us to distribute content worldwide for a perpetual period across all mediums. Such rights over the content are referred to, by us, as Perpetual Rights. Perpetual Rights are obtained by us, either by way of acquisition or creation. We believe that, we have a large Content Library with Perpetual Rights.

a. Content Acquisition

As of August 31, 2011, our Company has Perpetual Rights of 640 titles out of which 301 are Hindi films. We have Perpetual Rights for content like Anari, Jab Jab Phool Khile, Neel Kamal, Kaajal, and Shiva. We continue to focus on acquiring Perpetual Rights and have various in-house processes for acquiring and managing our content.

b. **Content creation**

We also produce films which provide us with assured Perpetual Rights over the content. Film production has also ensured our presence in the entertainment industry, keeping abreast with new talent and developments in the industry.

We commenced production of films in year 2005 with a focus on mid-sized films and producing not more than one or two films a year. The Hindi films produced by us from Fiscal 2005 to Fiscal 2011 are Ishqiya, Mere Baap Pehle Aap, Manaorama Six feet Under and Kuch Meetha Ho Jaye.

ii. Aggregation Rights

We also acquire content over which we have Aggregation Rights. Content acquired under these rights have certain restrictions over monetization. Such rights restrict or limit the usage of the acquired content by period of usage, distribution platforms, medium and geography or a combination thereof.

We have been acquiring and aggregating content for the last 25 years. Having worked with more than 500 producers of film and television content, we have access to content across various media. We have aggregated content rights across various segments, including Hindi film content, regional language content, devotional content, music content and special interest content. We believe that the acquisition of certain non-traditional content, (such as music rights and rights for religious and devotional content) is a worthwhile strategy to pursue as it creates a new revenue stream for us.

2. Content Types

i. Hindi Films

In our Content Library of Hindi films, we have Perpetual Rights over notable New films such as Dus, Chal Mere Bhai, Love Ke Liye Kuch Bhi Karega, Aankhen, Bhoot amongst others and Classic Hindi films like Amar Akbar Anthony, Kaalia, Khuda Gawah, Jab Jab Phool Khile, and Anari, amongst others.

Our Content Library of Aggregation Rights over films like Chandni Chowk to China, Ajab Prem Ki Ghazab Kahani, Hello and Traffic Signal amongst others.

ii. Regional Content

Our Content Library includes films in various regional languages like Marathi, Gujarati, Bengali, and Punjabi, with films like Shwaas (Marathi), Ready (Telugu), Anuranan (National award winning Bengali film) and Vacha Dada Ni Dikri (Gujarati). We acquire as well as produce films in regional languages.

iii. Music Content

Our Company has acquired Perpetual Rights over music content for exploitation over all distribution platforms.

Our Content Library consists of Bollywood songs including songs we acquired recently from the music catalogue of Pen India (Popular Entertainment Network). We intend to distribute these on various digital platforms *inter alia* mobile phones, internet and traditional platforms like radio amongst others.

iv. Digital Content and Services

Our Company has acquired a range of content for New media including ringtones, caller ring back tones, video clips, imagery content, games, applications, celebrity chats, text content, voice-based services amongst others. We have tied up with more than 100 labels/ content providers for the relevant content. These are across over 20 regional languages in various genres such as folk, pop, film-based amongst others.

v. Special Interest Category

a. **Devotional Content**

To ensure strategic access to devotional content, we have acquired 50% stake in Vistaas Digital Media Private Limited, which owns religious/devotional content. Besides, we have also entered into an agreement with Vistaas Digital Media Private Limited for the distribution of religious/devotional content in connection with, inter alia, live darshans and aartis which are linked to various temples and shrines such as Shirdi Sai Baba, Kashi Vishwanath, Gurdwara Patna Sahib among others, devotional films and songs, debates, discussions, pravachans, satsangs, discourses, and travel episodes in connection with various pilgrimages, temples and shrines across the country. In addition to the above, we have entered into agreements with other labels to aggregate more devotional content.

b. Kids/ Animation Content

We have a number of Indian animation films in our Content Library. Further, our Company has produced animation films like Bal Ganesh, Bal Ganesh 2, and Ghatothkach based on Indian mythological characters. In addition, our Company owns educational content for children.

c. Motivational/ Spiritual Content

We have in our Content Library motivational and spiritual content like Osho, The Secret, etc.

d. Classic Television Serials

We have in our Content Library some classic Hindi television serials such as Zaban Sambhal Ke, Ye Jo Hai Zindagi, Nukkad, amongst others.

e. Health Related Content

We have in our Content Library health related content including Shilpa's Yoga and Bipasha Basu's Fit and Fabulous You amongst others.

Some of the significant titles of our current Content Library, (as of August 31, 2011), are highlighted below:

Significant titles of Hindi films with Perpetual Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Amar Akbar Anthony	1977	Amitabh Bachchan, Vinod Khanna, Rishi Kapoor, Neetu Singh, Parveen Babi, Shabana Azmi.	Manmohan Desai
2.	Namak Halaal	1982	Amitabh Bachchan, Shashi Kapoor, Parveen Babi, Smita Patil	Prakash Mehra
3.	Kaalia	1981	Amitabh Bachchan, Parveen Babi, Asha Parekh, Anjad Khan	Tinnu Anand
4.	Ishqiya	2010	Arshad Warsi, Vidya Balan, Naseeruddin Shah	Abhishek Chaubey
5.	Dus	2005	Sanjay Dutt, Abhishek Bachchan, Suniel Shetty, Zayed Khan, Esha Deol, Shilpa Shetty, Raima Sen, Dia Mirza	Anubhav Sinha
6.	Khakee	2004	Amitabh Bachchan, Akshay Kumar, Ajay Devgn, Aishwarya Rai, Tushar Kapoor, Lara Dutta	Rajkumar Santoshi
7.	Aankhen	2002	Amitabh Bachchan, Akshay Kumar, Sushmita Sen, Arjun Rampal, Paresh Rawal, Bipasha Basu	Vipul Amrutlal Shah
8.	Love Ke Liye Kuch Bhi Karega	2001	Saif Ali Khan, Fardeen Khan, Aftab Shivdasani, Sonali Bendre, Twinkle Khanna	E.Niwas
9.	Chal Mere Bhai	2000	Sanjay Dutt, Salman Khan, Karishma Kapoor	David Dhawan
10.	Khuda Gawah	1992	Amitabh Bachchan, Sridevi, Nagarjuna, Shilpa Shirodkar, Danny Denzongpa	Mukul S.Anand
11.	Deewaar	2004	Amitabh Bachchan, Sanjay Dutt, Akshaye Khanna, Amrita Rao, Kay Kay Menon	Milan Luthria
12.	Mahaan	1983	Amitabh Bachchan, Zeenat Aman, Parveen Babi, Waheeda Rehman	S.Ramanathan
13.	Anari	1959	Raj Kapoor, Nutan, Lalita Pawar, Motilal	Hrishikesh Mukherjee

Sr. No.	Name of Title	Year of Release	Star Cast	Director
14.	Shiva	1991	Nagarjuna, Amala, Raghuvaran	Ram Gopal Varma
15.	Deewangee	2002	Ajay Devgan, Akshaye Khanna, Urmila Matondkar	Anees Bazmee

Significant titles of Hindi films with Aggregation Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Mughal-E-Azam (B&W / Colour)	1960/2004	Prithviraj Kapoor, Dilip Kumar, Madhubala, Durga Khote, Ajit	K.Asif
2.	Jab We Met	2007	Shahid Kapoor, Kareena Kapoor	Imtiaz Ali
3.	Golmaal - Fun Unlimited	2006	Ajay Devgan, Arshad Warsi, Tusshar Kapoor, Sharman Joshi, Rimi Sen, Paresh Rawal	Rohit Shetty
4.	Golmaal Returns	2008	Ajay Devgan, Kareena Kapoor, Tusshar Kapoor, Arshad Warsi, Shreyas Talpade, Amrita Arora, Celina Jaitley	Rohit Shetty
5.	Anand	1971	Rajesh Khanna, Amitabh Bachchan, Sumita Sanyal, Ramesh Deo, Seema Deo, Johnny Walker	Hrishikesh Mukherjee
6.	Don	1978	Amitabh Bachchan, Zeenat Aman, Pran, Iftekhar, Helen	Chandra Barot
7.	Chupke Chupke	1975	Dharmendra, Amitabh Bachchan, Sharmila Tagore, Jaya Bhaduri, Om Prakash	Hrishikesh Mukherjee
8.	Hum Hai Rahi Pyar Ke	1993	Aamir Khan, Juhi Chawla, Tiku Talsania, Dalip Tahil, Navneet Nishan	Mahesh Bhatt
9.	Bhagam Bhag	2006	Akshay Kumar, Govinda, Lara Dutta, Paresh Rawal, Jackie Shroff, Tanushree Dutta	Priyadarshan
10.	Sarkar	2005	Amitabh Bachchan, Abhishek Bachchan, Katrina Kaif, Tanisha, Kay Kay Menon	Ram Gopal Varma
11.	Shree 420	1955	Raj Kapoor, Nargis, Nadira, Nemo, Lalita Pawar	Raj Kapoor
12.	Ghayaal	1990	Sunny Deol, Meenakshi Sheshadri, Raj Babbar, Moushumi Chatterjee, Amrish Puri	Raj Kumar Santoshi
13.	Virasat	1997	Anil Kapoor, Tabu, Milind Gunaji, Pooja Batra, Amrish Puri	Priyadarshan
14.	Shahenshah	1988	Amitabh Bachchan, Meenakshi Sheshadri, Amrish Puri, Pran, Supriya Pathak	Tinnu Anand
15.	Satte Pe Satta	1982	Amitabh Bachchan, Hema Malini, Ranjeeta, Amjad Khan, Sachin, Shakti Kapoor	Raj N.Sippy

Significant titles of Regional films with Perpetual Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Nanak Nam Jahaz Hai (Punjabi)	1969	Prithviraj Kapoor, Vimi, Som Dutt, Nishi, David Abraham	Ram Maheshwary
2.	Majha Navra Tujhi Baiko (Marathi)	2006	Bharat Jadhav, Ankush Chaudhary, Kranti Redkar, Kishori Godbole, Siddharth Jadhav, Johnny Lever	Kedar Shinde
3.	Anuranan (Bengali)	2006	Rahul Bose, Rituparna Sengupta, Raima Sen, Rajat Kapoor	Aniruddha Roy Chowdhury
4.	Jija Ji (Punjabi Telefilm)	2005	Jaspal Bhatti, Gurpreet Guggi, Jaswinder Bhalla	Jaspal Bhatti
5.	Bas Kar Bakula (Gujarati Drama)	2006	Siddharth Randeria, Rajul Diwan, Suraj Vyas, Swati Shah, Rajkamal Deshpande, Purvi Vyas	Siddharth Randeria
6.	Egaro - The Eleven (Bengali)	2011	Monu Mukherjee, Shankar Chakraborty, Rajat Ganguly, Tulika Basu, Debaparna Chakraborty	Arun Roy
7.	Vasudev Balwant Phadke (Marathi)	2008	Ajinkiya Deo, Vikram Gokhale, Sonali Kulkarni, Ramesh Deo	Gajendra Ahire

Sr. No.	Name of Title	Year of Release	Star Cast	Director
8.	Gujjubhai E Gaam Gajavyu (Gujarati Drama)	2007	Siddharth Randeria, Ashish Bhatt, Sachi Joshi, Leena Shah, Rahul Patel, Suraj Vyas	Siddharth Randeria
9.	Bakula Namdeo Ghotale (Marathi)	2007	Bharat Jadhav, Vijay Chauhan, Siddharth, Sonali Kulkarni, Resham Tipnis	Kedar Shinde
10.	Prem NoPublic Issue (Gujarati Drama)	2008	Siddharth Randeria, Bhairavi Vaidya, Rajul Diwan, Purvi Vyas, Manish Gandhi, Nilesh Joshi	Siddharth Randeria
11.	Dhoom 2 Dhamaal (Marathi)	2011	Ashok Saraf, Sushant Shelar, Shweta Mehendale, Siya Patil	Sachin Goswami

Significant titles of Regional films with Aggregation Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Dombivali Fast (Marathi)	2005	Sandeep Kulkarni, Shilpa Tulaskar, Sandesh Jadhav	Nishikant Kamat
2.	Nouka Dubi (Bengali)	2011	Prosenjit, Raima Sen, Riya Sen, Jishu Sengupta	Rituparno Ghosh
3.	Chokher Bali (Bengali)	2003	Aishwarya Rai, Prasennjit Chatterjee, Raima Sen Lily Chakroborty	Rituparno Ghosh
4.	Driver Dilwalo (Gujarati)	2007	Hiten Kumar, Pranjal Bhatt, Jamini Trivedi, Jayendra Mehta, Devendra Pandit	Hareesh G. Patel
5.	Ek Vaar Piyune Malwa Avjo (Gujarati)	2006	Hiten Kumar, Vikram Thakore, Firoz Irani, Nilesh Mohite, Minakshi, Mamta Soni	Harsukh Patel
6.	Shwaas (Marathi)	2004	Arun Nalwade, Ashwin Chitale, Amruta Subhash, Sandeep Kulkarni	Sandeep Sawant
7.	Antar Mahal (Bengali)	2005	Jackie Shroff, Abhishek Bachchan, Rupa Ganguly, Soha Ali Khan	Rituparno Ghosh
8.	Mannat (Punjabi)	2006	Jimmy Shergill, Kulraj Randahwa, Deep Dhillon, Kanwaljeet Singh, Manav Vij	Gurbir S. Grewal
9.	Ready (Telugu)	2008	Ram, Genelia D'Souza, Tanikella Bharani, Nassar, Sunil, Chandra Mohan, Brahmanandam and JayaPrakash Reddy	Srinu Vaitla
10.	Ek Jind Ek Jaan (Punjabi)	2006	Raj Babbar, Aryan Vaid, Nagma, Donny Kapoor, Deep Dhillon, Ritu Shivpuri	Chitraarth
11.	Maan Sanman (Marathi)	2009	Shivaji Satam, Reema Lagu, Yatin Karyekar, Resham Tipnis, Mahesh Jadhav, Pankaj Vishnu	Pravin Raja Karale

Significant titles of Special Interest Category with Perpetual Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Ghatothkach (Master Of Magic)	2008	Animation Film	Singeetam Srinivasa Rao
2.	Bal Ganesh	2007	Animation Film	Pankaj Sharma
3.	Bal Ganesh Part 2	2009	Animation Film	Pankaj Sharma
4.	Bal Hanuman 2	2010	Animation Film	Pankaj Sharma
5.	Pandavas - The Five Warriors	2001	Animation Film	JD Jermy
6.	Sindbad- Beyond The Veil Of Mists	2000	Animation Film	Evan Desmond
7.	Son Of Alladin	2003	Animation Film	Singeetam Srinivasa Rao

Significant titles of Special Interest Category with Aggregation Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
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Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	The Secret	2008	Motivational Programme	Drew Heriot
2.	BipashaBasu-Love Yourself	2010	Fitness Programme	Shwetabh C Varma
3.	Ye Jo Hai Zindagi	2007	Shafi Inamdar, Swaroop Sampat, Rakesh Bedi, Satish Shah, Farida Jalal, TikuTalsania	Kundan Shah
4.	Zaban Sambhal Ke	TV Serial	Pankaj Kapoor, Tanaaz Currim, Bhavna Balsaver, Shubha Khote, Viju Khote, Tom Alter	Rajiv Mehra
5.	'Osho Talks' Series	2010	-	-
6.	Pancham Unmixed... Mujhe Chalte Jaana Hai (A Unending Journey)	2009	Documentary	Brahmanand Singh
7.	Shilpa's Yoga	2008	Fitness Programe	Manish Jha

3. Nature of Rights

i. Broadcast Rights

Broadcast rights consist of the right to broadcast the content on television networks, including satellite, cable, terrestrial television and combinations thereof.

ii. Digital Rights

New media refers to emerging digital communication technologies that are interactive with and networkable by the end user. Examples of these technologies include mobile, internet, and other emerging communication technology platforms. We believe that a broad array of content can be distributed through such new media technology platforms.

Our Content Library also consists of new media rights that would enable us to distribute the content on mobile phones, internet, IPTV, DTH, etc. to monetize future opportunities.

iii. Home Video Rights

A home video right is mainly for distribution of content through physical medium like Blu Ray, DVDs, VCDs, etc.

iv. Music Rights

Music rights includes right to monetize a song/ music across various platforms. Music rights are mainly monetized in three ways namely, new media, physical media (Audio CD's, MP3 CDs) and ancillary media (e.g. Radio).

Monetization of music rights through new media platforms includes the sale of content as mobile phone ringtones, caller ring back tones, music downloads, music streaming, etc. With the growing number of value added services for mobile phones, new media has emerged as an important revenue contributor to our music distribution.

v. Other Rights

In addition to the above, film content is used across various other platforms and geographies, thus leading to a variety of rights being vested in us. Key among these rights includes overseas distribution rights, which involves the right to distribute films on various platforms internationally and including distribution to airlines for their in-flight entertainment systems (airborne rights).

II. Distribution Platforms

We exploit our Content Library by using our abilities to distribute our content through various mediums such as (i) broadcast syndication, (ii) new media, (iii) home entertainment, and (iv) other media.

1. Broadcast Syndication

Content owned by us, especially films, are regularly broadcasted on various television networks. We own television

broadcasting rights to, what we believe, is a large Content Library. Accordingly, we are uniquely positioned to exploit television broadcasting opportunities.

Broadcast syndication rights to television channels continues to be one of our major revenue activities contributing more than 50% of our revenue in each of last five years. Over the last five years, we have distributed 1049 films for broadcasting on television networks.

In television, films are broadcasted largely across three platforms, namely, (i) satellite television, (ii) cable television, and (iii) terrestrial television.

i. Satellite Television

The content distributed by us to satellite television broadcasters predominantly consists of Hindi films. There is an ever increasing demand for compelling content with a steady increase in the number of Hindi General Entertainment Channels (GECs) as well as Hindi films channels. Hindi films channels command a strong viewership share of 17%, in hindi speaking markets, second only to GECs. However, with only 200-250 Hindi films released each year, of which the ratio of successful films is limited, there is a shortage of content.

However, with channels becoming more and more competitive, content providers have experienced more bargaining powers vis-à-vis broadcasters. We have been able to procure very good prices for our content leading to higher realization.

Our Company enters into an exclusive agreement for a particular film or package of films with a particular channel or a particular group for broadcasting of our film, on its channel/ multiple channels within the same group, for a specified period of time. For example, we have agreement with SONY Entertainment Television for telecasting certain films on their multiple channels within the group such as SET Max, SAB TV and SONY GEC.

ii. Cable Television

Cable television licensing is another revenue stream wherein an increasing number of cable operators are licensing rights of our content.

iii. Terrestrial Television

We also license content for broadcasting on terrestrial television network.

2. New Media

We are one of the prominent players in the new media segment. We have been awarded Best Content Provider by Infofriend South ICT Awards in 2011.

We have agreements with a large number operators for distribution of content through platforms such as mobile networks, internet, IPTV and DTH. We have tie-ups with almost all major players in this respect.

We have built a strong team for digital distribution which is a key to success in this space. Our total distribution team size is 95 people as on August 31, 2011 as compared to 26 people as on March 31, 2011.

Notable milestones for distribution over such media are as follows:

Sr. No.	New Media Segment	Key Milestone
1.	Internet	Official channel partner for YouTube, with 32 channels.
2.	DTH	Content management services for Airtel Digital TV for “iDarshan”
3.	IPTV	Content management services for British Telecom’s (UK) IPTV service BT Vision for their South-Asian content pack through our wholly owned subsidiary, Shemaroo Entertainment (UK) Private Limited
4.	Mobile	Agreement with TATA Docomo for content management services for their 3G Video Platform Agreements for voice and video short code 58800 with mobile operators

i. MVAS

Our Company has entered into agreements with major telecom operators, namely Airtel, BSNL, Tata Teleservices,

Reliance Communication, MTNL, Tata Docomo amongst others to distribute our product portfolio which inter alia includes caller ringback tones, ringtones, wallpapers, imagery, videos, games, full songs, celebrity chats, etc. As of today, we have more than 30,000 caller ringback tones available on these platforms. We have been working closely with operators to ensure adequate distribution and marketing of our products.

We also distribute our content through various handset manufacturers, either through pre-embedding or through their online services.

We have also signed an agreement with Telemax, who will distribute our content pre-embedded on memory cards, mobile phones and kiosks.

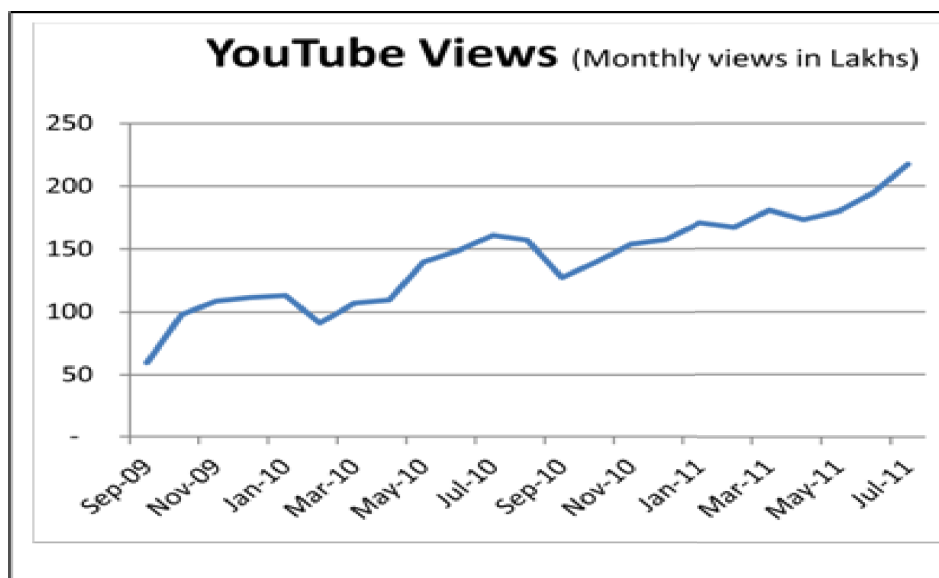
The commencement of 3G services in India has further boosted the MVAS industry. We believe that an increased penetration and usage of 3G in India will increase the usage of digital media platforms for the purpose of entertainment, especially video.

ii. Internet

We have agreements with various internet video destinations like YouTube, Daily Motion, Yahoo India, Verismo etc. and several services for the distribution of our content on the internet to internet connected televisions, internet connected set top boxes and applications running on various devices.

Our Company is an official channel partner of Google Inc's YouTube and has around 32 channels like ShemarooMovies, ShemarooEnt and FilmiGaane with both film and non-film content running on it.

Our content has been successful on YouTube, with total views constantly increasing.



As on August 3, 2011, as per the statistics published by YouTube on their website, Our YouTube channel, www.youtube.com/shemarooent is the fourth most viewed Indian channel on YouTube. Our Company's current views from YouTube are on the basis of approximately 10% of our content being exploited so far.

Our Company distributes its content through several leading international portals for digital music sales and music streaming. We are now also expanding to other online platforms.

The combination of these trends, as well as increasing amounts of content being put online for consumption, has resulted in many more opportunities for us to monetize our content. We are also building out the team to support this by deploying more content and using newer ways to market content like using social media and viral marketing to drive consumption. Also, we are experimenting with newer ways to deploy content for different devices, as well as newer models for monetization.

iii. Other New Media Platforms

With the advent and growth of DTH services in India, a new way of reaching the homes of consumers has emerged.

In addition to being a carriage medium for television broadcasters, DTH services also offer various interactive services to their customers. These interactive services include education, music, films, devotional content and games. We have entered into an agreement with Airtel to exclusively manage content for its interactive devotional service called iDarshan.

Our Company plans to monetize its Content Library by offering more interactive services on DTH platforms.

We provide content to Indian IPTV operators such as franchisees of Bharat Sanchar Nigam Limited, MahanagarTelephone Nigam Limited, and to BhartiAirtel Limited directly. Our Company also offers end-to-end content management services, such as aggregation, conversion, programming and marketing to British Telecom's (UK) IPTV service BT Vision for their South-Asian content pack through our wholly owned subsidiary Shemaroo Entertainment (UK) Private Limited.

3. Home Entertainment

Home entertainment distribution involves obtaining home video rights overfilm and non-film content for physical distribution through Blu Ray, DVDs and VCDs.

We believe that home video has been the face of our Company for decades and has helped build the "Shemaroo" brand.

Over the years, our Company has successfully migrated from one content format to another and has accordingly transformed its focus from Video VHS to VCD to DVD to Blu Ray.

Our home entertainment distribution consists primarily of DVD and VCD sales to consumers via retail outlets, dealers and distributors and online via www.shemaroo.com. We distribute our content by entering into distribution arrangements with distributors and dealers for the sale of our content across India. We have a product presence across more than 2,000 retail stores across over 75 towns and cities in India. Our content can be found in stores such as Planet M, Music World, Crossword, Landmark, and Reliance Retail. Approximately 1,300 of our titles are available through our nationwide network of distributors and dealers.

4. Other Distribution Channels

Our Company has taken Bollywood films across the globe through various distribution platforms due to the growing demand for Hindi film content amongst both ethnic and non-ethnic audiences abroad.

Our products and content are present not only in the traditional markets of US, UK, Singapore, Fiji, UAE and Australia, but also in the newly developed markets of East Europe and North Africa.

We also actively showcase our Content Library at international film festivals and content markets.

We have successfully distributed films like Bheja Fry 2, Phir Hera Pheri, and Dhamaal internationally, amongst others.

We also license airborne rights of our content for in-flight entertainment to a number of airlines.

III. Miscellaneous Business Activities

We have an in-house state-of-the-art digital post-production studio. Following are some of the key services provided:

1. Digital Intermediate

We provide complete digital intermediate processing service to various producers and production houses. This includes film scanning, grading and film recording.

2. Digital Restoration

We provide complete solution of digital restoration. This includes repairing all the damages in the film and digitally archiving the same. With this, we are in the process of archiving the films and giving the film complete a new look and feel. Taking advantage of the growing technology, we are able to provide this solution for archiving.

3. 4K Spirit Data Scammer: Telecine Transfer, Scanning & Archiving Digitally

We have 4K spirit machine wherein we do all the various transfers from film negative or print to any form of the tape in high definition (“**HD**”) and standard definition (“**SD**”) format.

4. HD and SD Post Production

In the HD and SD post production we offer a complete solution. This involves various SD and HD conversions, transfers for deliveries on various SD and HD platforms. We also have the editing systems that support both SD and HD editing work along with audio.

5. Blu Ray / DVD and VCD Authoring

We do the Blu Ray, DVD and VCD authoring. We not only cater to in house requirements of our Company, but also do work for various home video players in India.

6. Format Conversion

We have an expert team working on various inter format conversions for SD and HD for various mobile and IPTV platforms. These even include various international platforms.

TECHNOLOGY

With our in-house post-production studio, our understanding of new and evolving formats, Network Attached Storage (“NAS”) and Storage Area Network (“SAN”) based large in-house content storage capacities, we leverage technology to digitize our content and make it ready for delivering and monetizing across various platforms/ mediums.

HUMAN RESOURCE

We have strong focus on recruitment, training and retention of our employees. As of August 31st, 2011, we had a total of 355 employees out of whom 274 were confirmed permanent employees and 81 were employees on probation. The functional breakup of the employees is that we have 78 employees on our sales, marketing and business development teams, 143 employees on our operational team, 70 employees on our technical team, and 64 employees in semi-skilled and unskilled roles. In addition, we have 79 consultants appointed on contract basis, of who 71 are to provide technical services and 8 are to provide operational and sales support.

We have built a strong team for digital distribution which is a key to success in this space. Our total digital distribution team size is 95 people as on August 31st, 2011 as compare to 26 people as on March 31st, 2010. We have a team of more than 29 people involved in marketing content through digital media and developing relationships with Operators and Platform owners. We also have a team of more than 58 people who are involved in creating interesting content packages, digital library management, metadata management, meta-tagging, content planning, content uploading and content delivery as well as a team of 8 people for technical services and support.

Our employees are not unionized and we have never experienced any work stoppages. We believe that our employee relation is good.

COMPETITION

At an overall level, our Company faces competition from large players in the films and television media segments. These include existing players and new entrants. On the films side, the large production/ distribution players include UTV, Yash Raj Films, EROS, and Reliance (ADAG) among others. While they all produce or acquire content, their focus has largely been on new films content including owning the theatrical rights. To that extent, we believe that we are not present in the theatrical distribution activity. At an activity level the company faces competition from some players within the respective activity. Some of these players include Moser Baer, Hungama Digital, Super Cassettes Industries Limited among others.

We believe that our Company’s experience and understanding of the Indian film business positions us well to compete with new and existing players in the Indian media and entertainment sector.

GOVERNMENT REGULATIONS

We are subject to various central, state and local laws affecting the operation of our business, including the Income Tax Act, 1961, state excise and sales taxes, certification from the Central Board of Film Certification and local municipalities laws. For

further details please refer to “Risk Factors,” “Regulations and Policies” and “Government and Other Approvals” sections beginning on pages xii, 90 and 162, respectively of this Draft Red Herring Prospectus.

AWARDS

Years	Awards	Recipient
2011	Infofriend South ICT awards - Best Content Provider	Shemaroo
2011	19 Awards - Various Awards - Various Categories	Ishqiya
2011	4 National Awards – Various Categories	Ishqiya
2010	National Film Award - Best compilation film	Pancham Unmixed
2008	National Film Award - Best Feature film in Bengali	Anuranan
2005, 2006, 2007 and 2009	26 Awards - DVD Entertainment India Summit	Various Titles
2009	2 Awards - The Golden Cursor Excellence in Animation Awards	Rhyme Time in Toyland and Ghatothkach: Eat On Before Dawn
2009	Li'L Star Awards - Best Animated Film and Best Animated Character	Bal Ganesh
2009	FICCI -BAF awards 2010 - special mention for releasing the only Animated film "Bal Ganesh 2" for the year 2009 and Shemaroo's "Outstanding Efforts and commitment to the Animation Industry"	Bal Ganesh 2
2007	MIAAC Award – Best Film	Manorama Six Feet Under

PROPERTY

Our registered and corporate office, situated at Shemaroo House, Plot No.18, Marol Co-operative Industrial Estate, Off Andheri-Kurla Road, Andheri East, Mumbai – 400059 is under a long term lease of 99 years.

We also have an office in Delhi, which is primarily used as a distribution office.

The details of the property are as follows:

Sr. No.	Location	Description of Property	Area
1.	Mumbai	Number 302, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053.	562 sq. ft. (built up area)
2.	Mumbai	Shop Number 3 Ground Floor, Om Chambers, August Kranti Marg, Kemp's Corner, Mumber 400 036.	1,090 sq. ft. (built up area)
3.	Mumbai	Number 202, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053.	1,150 sq. ft. (built up area)
4.	Mumbai	Number 301, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053.	400 sq. ft. (built up area)
5.	Mumbai	Plot no. 16 and Compartment no. 50 situated at Marol Co-operative Industrial Estate, Off Andheri Kurla Road Andheri (East), Mumbai 400 059	11,886 sq. ft. (built up area),
6.	Mumbai	Plot no. 18 and Compartment no. 146 at Marol Co-Operative Industrial Estate, Off Andheri Kurla Road Andheri (East), Mumbai 400 059	11,000 sq. ft. (built up area),

INSURANCE

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to our operations and revenue. Our operations are subject to hazards inherent to the safe keeping of a physical inventory, such as risks relating to work accidents, fire, earthquake, burglary and transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. Our Company has obtained private car package policies, two wheeler package policies, group personal accident policies, key man insurance policy, standard fire and special perils policy, all risk policies, standard plate glass policies and standard electronic equipments insurance policies. For further details in relation to risks associated with insurance policies of the Company, please refer to “Risk Factors” section on page xii of this Draft Red Herring Prospectus.

INTELLECTUAL PROPERTY RIGHTS

We have received certificates of registration of trademark bearing number under classes 41, 42, 40, 39, 38, 37, 36, 35, 34, 33, 32, 31, 30, 29, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 14, 13, 11, 10, 08, 07, 06, 05, 04, 02, 03 and 01 for our brand “Shemaroo” held by our Company. We have also received registration certificates for other trademarks (please refer to “Government and Other Approvals” section on page 162 of this Draft Red Herring Prospectus).

REGULATIONS AND POLICIES

The following description is a summary of various sector-specific laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive, and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

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.

Intellectual Property

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

Intellectual Property Laws

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 Organisation, ("**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 authorisation 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 Organisation, 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 favouring 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 Copyright Amendment Bill, 2010 proposes to modify the Copyright Act by protecting the title and other information identifying the work or performance, the name or address of the owner of the rights, terms and conditions regarding the use of the rights etc., (proposed to be defined as "rights management information" in the Copyright Amendment Bill) by penalizing any person any person who knowingly removes or alters any rights management information without authority.

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 organise 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 organisations 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 utilisation 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 therefrom; 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. Licences 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, licences.

Financing

In October 2000, the Ministry of Finance, GoI, notified the film industry as an industrial concern in terms of the Industrial Development Bank of India Act, 1964, pursuant to which loans and advances to industrial concerns became available to the film industry.

The Reserve Bank of India, (“**RBI**”), by circular dated May 14, 2001, permitted commercial banks to finance up to 50.0% of total production cost of a film. Further, by an RBI circular dated June 8, 2002, bank financing is now available even where total film production cost exceeds ₹ 1,000.00 lakhs. Banks which finance film productions customarily require borrowers to assign the film intellectual property or music audio/video/CDs/digital versatile discs (DVDs)/internet, satellite, channel, export/International Rights as part of the security for the loan, such that the banks would have a right in negotiation of valuation of such intellectual property rights.

Labour Laws

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply. Certain significant provisions of such labour related laws are provided below.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the Government from time to time. It requires all such establishments to be registered with the relevant State Provident Fund Commissioner. Also, such employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant State Provident Fund Commissioner in addition to the maintenance of registers by employers.

Employees State Insurance Act, 1948

Under the Employees State Insurance Act, 1948, (“**ESI Act**”), all establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation. The ESI Act requires all employees of the factories and establishments to which it applies to be insured in the manner provided. Further, both employers and employees are required to make contribution to the ESI fund, of which returns are required to be filed with the ESI department.

In addition, under the provisions of local shops and establishments legislations applicable in the states in which commercial establishments are located, such establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, and other rights and obligations of the employers and employees. Such laws are enforced by the Chief Inspector of Shops and various inspectors under the supervision and control of the Labour Commissioner acting through the various District Deputy/Assistant Labour Commissioners.

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.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on December 23, 2005 with the name Shemaroo Holdings Private Limited. Subsequently, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated March 7, 2008 and by a special resolution of our shareholders dated May 28, 2008, the name of our Company was changed to Shemaroo Entertainment Private Limited and a fresh certificate of incorporation consequent to the change of name was granted on June 3, 2008 by the RoC. Thereafter, pursuant to a special resolution of our shareholders dated March 26, 2011, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011 by the RoC.

Pursuant to the Scheme of Arrangement, the whole of the entertainment business was transferred to our Company by the erstwhile Shemaroo Entertainment Private Limited (the “**Transferee Company**”) which subsequently inter-changed its name with our Company and resulted into Shemaroo Holdings Private Limited. Consequent to this interchanging of name our Company was named as Shemaroo Entertainment Private Limited. For details see the “Scheme of Arrangement” on page 96 of this Draft Red Herring Prospectus.

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association include:

1. To carry on business of manufacture, recording, reproducing, duplicating, processing and trading (including ecommerce trading through websites, cable or any other audio/video medium/format) of video cassettes, video grams, video disc, DVD, Laser Disc, compact disc or other audio/visual medium/formats and such other media, all types of films and features including Documentaries, Indian and Foreign dances, Indian or foreign feature films of places, of Tourist interest and Historical importance, Indian culture features such as festivals and the like, T.V. serials and similar objects for viewing on Television set and /or for viewing / exhibition cable, T.V. video parlours, internet, intranet and any other such place and trading and marketing the above all over the world for cash, non-cash consideration or barter system against services offered and/or supply of goods, rights and materials in which the company is engaged.
2. To carry on the business of distribution of video films of all types and of manufacturing, trading, sales and hire of video cassettes video games, video discs and/or Audio Video medium/formats and other such media and to purchase and sell, lease, assign/reassign, or commercial exploitation of audio visual (film and non-film) content rights across various mediums and transmission methods including but not limited to video / video on demand, satellite, cable / pay TV, pay per view, web, internet right, theatrical rights, negative rights in domestic as well as overseas market and all over the world
3. To carry on business of producing, co producing, presenting, distributing, exhibiting, importing, exporting of films, movies, documentaries, music videos, commercial advertisement, web based programming, short films, animation, promotion of films, serials, programmes, plays, trailers, blocks, posters, and publicity materials and to act as dealers, agents of such films, movies, serials, programmes and plays and to take part in any film festivals, award functions, (domestic or international), and to establish, maintain or take and provide on hire studio and other equipments for the production, performance, projection of films, movies, serials, programmes and plays and business of transfer related technical services (in-house and for outside parties) such as film to video transfer, editing in various formats, sound recording, dubbing editing, VCD / DVD/ Laser Disc/Compact Disc mastering, Non-linear editing, format transfer on VHS / DVD / VCD/ Laser Disc/Compact Disc/ Digi – Beta cam / Umatic / other digital / analog format, etc., VCD / DVD Laser Disc/Compact Disc recording and other post production processes.

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

Amendments to our Memorandum of Association

Since incorporation of our Company the following changes have been made to our Memorandum of Association:

Date of Amendment	Nature of alteration
December 3, 2007	The initial authorized share capital of our Company of ₹1,00,000 comprising of 1,000 equity shares of ₹100 each was subdivided from equity shares of ₹100 each to ₹10 each pursuant to a resolution of the shareholders of our Company
December 3, 2007	The authorized share capital was increased from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹50,00,000 divided into 5,00,000 equity shares of ₹10 each pursuant to a resolution of the shareholders of our Company

May 28, 2008	Change in the Objects Clause of the Company
May 28, 2008	The name of our Company was changed from Shemaroo Holdings Private Limited to Shemaroo Entertainment Private Limited.
December 20, 2010	The authorized capital was increased from ₹50,00,000 divided into 5,00,000 equity shares of ₹10 each to ₹10,00,00,000 comprising of 1,00,00,000 equity shares of ₹10 each pursuant to a resolution of the shareholders of our Company
March 26, 2011	Our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed from Shemaroo Entertainment Private Limited to Shemaroo Entertainment Limited.
July 11, 2011	The authorized capital was increased from ₹10,00,00,000 comprising of 1,00,00,000 equity shares of ₹10 each to ₹30,00,00,000 comprising of 3,00,00,000 equity shares of ₹10 each pursuant to a resolution of the shareholders of our Company.

Total Number of Shareholders of our Company

As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is forty six. For more details on the shareholding of the members, please see the section titled “Capital Structure” on page 27 of this Draft Red Herring Prospectus.

Changes in the Registered Office of our Company

The registered office of our Company was changed from 51 Usha Kiran, 15 M.L. Dahanukar Marg, Carmichael Road, Mumbai – 400026, India to Shemaroo House, Plot No. 18, Marol Cooperative Industrial Estate, Off. Andheri Kurla Road, Andheri East, Mumbai – 400059, India with effect from October 1, 2007, for administrative convenience and for expansion of business operations.

Major Events, Milestones and Achievements

The table below sets forth some of the major events in the history of our Company:

Sr. No.	Year	Key Milestones and Achievements
In relation to our Company		
1.	December 23, 2005	Incorporated as a Private Limited Company with the name Shemaroo Holdings Private Limited
2.	2007	Commenced production of animated films
3.	February, 2008	Commenced content aggregation and distribution for MVAS platforms
4.	March 7, 2008	Acquired the entire entertainment division/business from the erstwhile Shemaroo Entertainment Private Limited (now Shemaroo Holdings Private Limited), (our Group Company) under the Scheme of Arrangement
5.	February, 2009	Commenced distributing content over the internet specifically to Google Inc’s Youtube.com
6.	July 8, 2009	Incorporated its wholly owned subsidiary Shemaroo Entertainment (UK) Private Limited
7.	September, 2009	Commenced providing content management solutions to IPTV platforms for British Telecom (UK’s South Asian service) for service called “Bolly&Beyond”.
8.	October, 2010	Invested in Vistaas Digital Media Private Limited
9.	November 5, 2010	Started managing content on video platform with the Tata DOCOMO 3G services going live.
10.	January, 2011	Achieved 600 number of Titles in the library for Perpetual Rights
11.	March 26, 2011	Our Company was converted to a public limited company
12.	April, 2011	Started managing content for BhartiAirtel Limited in connection with an interactive devotional service, namely “iDarshan” on their direct to home services
In relation to our Group Company Shemaroo Holdings Private Limited which transferred their entertainment business to us pursuant to a Scheme of Arrangement		
1.	1987	Forayed into the home video distribution with incorporation of Shemaroo Video Private Limited
2.	1993	Forayed into broadcast syndication
3.	2001	Forayed into digital post production
4.	2003	Commenced overseas distribution of content

Sr. No.	Year	Key Milestones and Achievements
5.	March 15, 2007	Incorporated its wholly owned subsidiary Shemaroo Entertainment Inc. (US)
6.	2005	Forayed into production of films
In relation to our Group		
1.	October 29, 1962	Started operation as a books and magazines rental library
2.	1979	Started operations as a video cassette rental library

Time/cost overrun

Our Company and our Subsidiaries may have experienced time and cost overrun in relation to some of the projects executed by them. For details of related risk, see section titled “Risk Factors” on page xii of this Draft Red Herring Prospectus.

Changes in activities of our Company

The main activity of our Company since incorporation was to hold intellectual property rights of the other group companies. Our operations started in year 2008 where pursuant to the Scheme of Arrangement, the entertainment business was acquired by our Company from one of our Group Companies.

Capital raising (Equity/ Debt)

Our equity issuances in the past and availing of debts as on August 31, 2011 have been provided in sections titled “*Capital Structure*” and “*Financial Indebtedness*” at pages 27 and 147, respectively. Further our Company has not undertaken any public offering of debt instruments since its inception.

Business and Management

For details of our Company’s business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors with reference to its services, please see section titled “Our Business” on page 73 of this Draft Red Herring Prospectus.

For details of the management of our Company and its managerial competence, please see section titled “Our Management” on page 101 of this Draft Red Herring Prospectus.

Injunctions or Restraining Order against our Company

There are no injunctions or restraining order against our Company.

Scheme of Arrangement

The Hon’ble High Court of Bombay, by its order dated March 7, 2008, approved the scheme of de-merger for the transfer and demerger of the whole entertainment business of the erstwhile Shemaroo Entertainment Private Limited (“**Transferor Company**”), currently our Group company) to the erstwhile Shemaroo Holdings Private Limited (“**Transferee Company**”), currently the Issuer).

As per the Scheme of Arrangement, our Company by way of a demerger has acquired an undertaking engaged in the entertainment business, as a going concern, including all debts, liabilities, duties, obligations and provisions.

Pursuant to the Scheme and in accordance with the provisions of sections 391 to 394 and other relevant provisions of the Companies Act, all assets and properties, permits, quotas, rights entitlements, industrial and other licenses, tenders, approvals, all debts, duties, liabilities (including contingent liabilities), legal proceedings, all investments in Shemaroo Entertainment Inc. (USA), buildings, current assets, all deposits, photocopy machines, computers, appliances, furniture and fixtures, intellectual property, technical know-how, contracts, agreements, plant, powers of every nature except for investment in equity shares of Atlas Equifin Private Limited and bank balance with NKGSB Co-operative Bank Limited were transferred to and vested in and/or were deemed to be transferred to and vested in the Transferee Company on a going concern basis with effect from the appointed date.

As consideration for such transfer, the Transferee Company had issued and allotted equity shares of ₹ 10 each to the shareholders of the Transferor Company in the ratio of one equity shares of ₹ 10 each (credited as fully paid up) of the Transferee Company for every one Equity Shares held by the shareholders of the Transferor Company.

Interchanging of names

Pursuant to the Scheme, there was an interchange of the names of the Transferor and the Transferee companies i.e the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited which is currently the Issuer and the name of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company.

Reduction of Capital

Pursuant to an order dated March 25, 2011, of the Hon'ble High Court of Bombay in the Company Scheme Petition bearing no 89 of 2011, there was a reduction in the capital reserve formed pursuant to the Scheme of Arrangement to the extent of ₹ 379,057,438. The said amount was further credited to the general reserve and the profit and loss account to the extent of ₹ 159,094,330 and ₹ 219,963,108 respectively against reduction in the capital reserve.

Share Purchase and Shareholders' Agreements

1. Our Company has entered into a Shareholders' Agreement dated January 25, 2011 with (i) Mr. Buddhichand Maroo, (ii) Mr. Jai Maroo, (iii) Mr. Hiren Gada, and (iv) our Promoters. This agreement was terminated by a Deed of Release and Termination dated August 8, 2011. The only rights that survives post termination is our Promoter Mr. Raman Maroo has the right to appoint one- third of the non-retiring directors on the Board of the Company.

Other Material Agreement

2. Share subscription, share purchase and shareholder's agreement dated October 30, 2010 (the "**Shareholders' Agreement**") amongst (i) Mr. Rajiv K. Sanghvi, Ms. Deepal R. Sanghvi, Ms. Alpa Kalpesh Patel, Mr. Pankaj Nandlal Vyas, Mr. Prayag Ashok Trivedi, Mr. Kalpesh Mansukhbhai Dhaduk and Mr. Darshit Kishor Jobaliya (for the purpose of this section collectively referred to as "**Founders of Vistaas**"), (ii) Shemaroo Entertainment Private Limited ("**Investor**") and (iii) Vistaas Digital Media Limited ("**Vistaas**")

In accordance with the terms of the Shareholders' Agreement, the Founders of Vistaas sold 5000 equity shares (constituting 5.56% of the fully diluted paid up share capital of Vistaas as on October 30, 2010) (such equity shares, referred to as "**Sale Shares**"). Further, Vistaas has issued 40,000 new equity shares constituting 44.44% of the fully diluted paid up share capital of Vistaas as on October 30, 2010) (such equity shares, referred to as "**New Shares**"). Upon transfer of Sale Shares and issue of New Shares to the Investor, the Investor currently owns 50% of the equity share capital of Vistaas on a fully diluted basis.

The salient terms of the Shareholders' Agreement are summarised below:

Board Composition: Under the terms of the Shareholders' Agreement, the Investor has the right to appoint at least 50% of the total strength of the directors ("**Investor Nominee Director**") on the board of Vistaas which shall in any event not be less than one non-retiring director. Further, Mr. Hiren Gada and Mr. Jai Maroo shall be appointed on the board of directors of Vistaas and Mr. Hiren Gada has the right to be appointed as the Chairman of Vistaas.

Affirmative/Consultative rights of the Investor: As per the Shareholders' Agreement, consent from the Investor is required for certain matters including:

- (i) Opening or closing of bank accounts;
- (ii) Mergers, restructurings, arrangements involving any equity shares, amalgamations, consolidations and divestments of or by Vistaas;
- (iii) Voluntary commencement of winding up proceedings for insolvency or bankruptcy of Vistaas or inability on part of Vistaas to pay its debts or involuntary insolvency or bankruptcy of Vistaas;
- (iv) Acquisition of other businesses by way of purchase of shares, business transfer, asset purchase, etc.
- (v) Establishment of new entities, subsidiaries or operating companies or entering into any partnerships or joint ventures;
- (vi) Sale, transfer or other disposition of all or substantially all of Vistaas' assets or closure of the existing business and commencement of new business by Vistaas beyond the purview of the business plan;
- (vii) Amendments, changes or modifications to the constitutional documents of Vistaas;
- (viii) Any appointment, engagement, termination or increase in compensation of the directors, chief executive officer, chief operating officer, chief financial officer, chief technology officer, heads of departments, vice-presidents of Vistaas and other persons whose remuneration is more than ₹60 lakhs per annum;
- (ix) Any disposal, transfer, encumbrance or dealing with the intellectual property of Vistaas other than in the ordinary course of business;
- (x) Availing of any long term debt or short term debt;
- (xi) Declaration or any payment of any dividend or distribution of any profits or commissions to shareholder, employees or directors of Vistaas;

- (xii) Any distribution, license, service, tax, finance or other agreements or transactions, relating to Vistaas or its subsidiaries that involve a substantial payment of monies, goods, services or other considerations;
- (xiii) Increase or decrease in the size of the board of directors of Vistaas;
- (xiv) Adoption or amendment to the employee stock option plan or similar plan or issue of options or rights under such plan by Vistaas;
- (xv) Any decision with regard to the listing of Vistaas' shares;
- (xvi) Any strategic, financial or other alliance with a third party which results in capital expenditure or investments by Vistaas of more than ₹50 lakhs or offer of certain exclusive rights to such third party;
- (xvii) Any material variation in the capital expenditure and operating expenditure of Vistaas;
- (xviii) Entering into or execution of any agreements, transactions, arrangements or related party transactions with the Founders of Vistaas, their respective family members, and/or any companies or entities they own or control
- (xix) Approval of the financial statements or any business plan or annual plan of Vistaas and its subsidiaries;
- (xx) Change in legal status;
- (xxi) Introduction of strategic or financial partners;
- (xxii) Change in the statutory auditors of Vistaas or its subsidiaries;
- (xxiii) All matters for which special resolution is required under the Companies Act, 1956, provided these matters require unanimous approval of the board of directors.

Right of First Offer ("ROFO"): The Investor ("ROFO Offering Party") grants to the Founders of Vistaas ROFO to purchase all but not a portion of the shares of Vistaas that the Investor may propose to sell.

Right of First Refusal (ROFR): In the event, the Founders of Vistaas decide to transfer all or part of their shares to any third party post the lock in period of 5 years, the Founders of Vistaas shall first offer such shares to the Investor for purchase at the same price and terms as offered to the third party.

Drag along Rights: The Investor shall have a right to drag along the Founders of Vistaas and any other shareholders of Vistaas ("Dragged Shareholders") in a proposed sale of shares of Vistaas to a third party. The Investor has an option to exercise this right at any time on or after April 1, 2012, to require the Dragged Shareholders to transfer all or any portion of their shares held in Vistaas along with the shares of the Investor on the same terms as offered to the Investor by the third party. The Investor shall not offer the equity shares to a third party purchaser below the base price which is 8 times the annual EBIDTA, the Founders of Vistaas will have to offer the shares at the same price as that offered by the Investor. If the Founders of Vistaas get the higher offer for the proposed sale then the Investor shall have to sell the equity shares at such higher price.

Tag along Rights: If either the Investor or the Founders of Vistaas is a ROFO Offering Party then the non-ROFO Offering party shall have the right to require the ROFO Offering Party to ensure that the shares of the non-ROFO Offering party is acquired pro-rata at the same price by the acquirer to whom the ROFO Offering Party is selling its shares.

Transfer Restrictions: Further, as per the terms of the Shareholders' Agreement, the Investor and the Founders cannot sell, transfer, mortgage, deliver, agree to transfer, assign or in any manner alienate the possession and ownership of any of equity shares held by it or any of its rights attached to the shares of Vistaas as owned by them without obtaining the prior consent of the other party.

Termination: The Shareholders' Agreement shall terminate on the occurrence of any of the following, whichever is earlier:

- (i) The Investor may terminate this Shareholders' Agreement upon prior written notice if the Founders of Vistaas commit any breach of the terms of the Shareholders' Agreement.
- (ii) The Founders of Vistaas shall make good the damage caused by any breach within 15 days of notice.
- (iii) The Founders of Vistaas shall return the amount of consideration paid by the Investors to the Founders of Vistaas and Vistaas up to the date of issuance of termination notice along with interest at the rate of 18% per annum within 15 days of termination.
- (iv) Until the entire consideration along with the interest is not paid, the intellectual property obtained by the Investor under the agreement dated October 30, 2010 shall remain with the Investor and the Investor shall be entitled to exploit the same in any manner it may deem fit.

Pursuant to an option deed dated October 30, 2010, the Investor shall have the option to put the shares acquired by the Investor pursuant to the Shareholders' Agreement or call the shares of the Founders of Vistaas representing 50% of the fully paid up capital to or from the Founders of Vistaas at any time after one year from the issue date of such shares.

Subsidiaries of our Company

Our Company does not have any subsidiaries in India. Our Company has the following two overseas Subsidiaries:

- 1 Shemaroo Entertainment Inc. and
- 2 Shemaroo Entertainment (UK) Private Limited

Our shareholding in our Subsidiaries is as follows:

Sr. No.	Subsidiary	Number of equity shares	Paid-up value per equity share	Percentage of shareholding (%)
1.	Shemaroo Entertainment Inc.	200	No par value	100
2.	Shemaroo Entertainment (UK) Private Limited	3,600	GBP 10	100

1. Shemaroo Entertainment Inc.

Shemaroo Entertainment Inc. was incorporated under the laws of New Jersey, USA on March 15, 2007. Its registered office is situated at 29 Meadow Bluff Road, Morris Plains, NJ 07950 and its corporate identification number is 20-8661149. The objects of this company include carrying on the business of movies distribution.

Capital structure

The share capital of the Company is \$ 10,000 comprising of 200 equity shares of no par value.

Board of directors

The board of directors of Shemaroo Entertainment Inc. as on August 31, 2011 comprises of:

1. Mr. Jai Maroo; and
2. Mr. Hiren Gada

Shareholding pattern

The shareholding pattern of Shemaroo Entertainment Inc. as on August 31, 2011 is as follows:

Sr. No	Name of the Shareholder	No. of shares	Percentage of total equity holding
1.	Shemaroo Entertainment Limited	200	100
	Total	200	100

Financial Information

Amount in ₹ (in lakhs, except per share data)

Sr. No.	Particulars	Amount in ₹ (in lakhs, except per share data)		
		2011	2010	2009
1.	Income	157.19	1.64	190.69
2.	PAT	57.73	(24.77)	(51.46)
3.	Equity	4.47	4.50	5.22
4.	Reserves	-	-	-
5.	Net worth	(21.33)	(107.15)	(90.98)
6.	NAV / Share	(10,662.64)	(53,575.46)	(45,490.38)

2. Shemaroo Entertainment (UK) Private Limited

Shemaroo Entertainment (UK) Private Limited was incorporated under the laws of England and Wales on July 8, 2009. Its registered office is situated at Russel Bedford House, City Forum, 250 City Road, London, EC1V2QQ, United Kingdom and its corporate identification number is 6955672. The objects of this company include carrying on the business of creation, aggregation and distribution of the content on various media platforms.

Capital structure

The share capital of the company is £36,000 comprising 3,600 Equity Shares of £10/- each.

Board of directors

The board of directors of Shemaroo Entertainment (UK) Private Limited as on August 31, 2011 comprises:

1. Mr. Jai Maroo; and
2. Mr. Hiren Gada

Shareholding pattern

The shareholding pattern of Shemaroo Entertainment (UK) Private Limited as on August 31, 2011 is as follows:

Sr. No	Name of the Shareholder	Number of shares	Percentage of total equity holding
1.	Shemaroo Entertainment Limited	3600	100
	Total	3600	100

Financial Information

Amount in ₹ (in lakhs, except per share data)

Sr. No.	Particulars	For year ended March 31, 2011	For period ended March 31, 2010
1.	Income	174.61	16.69
2.	PAT	18.48	(69.39)
3.	Equity	25.89	24.43
4.	Reserves	-	-
5.	Net worth	(21.30)	(37.80)
6.	NAV / Share	(591.66)	(1049.98)

Other agreements

Except as disclosed in this section our Company does not have any other agreements apart from the agreements entered into in ordinary course of business.

Strategic and Financial Partnerships

Our Company has acquired 50% stake in Vistaas Digital Media Private Limited in order to secure content for our new media opportunities. For details please refer to Sharesubscription and Shareholders' Agreement on page 97 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has ten Directors.

Our Board

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
<p>Mr. Buddhichand Maroo</p> <p>Designation: Chairman</p> <p>Father's Name: Mr. Hirji Devji Shah</p> <p>Date of Appointment: May 26, 2008</p> <p>Term: Retiring by rotation</p> <p>Occupation: Philanthropist</p> <p>Address: 14th and 15th Floor, Mount Pleasant, 586 A, Lady Jehangir Road, Five Gardens, Mumbai-400019</p> <p>DIN: 00169319</p>	71	Non-Executive Director	<p>1. Shemaroo Holdings Private Limited</p>
<p>Mr. Raman Maroo</p> <p>Designation: Managing Director</p> <p>Father's Name: Mr. Hirji Devji Shah</p> <p>Date of Appointment: December 23, 2005</p> <p>Term: Re-appointed as Managing Director for a period of 5 years from January 1, 2011</p> <p>Occupation: Business</p> <p>Address: 21-22 A Woodlands, 67 Dr. G Deshmukh Marg, Mumbai- 400026</p> <p>DIN: 00169152</p>	60	Executive Director	<p>1. Atlas Equifin Private. Limited;</p> <p>2. Mitoch Pharma Private Limited;</p> <p>3. Novatech Finvest (India) Private Limited;</p> <p>4. Orbit Corporation Limited;</p> <p>5. Multi Screen Media Private Limited;</p> <p>6. Shemaroo Holdings Private Limited;</p> <p>7. Namaste America - Indo American Association for Art and Culture;</p> <p>8. Malabar Hill Club Limited;</p> <p>9. Talwalkars Better Value Fitness Limited;</p> <p>10. Think Walnut Digital Private Limited; and</p> <p>11. Banyan Tree Living & Lifestyle Private Limited.</p>

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
			<p>Foreign Companies:</p> <ol style="list-style-type: none"> MSM Satellite (Singapore) Pte Ltd; and MSM Asia Limited (UK).
<p>Mr. Atul Maru</p> <p>Designation: Joint Managing Director</p> <p>Father's Name: Mr. Hirji Devji Shah</p> <p>Date of Appointment: December 23, 2005</p> <p>Term: Re-appointed as Joint Managing Director for a period of 5 years from January 1, 2011</p> <p>Occupation: Business</p> <p>Address: 51, 25th floor, Ushakiran, 15 M.L Dhanukar Marg, Mumbai- 400026</p> <p>DIN: 00169264</p>	50	Executive Director	<ol style="list-style-type: none"> Think Walnut Digital Private Limited; Shemaroo Holdings Private Limited; and Video Federation of India. <p>Partnership Firms</p> <ol style="list-style-type: none"> Shemaroo Corporation.
<p>Mr. Hiren Gada</p> <p>Designation: Wholetime Director</p> <p>Father's Name: Mr. Uday Gada</p> <p>Date of Appointment: May 26, 2008,</p> <p>Term: Appointed as Whole-time Director for a period of 5 years from January 1, 2011.</p> <p>Occupation: Business</p> <p>Address: 1101, Shreenidhi, 76 Bhaudaji Road, Opposite Pioneer High School, Matunga, Mumbai-400019</p> <p>DIN: 01108194</p>	41	Executive Director	<ol style="list-style-type: none"> Vistaas Digital Media Private Limited; Think Walnut Digital Private Limited; and Kiron Servepreneures Private Limited. <p>Foreign Companies:</p> <ol style="list-style-type: none"> Shemaroo Entertainment Inc.; and Shemaroo Entertainment (UK) Private Limited.
<p>Mr. Jai Maroo</p> <p>Designation: Director</p> <p>Father's Name: Mr. Buddhichand Maroo</p> <p>Date of Appointment: May 26, 2008</p> <p>Term: Retiring by rotation</p> <p>Occupation: Business</p> <p>Address: 50 Bayshore Road, #22-01, Bayshore Park, Singapore- 469 977, Singapore</p> <p>DIN: 00169399</p>	38	Non-Executive Director	<ol style="list-style-type: none"> Shemaroo Holdings Private Limited; Vistaas Digital Media Private Limited; and Think Walnut Digital Private Limited. <p>Foreign Companies:</p> <ol style="list-style-type: none"> Shemaroo Entertainment Inc. Shemaroo Entertainment (UK) Private Limited; and Dyklar (Singapore) Pte Ltd.

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
<p>Mr. Jayesh Parekh</p> <p>Designation: Director</p> <p>Father's Name: Mr. Arvind Parekh</p> <p>Date of Appointment: August 29, 2011</p> <p>Term: Retire by rotation</p> <p>Occupation: Business</p> <p>Address: 114A Arthur Road, #21-08, Singapore - 439 826, Singapore</p> <p>DIN: 01353278</p>	56	Independent Director	<p>Foreign Companies:</p> <ol style="list-style-type: none"> 1. Apollo Televisions Pte Ltd.; 2. EBus Pte Ltd.; 3. Apollo Television GmbH; 4. Asvathaa Pte Ltd.; and 5. JS Software Investment Pte Ltd.
<p>Mr. Gnanesh Gala</p> <p>Designation: Director</p> <p>Father's Name: Mr. Dungarshi Gala</p> <p>Date of Appointment: August 29, 2011</p> <p>Term: Retire by rotation</p> <p>Occupation: Business</p> <p>Address: LAKHENI, 21st Floor, K.M. Munshi Marg, Chowpatty, Mumbai 400 007</p> <p>DIN: 00093008</p>	49	Independent Director	<ol style="list-style-type: none"> 1. Navvikas Trading Pvt. Ltd.; 2. PRI Holdings Pvt. Ltd.; 3. Ghalla Bhansali Stock Brokers Pvt. Ltd.; 4. Bigspace Realty Pvt. Ltd.; 5. Devish Developers & Infra-Logistics Pvt Ltd; 6. Bigspace Logistics Park Pvt. Ltd.; 7. Chandni Developers & Infra-Logistics Pvt Ltd; 8. Lakhni Developers & Infra-Logistics Pvt Ltd; 9. eSense Learning Pvt. Ltd.; 10. Unidus Developers & Logistics Pvt. Ltd.; 11. Swayam Developers & Logistics Pvt. Ltd.; 12. Bhudev Developers & Logistics Pvt. Ltd.; 13. Sampoorna Realtors & Logistics Pvt. Ltd.; 14. Preethvione Real Estates Pvt. Ltd.;

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
			<p>15. Kutchi Angel Network Pvt. Ltd.; and</p> <p>16. Space Solution Developers & Infra-Logistics Pvt.Ltd.</p> <p><i>Partnership Firms</i></p> <p>1. Vikas Prakashan</p> <p>2. Gala Publishers</p> <p>3. Gala Comp</p> <p>4. Puja & Poonam Builders</p> <p>5. Lakheni Investments</p> <p>6. Aayushi Builders</p> <p>7. Manav Builders</p> <p>8. Chandni Investments</p> <p>9. Earth Builders</p> <p><i>Designated Partner at LLP</i></p> <p>1. SpringShield Commercials LLP</p> <p>2. Rosepeach Commercials LLP</p> <p>3. Argos Commercials LLP</p> <p>4. Aragonite Commercials LLP</p> <p><i>Trustee</i></p> <p>1. Shri Ramji Tejsey Gala and Lakhanibai Charitable Trust</p> <p>2. Shri Lalji Ramji Gala and Tejbai Lalji Gala Charitable Trust</p> <p>3. Shri Amachand Ramji Gala and Devkaben Amarchand Gala Charitable Trust</p> <p>4. Shri Dungarshi Ramji Gala and Kasturben Dungarshi Gala Charitable Trust</p> <p>5. Shri Harakhchand Ramji Gala and Madhuriben Harakhchand Gala Charitable Trust</p> <p>6. Shri Shantilal Ramji Gala and Vimlaben Shantilal Gala</p>

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
			Charitable Trust 7. Shri Velji Megan Maru and Matushri Bhanbai Charitable Trust
<p>Mr. Vasanji Maman Designation: Director Father's Name: Mr. Asaria Maman Date of Appointment: August 29, 2011 Term: Retire by rotation Occupation: Business Address: 102, Sunrise, 247, Waterfield Road, Bandra (West), Mumbai- 400 050 DIN: 00013071</p>	73	Independent director	<p>1. Maman Films Private Limited; 2. Adlabs Shringar Multiplex Cinemas Private Limited 3. Shivam Sundaram Developers and Realtors Private Limited.</p> <p><i>Partnership Firms</i></p> <p>1. Cable Sales Aids; 2. Premier Pressing Works; 3. Pinaki Projects; 4. Neo Films Associates; 5. Satyam Developers; 6. Shiv Sabri Developers; 7. Hindustan Rubber Works; 8. Gujarat Metal and Alloys; 9. P. Bhushan & Company; 10. Miraya Constructions;</p>
<p>Mr. Shashidhar Sinha Designation: Director Father's Name: Mr. Jamna Narain Sinha Date of Appointment: August 29, 2011 Term: Retire by rotation Occupation: Business Address: 905, Bldg. No. 13, Indradarshan Phase II, Lokhandwala Complex, Andheri(W), Mumbai 400053 DIN: 00953796</p>	53	Independent Director	<p>1. DRAFTFCB-ULKA Advertising Private Limited; 2. Interface Communications Private Limited; 3. The Audit Bureau of Circulations; 4. Jagran Prakashan Limited; 5. Mediabrands India Private Limited; and 6. Reprise Media India Private Limited.</p>

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships/Partnerships/Trusts in which the Director is a Trustee
<p>Mr. Kirit Gala</p> <p>Designation: Director</p> <p>Father's Name: Mr. Vishanji Harshi Gala</p> <p>Date of Appointment: August 29, 2011</p> <p>Term: Retire by rotation</p> <p>Occupation: Business</p> <p>Address: 61/162-Dhanistha, Tarangan Complex, Shahid Mangal Pandey Road, Thane (W) -400606</p> <p>DIN: 01540274</p>	46	Independent Director	<ol style="list-style-type: none"> 1. Gala Precision Engineering Pvt Ltd. 2. Gala Springs Pvt Ltd. 3. Kutchi Angel Networks Pvt Ltd.

Mr. Buddhichand Maroo, aged seventy one years, is the Chairman of our Company. He has completed his Intermediate studies from Mumbai. He is the co-founder of our Group and has been associated with our Group since 1962 and our Company since 2008. Mr. Buddhichand Maroo has approximately 49 years of business experience, out of which, he has been associated with the media and entertainment industry for more than 30 years. He has been involved in the various aspects of the business over the last several years. Currently, he has retired from active business and has been involved in several non-profit and social activities, particularly in Kutchh (Gujarat). He has received several awards for the work done in the social field. The remuneration paid to him for the last Fiscal Year was ₹20 lakhs.

Mr. Raman Maroo, aged sixty years, is the Managing Director of our Company. He has completed his higher secondary studies from Mumbai, post which he joined the Group. He has been associated with the Group since 1974 and our Company since Incorporation. Mr. Raman Maroo has approximately 37 years of business experience, out of which, he has been associated with the media and entertainment industry for more than 30 years. He has been instrumental in our Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led our Company's growth for many years. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He is a Director on the Board of several companies. He has received the 'Girnar Award' from Bruhad Mumbai Gujarati Samaj for outstanding contribution in the field of Entertainment in November 2000. He is a Director on the Board of Multi Screen Media Private Limited, the owners of Sony Entertainment Television network of television channels, since 1997. The remuneration paid to him for the last Fiscal Year was ₹36.40 lakhs.

Mr. Atul Maru, aged fifty years, is the Joint Managing Director of our Company. He has completed his higher secondary studies from Mumbai. He has been associated with our Group since 1980 and our Company since incorporation. Mr. Atul Maru has approximately 30 years of experience in the media and entertainment industry. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company. The remuneration paid to him for the last Fiscal Year was ₹32.40 lakhs.

Mr. Hiren Gada, aged forty one years, is the Whole Time Director of our Company. He holds a graduate degree in Management (Finance) from Welingkar Institute of Management (Mumbai University), Mumbai. He has received the 'Hall of Fame' Award from Welingkar Institute of Management in 2006. Mr. Hiren Gada has approximately 17 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for the last 9 years. Prior to joining our Company he has headed the Investment research activities with an equity brokerage house. He has been associated with our Group since 2002 and our Company since 2008. He has helped set up some of the newer business areas that the Company has entered into. He handles the Strategy and Finance functions in our Company. He is a regular speaker at various industry forums and is regularly quoted in media on several issues pertaining to the industry and the Company. The remuneration paid to him for the last Fiscal Year was ₹ 12.30 lakhs

Mr. Jai Maroo, aged thirty eight years, is the Non-executive Director of our Company. He holds a Masters Degree in computer science and engineering from Pennsylvania State University, U.S.A and a graduate degree in computer engineering from the University of Mumbai. Mr. Jai Maroo has 4 years of experience as a software engineer. He has worked with Citrix Systems Inc., U.S.A as a team leader. He is an NRI. Over the last few years, he has been active on the technology side. He has also been an investor in several technology ventures and other such ventures. He is guiding the Company on digital distribution activities mainly on mobile and internet amongst others. He has been a speaker on several national and international forums on technology and media-related topics. He has been associated with our Group since 2002 and our Company since 2008. He was not paid any remuneration in the last Fiscal Year.

Independent Directors:

Mr. Jayesh Parekh, aged fifty six years, is an independent director on the board of our Company. He holds a Bachelors Degree in Electrical Engineering from M S University in Baroda, India and Masters from University of Texas at Austin, USA. Mr. Jayesh Parekh has approximately 17 years of experience in the Media Industry. He is one of the founders of Sony Entertainment Television, India. He has worked with IBM for 12 years. He is a TiE charter member. He was not paid any remuneration in the last Fiscal Year.

Mr. Gnanesh Gala, aged forty nine years is an independent director on the board of our Company. He graduated with a B.Com degree from the University of Bombay in 1982. Mr. Gnanesh Gala has approximately 25 years of experience in the Educational Publishing Industry. Mr. Gnanesh Gala is the President (Finance) of Navneet Publications (India) Limited for more than 25 years and has been instrumental in accelerating Navneet Publication’s top-line and bottom-line growth. He was not paid any remuneration in the last Fiscal Year.

Mr. Vasanji Mamania aged 73 years, is an independent director on the board of our Company. He holds a diploma in mechanical engineering from M.S. University, Baroda. He has over 50 years of experience in various industrial sectors including film processing, Civil Constructions, heavy engineering and non -ferrous metals. He was the co-founder of Adlabs. Mr Mamania has handled responsibilities ranging from operations to financial planning and engineering inputs in design and processes. He was not paid any remuneration in the last Fiscal Year.

Mr. Shashidhar Sinha Mr. Shashidhar Sinha, aged 53 years is an independent director on the board of our Company. He is a B.Tech from IIT Kanpur and is a post graduate from IIM Bangalore, India. He has over 26 years of experience in in media management and development. Mr. Shashi Sinha has worked on large FMCG brands like L’Oreal, Amul and S. C. Johnson. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAI’s – Indian Broadcasting Federation joint body on industry practices, Audit Bureau of Circulation and the Joint Industry Body set up to monitor TV measurement and is presently the CEO of Lodestar Um India, a Top Three company in this market. Mr. Sinha has overseen his agency’s recognition as a national “Agency of the Year” twice and “Runner Up” twice in the past five years. At the same time he has driven Lodestar Universal’s expansion into the Digital, Retail and Film Entertainment areas which offer unique opportunities in this large and accelerating market. He was not paid any remuneration in the last Fiscal Year.

Mr. Kirit Gala aged 46 years is an independent director on the board of our Company. He has completed his Masters in Business Administration from Mumbai University in the year 1986 and his Mechanical Engineering from Mumbai University in the year 1984. He completed his doctoral research in marketing at Tennessee, U.S.A. in the year 1987. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He has over 25 years of experience in strategic management. He was not paid any remuneration in the last Fiscal Year.

Relationships between our Directors

Except for the following none of our other directors are related to each other:

Name of the Director	Name of the other Director	Family Relation
Mr. Buddhichand Maroo	Mr. Raman Maroo	Brother
Mr. Buddhichand Maroo	Mr. Atul Maru	Brother
Mr. Buddhichand Maroo	Mr. Jai Maroo	Father-Son
Mr. Raman Maroo	Mr. Atul Maru	Brother

Directorships in companies suspended/delisted

None of our Directors hold directorships in listed companies whose shares have been/were suspended from trading on stock exchanges or delisted from the stock exchanges within a period of five years immediately preceding the date of this Draft Red Herring Prospectus.

Current / Past Directorships in Companies delisted

Details of past directorship of Mr. Gnanesh Gala in listed company which has been delisted from the stock exchanges are as follows:

Name of the Company	Navneet Publications (India) Ltd
Listed on	National Stock Exchange of India Limited The Stock Exchange Limited, Mumbai Ahmedabad Stock Exchange Saurashtra & Kutch Stock Exchange
Date of Delisting from Stock Exchanges	Ahmedabad Stock Exchange – March 8, 2004 Saurashtra & Kutch Stock exchange – March 31, 2005
Compulsory or Voluntary delisting	Voluntary delisting from Ahmedabad Stock Exchange and Saurashtra & Kutch Stock Exchange
Reasons for Delisting	As there has been very low trading volume in Ahmedabad Stock Exchange and Saurashtra & Kutch Stock Exchange Ltd and most of the Shares are being traded at the Stock Exchange, Mumbai and National Stock Exchange, who have nation wide trading terminals. The Company has de-listed the equity shares from the Stock Exchange
Whether, relisted	No.
Term of the directorship along with the relevant dates of joining and resignation.	March 14, 1986 to January 28, 2002

Remuneration of our Directors:

a) Remuneration of our Managing Director, Mr. Raman Maroo

Pursuant to an agreement dated January 25, 2011 which was approved by the Board by way of a resolution dated December 23, 2010 and by the shareholders in the extra-ordinary general meeting dated January 24, 2011, the following is the remuneration paid by our Company to Mr. Raman Maroo.

- (i) Salary (including Bonus) not exceeding ₹. 8,00,000/- (Rupees Eight Lakhs only) per month with an annual increment of upto 20 % over the previous year.
- (ii) Perquisites:
Mr. Raman Maroo will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company's maintained car, telephone and any other allowances, benefits and perquisites as per the rules of the Company and /or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide, the monetary value of such allowance, benefits and perquisites shall not exceed the Annual Salary drawn by him for that year.
- (iii) Commission:
Up to 1% Commission on net profit of the company, as calculated in accordance with the provisions of Section 349 of the Companies Act, 1956.
- (iv) Minimum Remuneration:
The Company shall pay to Mr. Raman Maroo during the continuation of this Agreement, on recommendation of Board or Remuneration Committee as may be applicable, a minimum remuneration as the salary and perquisites, mentioned in Schedule XIII of the Act in the event of absence or inadequacy of profits in any financial year.
- (v) The salary and perquisites as mentioned above shall be exclusive of:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - b. Gratuity as per the rules of the Company.
 - c. Leave as per the rules of the Company including encashment of leave at the end of the tenure.
- (vi) Mr. Raman Maroo shall be entitled to re-imbursement of actual traveling, entertainment and other incidental expenses reasonably incurred by him in connection with the business of the Company.
- b) Remuneration of our joint Managing Director, Mr. Atul Maru**
- (i) Salary (including Bonus) not exceeding ₹. 7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) per month with an annual increment of upto 20 % over the previous year.
 - (ii) Perquisites:
Mr. Atul Maru will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company's maintained car, telephone and any other allowances, benefits and perquisites as per the rules of the Company and /or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide, the monetary value of such allowance, benefits and perquisites shall not exceed the Annual Salary drawn by him for that year.
 - (iii) Commission:
Upto 1% commission on net profit of the company, as calculated in accordance with the provisions of Section 349 of the Companies Act, 1956
 - (iv) Minimum Remuneration:
The Company shall pay to Mr. Atul Maru during the continuation of this Agreement, on recommendation of Board or Remuneration Committee as may be applicable, a minimum remuneration as the salary and perquisites, mentioned in Schedule XIII of the Act in the event of absence or inadequacy of profits in any financial year.
 - (v) The salary and perquisites as mentioned above shall be exclusive of:
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - b. Gratuity as per the rules of the Company.
 - c. Leave as per the rules of the Company including encashment of leave at the end of the tenure.
 - (vi) Mr. Atul Maru shall be entitled to re-imbursement of actual traveling, entertainment and other incidental expenses reasonably incurred by him in connection with the business of the Company.
- c) Details of remuneration of our whole time director, Mr. Hiren Gada**
- Pursuant to an agreement dated January 25, 2011 which was approved by the Board by way of a resolution dated May 26, 2010 and by the shareholders in the extra-ordinary general meeting dated January 24, 2011, the following is the remuneration paid by our Company to Mr. Hiren Gada.
- (i) Salary (including Bonus) not exceeding ₹ 7,00,000/- (Rupees Seven Lakhs only) per month with an annual increment of upto 20 % over the previous year.
 - (ii) Perquisites:
Mr. Hiren Gada will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company's maintained car, telephone and any other allowances, benefits and perquisites as per the Rules of the Company and /or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide, the monetary value of such allowance, benefits and perquisites shall not exceed the Annual Salary drawn by him for that year and
 - (iii) Commission:

Upto 1% Commission on net profit of the company, as calculated in accordance with the provisions of Section 349 of the Companies Act, 1956.

(iv) Minimum Remuneration:

The Company shall pay to Mr. Hiren Gada during the continuation of this Agreement, on recommendation of Board or Remuneration Committee as may be applicable, a minimum remuneration as the salary and perquisites, mentioned in Schedule XIII of the Act in the event of absence or inadequacy of profits in any financial year.

(v) The salary and perquisites shall be exclusive of:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- b. Gratuity as per the rules of the Company.
- c. Leave as per the rules of the Company including encashment of leave at the end of the tenure.

(vi) Mr. Hiren Gada shall be entitled to re-imbursment of actual traveling, entertainment and other incidental expenses reasonably incurred by him in connection with the business of the Company.

d) Remuneration of our non-executive and independent Directors

The non-executive and independent Directors are entitled to receive a sum not exceeding 1% per annum of the net profits of our Company calculated in accordance with the provisions of section 198, 349 and 350 of the Companies Act, in such amounts and proportions and in such a manner as may be directed by the Board. Such payments may be made in respect of the profits of the Company for each financial year for a period of five years commencing from April 1, 2011.

Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any qualification shares in our Company.

Except as set forth below, none of our Directors hold any Equity Shares:

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	4,809,520	24.23	[●]
2.	Mr. Atul Maru	4,809,520	24.23	[●]
3.	Mr. Buddhichand Maroo	3,575,320	18.01	[●]
4.	Mr. Hiren Gada	1,640,520	8.27	[●]
5.	Mr. Jai Maroo	1,234,200	6.22	[●]
6.	Mr. Jayesh Parekh	153,308	0.77	[●]
7.	Mr. VasANJI Manania	50,636	0.26	[●]
Total		16,273,024	81.99	[●]

Service Contracts

Other than as described above none of our Directors have any service contracts.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Further, Mr. Gnanesh Gala holds 2,838 equity shares of ₹ 10 each constituting 2.23% of the paid up equity shareholding of Accord Holdings Private Limited which is a shareholder of our Company and holds 1,01,272 Equity Shares constituting 0.51% of the pre-issue share capital of our Company.

Further, Mr. Jai Maroo is the sole beneficiary of a trust which holds the entire shareholding of Technology and Media Group PTE Ltd, a company which holds 1,822,840 Equity Shares constituting of 9.18% of the pre-issue paid up capital of our Company.

Interest in promotion of our Company

Except for Mr. Raman Maroo and Mr. Atul Maru who are our Promoters none of our Directors are interested in the Promotion of our Company.

Interest in the property of our Company

None of the Directors have any interest in any property owned by our Company.

Interest in the business of our Company

Except as stated in the section titled “Financial Statements – Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus and above, and to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Changes in our Board during the last three years

Except for the following, there have been no other changes in our Board during the last three years:

Sr. No	Name of Director	Date of Appointment/Reappointment	Date of Cessation	Reason
1.	Mr. Raman Maroo	January 1, 2011	-	Re-appointment as a Managing Director
2.	Mr. Atul Maru	January 1, 2011	-	Re-appointment as a Joint Managing Director
3.	Mr. Hiren Gada	January 1, 2011	-	Appointment as a whole time director
4.	Mr. Jayesh Parekh	August 29, 2011	-	Appointment as an independent director
5.	Mr. Gnanesh Gala	August 29, 2011	-	Appointment as an independent director
6.	Mr. VasANJI Mamania	August 29, 2011	-	Appointment as an independent director
7.	Mr. Shashidhar Sinha	August 29, 2011	-	Appointment as an independent director
8.	Mr. Kirit Gala	August 29, 2011	-	Appointment as an independent director

Corporate Governance

The provisions of the Listing Agreements with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with clause 49 of the Listing Agreements, particularly, in relation to appointment of independent Directors on our Board and constitution of the Audit Committee, the Investors’ Grievance Committee and the Compensation Committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of clause 49 of the Listing Agreements.

In terms of the clause 49 of the Listing Agreements, our Company has constituted the following committees:

- (a) Audit Committee;
- (b) Investors’ Grievance Committee; and
- (c) Remuneration Committee.

Additionally, our Company has constituted the following committees:

- (a) IPO Committee; and
- (b) Executive Committee

Audit Committee

The audit committee was constituted by our Directors at the Board meeting held on August 29, 2011 (“**Audit Committee**”). The Audit Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Gnanesh Gala	Chairman	Independent Director
2.	Mr. Kirit Gala	Member	Independent Director
3.	Mr. Hiren Gada	Member	Executive Director

Scope and terms of reference:

The Audit Committee will perform the following functions with regard to accounts and financial management:

- overseeing the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- regular review of accounts, accounting policies, disclosures, etc;
- regular review of the major accounting entries based on exercise of judgment by management;
- qualifications in the draft audit report;
- establishing and reviewing, with the management, the scope of the statutory audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause 2(AA) of section 217 of the Companies Act, 1956, changes in the accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management, significant adjustments made in the financial statements arising out of audit findings, compliance with listing and other legal requirements relating to financial statements, disclosure of any related party transactions and qualifications in the draft audit report;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussions to ascertain any area of concern;
- regular review, with the management, of the performance of statutory and internal auditors and adequacy of the internal control systems;
- discussion and follow up on any significant and/or important findings with the internal auditors. In case there is a suspected case of fraud or irregularity, review of the findings of any internal investigations by the internal auditors and reporting the matter to the Board;
- establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems including structure of the internal audit department, frequency of internal audit, staffing and seniority of the official heading the department;
- review the functioning of the whistle blower mechanism, in case the same is existing;
- to look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders and creditors;
- to look into the matters pertaining to the director’s responsibility statement with respect to compliance with applicable accounting standards and accounting policies;
- compliance with stock exchange legal requirements concerning financial statements, to the extent applicable;
- the committee shall look into any related party transactions i.e., transactions of the company of material nature and disclose such transactions, with promoters or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large;
- recommending to the Board the appointment, re-appointment, and replacement or removal of the statutory auditor and

the fixation of audit fee;

- approval of payments to the statutory auditors for any other services rendered by them;
- mandatory review of management discussion and analysis of financial condition and results of operations, statements of related party transactions 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;
- approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- review the financial statements, in particular, the investments made by material unlisted subsidiaries;
- such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

Investor Grievance Committee

The investor grievance committee was constituted by our Directors at the Board meeting held on August 29, 2011 (“**Investor Grievance Committee**”). The Investor Grievance Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Jayesh Parekh	Chairman	Independent Director
2.	Mr. Shashidhar Sinha	Member	Independent Director
3.	Mr. Atul Maru	Member	Executive Director

Scope and terms of reference:

The Investor Grievance Committee has been constituted to do the following acts:

- investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, interest, non- receipt of balance sheet, etc of the Company;
- approve requests for share transfers and transmission and those pertaining to re-materialisation of shares/ sub-division/ consolidation/ issue of renewed and duplicate share certificates etc;
- such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Remuneration Committee

The remuneration committee was constituted by our Directors at the Board meeting held on August 29, 2011 (“**Remuneration Committee**”). The Remuneration Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. VasANJI MAMANIA	Chairman	Independent Director
2.	Mr. SASHIDHAR SINHA	Member	Independent Director
3.	Mr. JAI MAROO	Member	Non-Executive Director

Scope and terms of reference:

The Remuneration Committee exercises powers in relation to the matters listed below:

- Framing suitable policies and systems to ensure that there is no violation, by an Employee of the Company of any applicable laws in India or overseas, including:
- The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
- The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
- Determine on behalf of the Board and the shareholders the company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payments.

- Perform such functions as are required to be performed under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.
- The observations of the said committee be placed before the subsequent meeting of the Board for information and further necessary action.

Other Committees

IPO Committee

The IPO committee was constituted by our Directors at the Board meeting held on August 29, 2011 (“**IPO Committee**”). The IPO Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Raman Maroo	Chairman	Executive Director
2.	Mr. Atul Maru	Member	Executive Director
3.	Mr. Hiren Gada	Member	Executive Director
4.	Mr. Jai Maroo	Member	Non-Executive Director

Scope and terms of reference:

The IPO Committee exercises powers in relation to the matters listed below:

- the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
- handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
- deciding on allocation of the equity shares to specific categories of persons;
- opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
- determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the ‘Basis of Allocation’;
- determining the price at which the Equity Shares are to be offered to the investors;
- settling difficulties and doubts arising in relation to the IPO;
- empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
- carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

Executive Committee

The Executive committee was constituted by our Directors at the Board meeting held on August 29, 2011 (“**Executive Committee**”). The Executive Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Raman Maroo	Chairman	Executive Director
2.	Mr. Atul Maru	Member	Executive Director
3.	Mr. Hiren Gada	Member	Executive Director

Scope and terms of reference:

The Executive Committee exercises powers in relation to the matters listed below:

- To open and operate Bank Accounts.
- To authorize change in signatories.

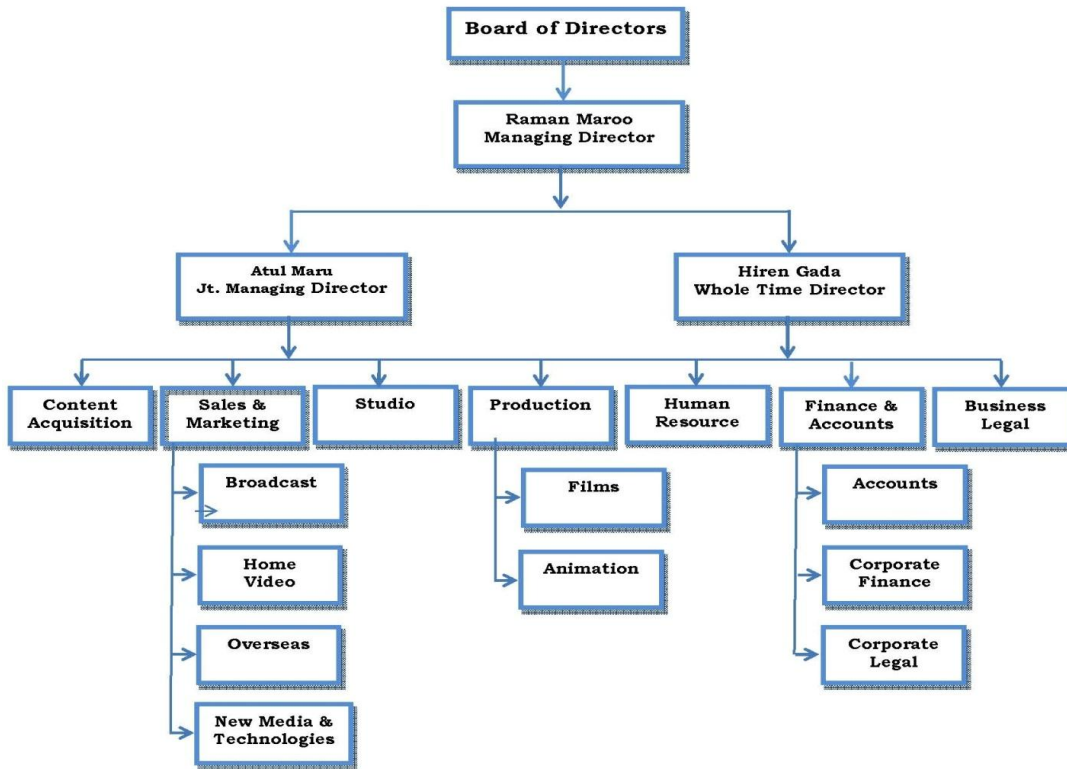
- To give instructions relating to the transactions of the Company with the Banks.
- To give necessary instructions for closure of Bank Accounts.
- To issue / revalidate / cancel Powers of Attorney.
- To authorize persons to act on behalf of the Company in relation to legal proceedings, appearing before any government authorities/agencies, dealing with the outside parties or in relation to any other matter where such authorization is required.
- To invest the funds of the Company upto a limit of ₹ 25,00,00,000 (Rupees Twenty Five crores only) in Shares, Debentures, Mutual Funds, FDRs and Bonds of Bodies Corporate and Government or Semi Government agencies.
- To avail loans, credit facilities, lease arrangements, inter corporate borrowings and other borrowing from Banks / Financial Institutions upto a limit of ₹ 2,500,000,000 (Rupees Two hundred and fifty crores only).
- To accept the terms and conditions for availing the said financial assistance.
- To authorize execution of documents and affix the Common Seal of the Company, wherever necessary.
- To request Banks or Financial Institutions for disbursement of funds.
- To create security on the assets of the Company for availing of the above-mentioned facilities.
- To do all acts, deeds and things, as may be required or considered necessary or incidental thereto.
- Any other related matters.

Borrowing powers of our Board

In accordance with provisions of the Companies Act and our Articles, our Board has been authorized through a resolution passed by our shareholders at the EGM dated January 24, 2011 to borrow from time to time, all such sums of money for the purposes of the business of our Company in excess of the aggregate of the paid up capital of our Company and its free reserves, as the Board may in its discretion think fit, provided that the money or monies to be so borrowed together with the sums already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), shall not exceed ₹ 50,000 lakhs.

Management Organisation Structure

Organisation Chart of Shemaroo Entertainment Limited



Key Managerial Personnel

In addition to our executive Directors, whose details have been provided under “Brief profile of our Directors”, the details of our other Key Managerial Personnel are as follows:

Mr. Vinod Karani, aged 49, is the vice-president of the broadcast syndication and content division of our Company. He has studied upto secondary school certificate from Mumbai. Mr. Vinod Karani has approximately 26 years of experience in the industry and during his tenure till date, created a sizeable perpetual rights library. He has been associated with our Group since 1985 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹22.5 lakhs.

Mr. Hemant Karani, aged 46, is the vice-president of the studio division our Company. He holds a graduate degree in commerce from Osmania University, Hyderabad and has completed a technical grading course from Da Vinci Academy, Florida USA. Mr. Hemant Karani has has approximately 22 years of experience in the entertainment and media industry. He has been associated with our Group since 1990 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹18 lakhs.

Mr. Bipin Dharod, aged 51, is the national head for marketing and sales of the home video division of our Company. He holds a graduate degree in commerce from the University of Mumbai. Mr. Bipin Dharod has approximately 27 years of experience in the entertainment and media industry. He has been associated with our Group since 1983 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹13.5 lakhs.

Mr. Ketan Maru, aged 44, is the head of the film production and overseas division of our Company. He holds a graduate degree in commerce from R.A. Poddar College of Commerce and Economics. Mr. Ketan Maru has approximately 25 years of experience in the entertainment industry. Prior to joining our Company he has worked in Shemaroo Book and VHS rental business. He has been associated with our Group since 1986 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹16.5 lakhs.

Ms. Smita Maroo, aged 37, is the head of the animation division of our Company and producer of multiple films. She holds a masters degree in management studies (finance) from University of Mumbai and masters degree in management information systems from Nova Southeastern University, U.S.A. Ms. Smita Maroo has approximately 9 years of experience in the entertainment and media industry. She has been associated with our Group since 2003 and our Company since April 1, 2007. The remuneration paid to her for the last Fiscal Year was ₹4.3 lakhs.

Mr. Harakhchand Gada, aged 51, is head of accounts division of our Company. He has completed his HSC from Mumbai. Mr. Harakhchand Gada has approximately 26 years of experience in this industry. He has been associated with Shemaroo group since 1987 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹10.5 lakhs.

Ms. Mansi Maroo, aged 32, is the co-producer in the film division of our Company. She holds a bachelors degree in communication management from Ithaca College, New York, U.S.A. Ms. Mansi Maroo has approximately 9 years of experience in the entertainment and media industry. Prior to joining our Company she has worked in media planning and buying and auditing for 3 years. She has been associated with our Company since 2005. The remuneration paid to her for the last Fiscal Year was ₹ 4 lakhs.

Ms. Kranti Gada, aged 30, is an assistant vice president in new media and technology division of our Company. She holds a masters degree in management studies from Mumbai University. Ms. Kranti Gada has more than 7 years of work experience. Prior to joining our Company she has worked in Pepsico India Holdings Private Limited as Asst. Brand Manager - Kurkure. She has been associated with our Company since 2006. The remuneration paid to her for the last Fiscal Year was ₹7.4 lakhs.

All Key Managerial Personnel are permanent employees of our Company. There is no specific tenure of any of our key managerial personnel.

Relationships between Key Managerial Personnel

The following Key Managerial Personnel are related to each other:

Name of the Key Managerial Personnel	Name of the other Key Managerial Personnel/Director	Family Relation
Mr. Vinod Karani	Mr. Hemant Karani	Brother
Ms. Smita Maroo	Mr. Jai Maroo	Wife
Ms. Smita Maroo	Mr. Buddhichand Maroo	Daughter-in law
Ms. Kranti Gada	Mr. Hiren Gada	Sister
Ms. Mansi Maroo	Mr. Raman Maroo	Daughter

Since Ms. Smita Maroo, Ms. Kranti Gada and Ms. Mansi Maroo are relatives of our Directors we have taken approval of the Central Government under section 314 (IB) of the Companies Act for payment of remuneration.

Details of service contracts of our Key Managerial Personnel

Except for the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company. Further, all our Key Managerial Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Interest of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel have any interest in our Company and/or our Subsidiaries other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and/or our Subsidiaries.

Shareholding of our Key Managerial Personnel in our Company

Other than the Equity Shares held by our Directors, the following are the details of the shares held by our Key Managerial Personnel in our Company.

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Hemant Karani	65,640	0.33	[●]
2.	Mr. Ketan Maru	82,040	0.41	[●]
3.	Mr. Vinod Karani	114,840	0.58	[●]
4.	Mr. Harakhchand Gada	32,840	0.17	[●]
5.	Mr. Bipin Dharod	41,040	0.21	[●]
Total		336,400	1.69	[●]

Changes in our Key Managerial Personnel

There have been no changes in our Key Managerial Personnel during the last three years.

Bonus or profit sharing plan for our Key Managerial Personnel

There is no bonus or profit sharing plan for our Key Managerial Personnel.

Scheme of employee stock option or employee stock purchase

There are no employee stock options or purchase schemes

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of the Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Managerial Personnel

For details of the loan taken by the Directors and the Key Managerial Personnel please refer to the section titled "Financial Information" beginning on page 128 of this Draft Red Herring Prospectus.

Arrangements and understanding with major shareholders

None of our Directors or Key Managerial Personnel have been appointed as a director or member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS AND GROUP COMPANIES

Promoters


Individuals

The following individuals are the Promoters of our Company:

1. Mr. Raman Maroo; and
2. Mr. Atul Maru;

The details of our Promoters are provided below:

1. Mr. Raman Maroo


	Passport Number	F7802668
	Voter ID Number	MT/04/024/060447
	Driving License Number	MH01 200900027500

Mr. Raman Maroo, aged sixty years, is the Managing Director of our Company. He has completed his higher secondary studies from Mumbai, post which he joined the Group. He has been associated with the Group since 1974 and our Company since Incorporation. Mr. Raman Maroo has approximately 37 years of business experience, out of which, he has been associated with the media and entertainment industry for more than 30 years. He has been instrumental in our Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led our Company's growth for many years. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He is a Director on the Board of several companies. He has received the 'Girnar Award' from Bruhad Mumbai Gujarati Samaj for outstanding contribution in the field of Entertainment in November 2000. He is a Director on the Board of Multi Screen Media Private Limited, the owners of Sony Entertainment Television network of television channels, since 1997. The remuneration paid to him for the last Fiscal Year was ₹ 36.40 lakhs. His other directorships are as follows:

Sr. No.	Other Directorships
Indian Companies	
1.	Atlas Equifin Private. Limited;
2.	Mitoch Pharma Private Limited;
3.	Novatech Finvest (India) Private Limited;
4.	Orbit Corporation Limited;
5.	Multi Screen Media Private Limited;
6.	Shemaroo Holdings Private Limited;
7.	Namaste America - Indo American Association for Art and Culture;
8.	Malabar Hill Club Limited;
9.	Talwalkars Better Value Fitness Limited;
10.	Think Walnut Digital Private Limited; and
11.	Banyan Tree Living & Lifestyle Private Limited.
Foreign Companies	
12.	MSM Satellite (Singapore) Pte Ltd; and
13.	MSM Asia Limited (UK).

For further details relating to Mr. Raman Maroo, including personal addresses, terms of appointment as our Director and other directorships, see the section titled "Our Management" on page 101 of this Draft Red Herring Prospectus.

2. Mr. Atul Maru

	Passport Number	F5878898
	Voter ID Number	JRW096065
	Driving License Number	MH0120080004993

Mr. Atul Maru, aged fifty years, is the Joint Managing Director of our Company. He has completed his higher secondary studies from Mumbai. He has been associated with our Group since 1980 and our Company since incorporation. Mr. Atul Maru has approximately 30 years of experience in the media and entertainment industry. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company. The remuneration paid to him for the last Fiscal Year was ₹ 32.40 lakhs.

Sr. No.	Other Directorships
1.	Shemaroo Holdings Private Limited
2.	Think Walnut Digital Private Limited
3.	Video Federation of India (Section 25 Company)

For further details relating to Mr. Atul Maru, including personal addresses, terms of appointment as our Director and other directorships, see the section titled “Our Management” on page 101 of this Draft Red Herring Prospectus.

We confirm that the details of the PAN, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Interest of the Promoters

Interest in promotion of our Company

Our Company was incorporated by Mr. Raman Maroo and Mr. Atul Maru. For this purpose, they had subscribed to our Memorandum of Association and to the initial issue of our Equity Shares.

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 two years prior to filing of this Draft Red Herring Prospectus.

Interest as member of our Company

Each of our Promoters hold Equity Shares in our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of their shareholding in our Company and benefits provided to them, as given in the section titled “Capital Structure” and “Our Management” at pages 27 and 101 respectively, of this Draft Red Herring Prospectus they hold no other interest in our Company.

Interest as Director of our Company

Please refer to section titled “Our Management – Interest of Directors” on page 110 of this Draft Red Herring Prospectus.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled “Financial Statements - Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus.

Confirmations by the Promoters

Our Promoters, including relatives of our Promoters, have confirmed that they have not been detained as wilful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or pending against them and our Promoters, including relatives of Promoter, have not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Shareholding of Promoter Group in our Company

For details of the shareholding of the Promoter Group please refer to the section titled “Capital Structure” on page 27 of this Draft Red Herring Prospectus.

Related party transactions

Except as disclosed in the section “Financial Information - Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus, our Company has not entered into any related party transactions with the Promoters or Group Companies and entities.

Promoter Group

Promoter Group Individuals

In addition to our Promoters, the following individuals form a part of the Promoter Group.

Relatives of Mr. Raman Maroo

Relation with Mr. Raman Maroo	Name of Individual
Brother	Mr. Buddhichand Maroo Mr. Atul Maru
Sister	Ms. Rekha Uday Gada
Spouse	Ms. Kastur Raman Maroo
Children	Ms. Mansi Raman Maroo, Ms. Radhika Nitin Dewan
Spouse's Father	Mr. Khetshi Dedhia
Spouse's Mother	Ms. Jakhiben Dedhia

Relatives of Mr. Atul Maru

Relation with Mr. Atul Maru	Name of Individual
Brother	Mr. Buddhichand Maroo Mr. Raman Maroo
Sister	Ms. Rekha Uday Gada
Spouse	Ms. Sangita Atul Maru
Children	Ms. Nirvi Atul Maru, Ms. Urvi Atul Maru
Spouse's Father	Mr. Praful Sanghvi
Spouse's Mother	Ms. Niru Sanghvi
Spouse's Sister	Ms. Anita Vora

Apart from the abovementioned individuals, in terms of Regulation 2(1)(zb)(v) of the SEBI (ICDR) Regulations, the following individuals form a part of our Promoter Group, being persons whose shareholding has been aggregated for the purpose of disclosing in the Draft Red Herring Prospectus under the heading “shareholding of promoter group”:

1. Mr. Hiren Gada; and
2. Mr. Jai Maroo.

Promoter Group Entities

The companies and other entities which form a part of our Promoter Group, are as follows:

Indian Companies

Sr. No.	Name of Company
1.	Shemaroo Holdings Private Limited
2.	Think Walnut Digital Private Limited
3.	Novatech Finvest (India) Private Limited
4.	Atlas Equifin Private Limited

Foreign Companies:

1. Technology and Media Group PTE Limited

Partnership Firms/HUFs

Sr. No.	Name of Firm/HUF
1.	M/s Shemaroo Corporation (Partnership Firm)
2.	Raman Hirji Maroo (HUF)
3.	Atul Maroo (HUF)
4.	Buddhichand H. Maroo (HUF)
5.	Hirji Devji Shah (HUF)

Group Companies and entities

Besides our Company, the following are the companies, firms, ventures and other entities promoted by our Promoters:

Indian Companies

Sr. No.	Name of Company
1.	Shemaroo Holdings Private Limited
2.	Think Walnut Digital Private Limited

Ventures/Partnership Firms/HUFs

Sr. No.	Name of Firm/HUF
1.	M/s Shemaroo Corporation (Partnership Firm)
2.	Raman Hirji Maroo (HUF)
3.	Atul Maroo (HUF)

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

The details of our Group Companies and Entities are as follows:

1. Shemaroo Holdings Private Limited (“SHPL”)

SHPL was incorporated under the Companies Act, 1956, incorporated on March 30, 1987 as a private limited company by the name of Shemaroo Video Private Limited. The registered office of the company is situated at Shemaroo House, Plot No. 18, Marol Co-operative Industrial Estate, Saugbaug, Marol Naka, Mumbai- 400059. The object of this company is to carry on the business of holding brands, trademarks and other intellectual property rights of group companies and to acquire from time to time and to invest in and deal in patents, trade marks etc.

Shareholding pattern

Set forth below is the shareholding pattern of SHPL as on August 31, 2011:

Name of shareholder	Number of equity shares	Percentage of issued capital
Mr. Jai Maroo	30,000	8.55
Mr. Raman Maroo	107,738	30.72
Mr. Atul Maru	107,738	30.72
Mr. Buddhichand Maroo	77,738	22.17
Hirji D. Shah (HUF)	27,500	7.84

Name of shareholder	Number of equity shares	Percentage of issued capital
Total	350,714	100

Board of directors

The board of directors of SHPL as on August 31, 2011, comprises:

1. Mr. Jai Maroo;
2. Mr. Raman Maroo;
3. Mr. Atul Maru; and
4. Mr. Buddhichand Maroo

Financial Performance

The audited financial results of the company for the last three Fiscals are as follows:

(in ₹ lakhs, except per share data)

Particulars	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	(0.28)	(0.12)	(0.15)
Equity capital	35.07	35.07	35.07
Reserves and Surplus (excluding revaluation reserves)	(0.56)	(0.28)	(0.15)
Earnings/ (Loss) per share (basic) (₹)	(0.08)	(0.04)	(0.04)
Earnings/ (Loss) per share (diluted)	(0.08)	(0.04)	(0.04)
Net Asset Value per share (₹)	9.84	9.92	9.96

Changes in capital structure

There have been no changes in the capital structure of SHPL in the preceding six months. It is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Significant notes of auditors

There are no qualifications provided by the auditors.

2. Think Walnut Digital Private Limited (“**TWDPL**”)

TWDPL was incorporated under the Companies Act on May 18, 2009, as a private limited company. The registered office of the company is situated at 11, New Surya Kiran Building, Behind Tejpal Hall, Gowalia Tank, Grant Road, Mumbai 400 036, Maharashtra. The object of this Company is to provide data services including mobile (wired and wireless telephony), internet data services amongst others.

Shareholding pattern

Set forth below is the shareholding pattern of TWDPL as on August 31, 2011:

Name of shareholder	Number of equity shares	Percentage of issued capital
Mr. Raman Maroo	3,000	30.00
Mr. Atul Maru	3,000	30.00
Mr. Jai Maroo	3,000	30.00
Mr. Hiren Gada	1,000	10.00
Total	10,000	100.00

Board of directors

The board of directors of TWDPL as on August 31, 2011, comprises:

1. Mr. Raman Maroo
2. Mr. Atul Maru
3. Mr. Jai Maroo And
4. Mr. Hiren Gada

Financial Performance

The company was incorporated in fiscal 2010. The audited financial results of the company for the last two fiscals, for which audit has been completed, are as follows:

(₹ in lakhs, except per share data)

Particulars	As on March 31, 2011	As on March 31, 2010
Sales/turnover	0.00	0.00
Profit/ (Loss) after tax	0.11	0.00
Equity capital	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)*	0.11	0.00
Earnings/ (Loss) per share (basic)	1.10	0.00
Earnings/ (Loss) per share (diluted)	1.10	0.00
Net Asset Value per share	(556.76)	(154.94)

There have been no changes in the capital structure of TWDPL in the preceeding six months. It is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have negative net worth.

Significant notes of auditors

There are no qualifications provided by the auditors.

Other Entities

1. Shemaroo Corporation (Partnership Firm)

It was formed on December 1, 1978 as Shemaroo (Petit Hall). It was subsequently reconstituted on April 8, 2010 and was named thereafter as Shemaroo Corporation.

The name of the Partners alongwith their profit sharing ratio are as follows:

Sr.No.	Name of the Partners	Profit sharing Ratio
1.	Buddhichand Maroo (HUF)	20%
2.	Raman Hirji Maroo (HUF)	20%
3.	Mr. Atul Maru	20%
4.	Ms. Leelaben Maroo	13%
5.	Ms. Kastur Maroo	13%
6.	Ms. Sangita Maru	14%

Financial Performance

The audited financial results of the Shemaroo Corporation (for the last three Fiscals) are as follows:

(₹ in lakhs , except per share data)

Particulars	Fiscal 2011	Fiscal 2010	Fiscal 2009
Sales and other income	619.36	89.64	101.58
Profit/(Loss) after Tax	(5.59)	(32.56)	(1.30)
Partners Capital	89.69	10.44	45.09

2. Raman Hirji Maroo (HUF)

The karta of Raman Hirji Maroo (HUF) (“HUF”) is Mr. Raman Maroo. The office of the HUF is situated at 21-22A, Woodland, 67, Peddar Road, Mumbai – 400 026.

Interest of the Promoters

The following are the members of the HUF and the profits and liabilities are shared as per the karta:

1. Mr.Raman Maroo;
2. Dr.Kastur Maroo;
3. Ms. Mansi Maroo; and
4. Ms. Radhika Dewan.

3. Atul Maroo (HUF)

The karta of Atul Maroo (HUF) (“**HUF**”) is Mr. Atul Maru. The office of the HUF is situated at 51, New UshaKiran, M L DahanukarMarg, Mumbai – 400 026.

The following are the members of the HUF:

1. Mr. Atul Maru;
2. Ms. Sangita Maru;
3. Ms. Nirvi Maru; and
4. Ms. Urvi Maru.

Companies from which our Promoters have disassociated

Our Promoters have disassociated themselves from Shemaroo Video Recording (Bombay) Private Limited during the three years preceding the date of the filing of this Draft Red Herring Prospectus. The company has filed for voluntary winding up with the Registrar of Companies.

Common Pursuits/Conflict of Interest

Certain of our Group Companies, engage in or are authorised under their memorandum of association to engage in business similar to that of our Company. Further, certain of our Subsidiaries engage in, or are authorised under their memorandum of association to engage in business similar to that of our Company. For further information, see “History and Certain Corporate Matters - Our Subsidiaries” on page 99 of this Draft Red Herring Prospectus.

We have not entered into any non-compete agreement with our Group Companies. To this extent, we may have a potential conflict of interest between the extant Group Companies and our Company. For further detail, see section titled “Risk Factors” on page xii of this Draft Red Herring Prospectus.

Related Party Transactions

For details of the related party transactions, see section titled “Financial Statements - Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus.

Other confirmations

Interest in sales and purchases

Except as disclosed in section titled “Financial Statements - Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus, there have been no sales and purchases between us and our Group Companies and entities, Subsidiaries and associate companies, when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Business Interests

Except as disclosed in section titled “Financial Statements - Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus, none of our Group Companies and entities / Subsidiaries / associate companies have any business interests in our Company.

Defunct Group Companies

None of our Group Companies has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the register of companies, during the five years preceding the date of filing of this Draft Red Herring Prospectus except Shemaroo Video Recording (Bombay) Private Limited. The company has been wound up under the easy exit scheme, 2010 (EES, 2010) since no business activities were carried out.

Interest in promotion of our Company

None of our Group Companies and entities were interested in the promotion of our Company.

Interest in the property of our Company

Except as disclosed in the sections titled “Our Business” at page 73 and “Financial Statements – Related Party Transactions” at page F-52 of this Draft Red Herring Prospectus, our Group Companies and entities do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

Interest in the transaction involving acquisition of land

Except as described in “Financial Statements - Related Party Transactions” on page F-52 of this Draft Red Herring Prospectus, none of our Group Companies and entities were interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

The dividends declared by our company in each of the Fiscal 2011, 2010, 2009, 2008 and 2007 as per our audited and restated financial statements are as given below:

(₹. in lakhs)

Particulars	For the year ended March 31				
	2011	2010	2009	2008	2007
Face value per share	10	10	10	10	100
Dividend	91.1	Nil	Nil	20.5	Nil
Dividend (in ₹ per share)	2	Nil	Nil	5	Nil
Dividend Tax	15.1	Nil	Nil	3.5	Nil
Equity Share Capital	455.7	Nil	Nil	41.0	Nil
Rate of dividend (%)	20%	Nil	Nil	50%	Nil

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page
1	Auditor's report on the audited and restated standalone financial statements	F-1
2	Auditor's report on the audited and restated consolidated financial statements	F-39

AUDITOR'S REPORT ON THE AUDITED AND RESTATED STANDALONE FINANCIAL STATEMENTS

RESTATED STANDALONE FINANCIAL INFORMATION
AUDITORS' REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION
(As required by Part II of Schedule II of the Companies Act, 1956)

To
The Board of Directors
Shemaroo Entertainment Limited
Plot No. 18, Shemaroo House,
Marol Cooperative Industrial Estate,
Off. Andheri -Kurla Road,
Andheri East,
Mumbai – 400 059.
India .

Dear Sirs,

1. We have examined the standalone restated financial information of Shemaroo Entertainment Limited (the Company), as attached to this report, stamped and initialled by us for identification and as approved by the Board of Directors, which has been prepared in accordance with Paragraph B, Part-II of Schedule II of the Companies Act, 1956 (the Act) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI Regulations), issued by the Securities and Exchange Board of India (SEBI), as amended to date.
2. The preparation and presentation of this financial information is the responsibility of Company's management. Our work has been carried out in accordance with the auditing standards generally accepted in India and in accordance with the Guidance Note on Reports in Company Prospectuses (Revised), issued by the Institute of Chartered Accountants of India (ICAI). Our examination was conducted in accordance with the terms of our letter of engagement with the Company, requesting us to carry out work in relation to the Offer Document being issued by the Company in connection with its proposed Initial Public Offer.
3. We have examined the attached standalone Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2011, 2010, 2009, 2008 and 2007, the attached standalone Restated Summary Statement of Profits and Losses and the attached standalone Restated Summary Statement of Cash Flows for each of the years ended on those dates (Annexure I, II and III) as prepared by the management and approved by the Board of Directors. Such standalone restated financial information has been arrived at after making such adjustments and regroupings, as in our opinion, are appropriate and more fully described in the Standalone Statement of Significant Accounting Policies and Notes to the Restated Statements appearing in Annexure IV to this report. The standalone summary statements have been prepared from the audited financial statements of the Company for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 adopted by the members of the Company in their respective Shareholders Meetings.
4. Although the financial statements of the Company for the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007, were audited and reported upon by Mr. V V Rao having membership number 30916, representing the then statutory auditors of the Company, Gawande & Associates., as partner, (ICAI Firm Registration number 112880w), we have reaudited the financial statements of the Company for the financial year ended March 31, 2011. We have relied on the audited financial statements of the Company for the financial years ended March 31, 2010, 2009, 2008 and 2007 and have not carried out any audit tests or review procedures on such financial statements of the Company for the years ended on these respective dates. Since we did not perform the audit for the above years, the financial information included for such years is solely based on the audit report submitted by Gawande & Associates for the relevant years.

5. Based on our examination of the above, we further report that the Standalone Restated Summary Statement of Assets and Liabilities, the related Standalone Restated Summary Statement of Profits and Losses, the related Standalone Restated Summary Statement of Cash Flows and the notes thereon of the Company, do not require any restatement, except as stated in Annexure IIA of this Report since:

- (i) There are no changes in accounting policies, the impact of which needs adjustment retrospectively in the respective financial years;
- (ii) There are no amounts relating to previous years that need adjustments in the respective financial years to which they relate (except as stated in Annexure IIA);
- (iii) There are no extra-ordinary items that need to be disclosed separately in the financial information.
- (iv) There are no qualifications in the Auditors' Reports that require adjustments.

Based on the above we are of the opinion that the standalone restated financial information have been made in accordance with the SEBI Regulations, after incorporating all the adjustments suggested in the said regulations.

6. Other Financial Information

We have also examined the following standalone restated financial information of the Company as at and for the years ended March 31, 2011, 2010, 2009, 2008 and 2007, which are proposed to be included in the Offer Document, prepared by the management and approved by the Board of Directors and annexed to this report:

- (i) Standalone Statement of Accounting Ratios, as Restated, included in Annexure V
- (ii) Standalone Capitalization Statement, as Restated, included in Annexure VI
- (iii) Standalone Statement of Tax Shelters, as Restated, included in Annexure VII
- (iv) Standalone Details of Other Income, as Restated, included in Annexure VIII
- (v) Standalone Statement of Dividend Paid, as Restated, included in Annexure IX
- (vi) Standalone Statement on Investments, as Restated, included in Annexure X
- (vii) Standalone Age-wise analysis of Debtors, as Restated, included in Annexure XI
- (viii) Standalone Statement of Loans and Advances, as Restated included in Annexure XII
- (ix) Standalone Statement of Other Current Asset, as Restated included in Annexure XIII
- (x) Standalone Statement of Secured Loans, as Restated included in Annexure XIV
- (xi) Standalone Statement of Unsecured Loans, as Restated included in Annexure XV
- (xii) Standalone Statement of Current Liabilities and Provisions, as Restated included in Annexure XVI
- (xiii) Standalone Statement of Contingent Liabilities, as Restated, included in Annexure XVII

7. This report should not be in any way construed as a reissuance or a re-dating of any of the previous audit reports issued by us or by any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial information referred to herein.

8. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

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

10. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed initial public offering of equity shares of the Company. Our report and the enclosed Annexures should not be used, distributed, referred to, published or relied upon by any person for any other purpose, except with our prior written consent.

**For M.K. Dandeker & Co
Chartered Accountants
(ICAI FRN. 0000679S)**

**K. J. Dandeker
Partner
Membership No. 18533
Mumbai
Dated: September 15, 2011**

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – I

Statement of Standalone Assets and Liabilities (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2011	2010	2009	2008	2007
A	Tangible Assets					
	Fixed Assets					
	Gross Block	5,191.07	5,435.61	5,324.21	5,239.59	-
	Less: Depreciation	1,694.12	1,811.22	1,545.88	1,275.28	-
	Net Block	3,496.95	3,624.38	3,778.33	3,964.31	-
	Less : Revaluation Reserve	-	-	-	-	-
	Net Block after adjustment of revaluation reserve	3,496.95	3,624.38	3,778.33	3,964.31	-
	Capital Work In Progress	5.35	5.57	53.66	51.23	-
	Total	3,502.30	3,629.95	3,832.00	4,015.54	-
B	Investments	650.15	37.96	11.08	11.08	-
C	Current Assets, Loans & Advances					
	Inventories	5,313.06	5,144.00	5,373.36	3,579.51	-
	Sundry Debtors	10,288.13	6,565.80	5,874.28	5,317.68	-
	Cash and Bank Balances	781.18	1,851.97	1,468.17	1,791.00	2.23
	Loans & Advances	4,157.82	4,544.05	4,669.11	4,612.55	-
	Total	20,540.19	18,105.82	17,384.92	15,300.75	2.23
D	Liabilities & Provisions					
	Secured Loans	10,078.28	8,335.34	10,830.50	5,960.40	-
	Unsecured Loans	2,746.15	3,028.07	1,305.54	5,043.81	4.85
	Share Application Money	-	-	-	2.51	-
	Current Liabilities & Provisions	2,280.51	2,053.39	862.07	1,919.32	0.06
	Total	15,104.95	13,416.80	12,998.11	12,926.03	4.91
E	Deferred Tax Liability (Net)	449.46	403.09	401.93	342.14	-
	Net Worth (A+B+C-D-E)	9,138.22	7,953.83	7,827.95	6,059.20	(2.67)
	Net Worth Represented by :					
F	Equity Share Capital	455.71	45.57	45.57	41.01	1.00
G	Reserves & Surplus					
	Share Premium	3,061.03	3,061.03	3,061.03	-	-
	General Reserve	1,685.86	1,590.94	1,590.94	1,666.00	-
	Capital Reserve on Demerger	1,081.32	1,491.46	1,491.46	1,491.46	-
	Profit and Loss Account	2,854.29	1,764.83	1,638.95	2,860.72	(3.67)
	Total	8,682.51	7,908.26	7,782.38	6,018.19	(3.67)

H	Miscellaneous Expenses (To the extent Not written off/ Adjusted)	-	-	-	-	-
I	Net Worth (F+G-H)	9,138.22	7,953.83	7,827.95	6,059.20	(2.67)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II

Statement of Standalone Profit and Loss (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2011	2010	2009	2008	2007
A	Income					
	Operating Income	15,492.60	10,160.39	10,333.55	14,577.67	-
	Other Income	203.44	202.43	136.14	220.46	-
	Total	15,696.04	10,362.82	10,469.69	14,798.13	-
B	Expenditure					
	Operating Expenses	10,036.17	6,427.65	7,598.37	9,150.42	-
	Employee Remuneration & benefits	953.42	835.20	1,017.76	915.84	-
	Administration & Other Expenses	933.21	654.21	639.48	814.28	0.03
	Selling Expenses	308.47	399.17	359.93	608.45	-
	Total	12,231.26	8,316.22	9,615.54	11,489.00	0.03
C	Profit before Interest, Depreciation, Tax and Extraordinary Items	3,464.78	2,046.59	854.15	3,309.13	(0.03)
	Financial Expenses	1,532.77	1,650.32	1,784.52	1,906.98	0.00
D	Profit after Interest and before Depreciation, Tax and Extraordinary Items	1,932.01	396.27	(930.37)	1,402.15	(0.03)
	Depreciation	271.21	268.15	286.28	264.19	-
E	Profit before Taxation and Extraordinary Items	1,660.80	128.12	(1,216.65)	1,137.96	(0.03)
	<u>Provision for Taxation</u>					
	- Current Tax	323.11	-	-	332.87	-
	- Deferred Tax	46.37	1.16	59.80	47.23	-
	- Fringe Benefit Tax	-	-	19.00	21.60	-
	- Wealth Tax	0.66	1.08	1.39	1.70	-
F	Profit after Tax and before Extraordinary Items	1,290.66	125.88	(1,296.84)	734.55	(0.03)
	Extraordinary Items	-	-	-	-	-
	Net Profit after Extraordinary Items	1,290.66	125.88	(1,296.84)	734.55	(0.03)
	Surplus/(Deficit) brought forward from the Previous year	1,764.83	1,638.95	2,860.72	(3.67)	(3.64)
	Profit transferred as a result of Demerger	-	-	-	2,199.63	-
	Adjustment on account of Demerger	-	-	-	29.26	-
G	Profit available for appropriation	3,055.49	1,764.83	1,563.88	2,959.67	(3.67)
	Proposed Dividend	91.14	-	-	20.51	-
	Tax on Dividend	15.14	-	-	3.49	-
	Transfer from/to General Reserve	94.92	-	(75.06)	75.06	-
H	Adjusted Available Surplus / (Deficit)	2,854.29	1,764.83	1,638.95	2,860.72	(3.67)

carried forward

Note :

The accompanying standalone statement of Significant Accounting Policies and Notes to the Restated Statements are an integral part of this Statement of Standalone Profit and Loss (As Restated)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II A

Reconciliation Statement between Audited Profit after Tax and Restated Profit after Tax

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Profit/(loss) after Tax as per Audited Profit & Loss Account	1,299.17	129.34	(1,295.51)	750.61	(0.03)
<u>Adjustments on account of:</u>					
Preliminary Expense	-	-	-	3.61	-
Leave Encashment	14.33	(3.61)	0.84	(11.56)	-
Gratuity	23.74	0.01	(0.75)	(15.66)	-
Wealth Tax	0.66	(1.08)	(1.39)	(1.70)	-
Prior Period Items	(33.64)	-	-	-	-
Deferred Tax Asset/(Liability)	(12.94)	1.22	(0.03)	9.25	-
Expense (Wealth Tax Provided)	(0.66)	-	-	-	-
Profit After Tax as Restated	1,290.66	125.88	(1,296.84)	734.55	(0.03)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – III

Statement of Standalone Cash Flow (As Restated)

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
A. Cash flows from Operating Activities					
Net Profit / (Loss) before tax	1,660.80	128.12	(1,216.65)	1,137.96	(0.03)
<i>Adjustments for:</i>					
Depreciation	271.21	268.15	286.28	264.19	-
Interest Received	(172.69)	(99.70)	(129.18)	(139.75)	-
Financial Expenses	1,532.77	1,650.32	1,784.52	1,906.98	0.00
Dividend Income	(0.90)	(1.05)	(0.67)	(0.06)	-
(Profit) / Loss on sale of Fixed Assets	(25.20)	2.17	5.95	6.89	-
(Profit) / Loss on sale of Investments	-	-	-	(39.67)	-
Unrealised Foreign Exchange Gain (Net)	73.76	9.22	(123.98)	30.93	-
Provision for Leave Encashment	24.66	3.61	(0.84)	11.56	-
Provision for Gratuity	35.40	(0.01)	0.75	15.66	-
Provision for Taxation	(0.66)	-	-	-	-
Excess Provision for Taxation in Earlier Years	33.64	-	(3.70)	-	-
Miscellaneous Expenses written off	-	-	-	102.08	-
Operating profit before working capital changes	3,432.79	1,960.84	602.48	3,296.76	(0.03)
<i>Movements in working capital :</i>					
(Increase)/Decrease in Inventories	(169.05)	229.36	(1,793.85)	574.21	-
(Increase)/Decrease in Sundry Debtors	(3,722.33)	(700.74)	(432.62)	(486.10)	-
(Increase)/Decrease in Loans and Advances	111.57	261.86	211.75	212.19	-
Increase/(Decrease) in Current Liabilities, Provision and Other Liabilities	192.34	1,190.10	(973.40)	(71.87)	(3.39)
Cash flows from operations	(154.69)	2,941.42	(2,385.63)	3,525.20	(3.42)
Income tax paid during the year	(205.11)	(118.76)	(344.77)	(1,106.28)	-
Net cash flows from operating activities	(359.79)	2,822.65	(2,730.40)	2,418.92	(3.42)
B. Cash flows from investing activities					
Purchase of Fixed assets (including capital advances)	(182.48)	(68.97)	(110.51)	(336.34)	-
Proceeds from sale of investments	-	-	-	54.76	-
Purchase of Investments in Subsidiaries	(612.19)	(26.88)	-	4.08	-
Sale of Fixed Assets	63.91	0.68	1.82	1.42	-
Dividend Income	0.90	1.05	0.67	0.06	-

Interest Received	172.69	99.70	129.18	139.75	-
Loans given to Subsidiary and others	(82.08)	(21.49)	-	-	-
Net cash flows from investing activities	(639.25)	(15.90)	21.16	(136.28)	-
C. Cash flows from financing activities					
Increase / (Decrease) of Short term Borrowings	1,678.66	2,143.43	(956.14)	(1,768.58)	4.50
Increase / (Decrease) of Long term Borrowings	(217.64)	(2,916.06)	2,087.98	610.54	-
Dividend Paid	-	-	(23.99)	(39.99)	-
Financial Expense	(1,532.77)	(1,650.32)	(1,784.52)	(1,906.98)	-
Share Application Money	-	-	-	2.51	-
Increase in share capital including share premium	-	-	3,063.08	5.94	-
Net cash flows from financing activities	(71.75)	(2,422.95)	2,386.41	(3,096.56)	4.50
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,070.79)	383.80	(322.83)	(813.92)	1.08
Cash and cash equivalents at the beginning of the year	1,851.97	1,468.17	1,791.00	2.23	1.15
Cash and Cash Equivalents of the transferor company acquired as per the Scheme of Arrangement	-	-	-	2,602.69	-
Cash and cash equivalents at the end of the year	781.18	1,851.97	1,468.17	1,791.00	2.23

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – IV

Standalone Statement of Significant Accounting Policies and Notes to the Restated Statements

1) Nature of Operations

Shemaroo Entertainment Limited ('the company') is engaged in the business of Aggregation, Production and Co-Production of Cinematograph Films, Dramas etc., and subsequently exploiting and distributing rights of Films, Dramas across the world through various medium such as television licensing , DVD and VCD release, exploiting various rights of the content through new distribution avenues such as IPTV, VOD and mobile platform. The Company houses state-of-the-art studio facilities, equipped with highly sophisticated studio hardware and software.

2) Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India, Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006 and the requirements of the Companies Act, 1956.

b) Use of Estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

c) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation/amortization thereon and impairment losses, if any. Cost includes all costs incidental to acquisition, installation, commissioning and related internal costs and interest paid on funds borrowed to finance the assets until the assets are ready for commercial use. Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

d) Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition to /deletions from fixed assets is provided on pro-rata basis from / up to the date of such additions / deletions as the case may be. Fixed assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

e) Investments

Investments are classified into Current and Long Term Investments. Long term investments (including joint ventures) are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognize such decline. Current investments are stated at cost.

f) Inventories

- i. Projects in progress and movies under production are stated at cost. Cost comprises the cost of materials, the cost of services, labour and other expenses.
- ii. Raw Stock, Digital Video Discs/Compact Discs stock are stated at lower of cost or net realisable value.
- iii. The copyrights are valued at a certain percentage of cost based on the nature of rights. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate write down is made in cases where accelerated write down is warranted.
- iv. The borrowing cost directly attributable to a movie/game is capitalised as part of the cost.

g) Revenue Recognition

- i. Sales of ACDs / VCDs / DVDs /ACS are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.
- ii. The cost of drama covering the cost of purchase of copyrights and shooting expenses is expensed out as a certain percentage of total cost.
- iii. Sales of rights are recognised on the date of entering into agreement for the sale of the same, provided the Censor Certificate is in existence.
- iv. Services are recognized when the contractual commitments are delivered in full and are recorded net of returns, trade discounts, rebates and indirect taxes.
- v. Revenues relating to complete Feature Films are recognised in the year of release of feature films.
- vi. Revenue pertaining to release of music of film is recognized on the date of its release.
- vii. Dividend income is recognised when the right to receive the same is established.
- viii. Interest Income is recognised on a time proportion basis.

h) Purchase of Rights

- i. In respect of satellite rights, as per the terms and conditions of the agreement with producer / seller, with respect to the date of agreement of purchase and the existence of Censor Certificate.
- ii. In respect of Video and other rights on the date of the agreement of purchase with producer /seller, provided the Censor Certificate is in existence.

i) Employee Benefits

Defined contribution plan

The company's contributions to Employees Provident Fund, Employees Pension Fund and cost of other benefits are charged to Profit and Loss Account on actual cost to the company on accrual basis each year.

Defined benefit plan

The Company's liability towards gratuity has been accounted on the basis of actuarial valuation and the contribution thereof paid / payable is charged to the Profit and Loss Account each year.

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability for every year.

j) Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred except Bill Discounting charges which have been carried forward on time proportion basis.

k) Foreign Currency Transaction

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities and Loans denominated in foreign currency as at balance sheet date are converted at the exchange rate prevailing on such date. Any Exchange differences arising from such conversion are recognized in the Profit and Loss A/c.

l) Taxation

i. Current Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

ii. Deferred Tax

Deferred Tax is recognised on timing differences; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

m) Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

n) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

3) Notes To Accounts -

1) Related Parties disclosure as per AS 18 is as follows:

a) Details of the names of related parties and nature of relationships :

Entity having common control -

Shemaroo Holdings Private Limited
Shemaroo Trading Corporation
Shemaroo (Warden Road)
Shemaroo Corporation (formerly known as Shemaroo (Petit Hall)
Think Walnut Digital Private Limited
Technology and Media Group Pte Ltd.

Subsidiaries -

Shemaroo Entertainment INC, USA
Shemaroo Entertainment (UK) Private Ltd.

Associate -

Viastraas Digital Media Private Limited

Key Management Personnel -

Mr. Atul Maru
Mr. Buddhichand Maroo
Mr. Raman Maroo
Mr. Jai Maroo
Mr. Hiren Gada

Relative of Key Management Personnel -

Atul Maroo (HUF)
Buddhichand H. Maroo (HUF)
Raman H. Maroo (HUF)
Ms. Leelaben Maroo
Ms. Kastur Maroo
Ms. Sangita Maru
Ms. Smita Maroo
Ms. Mansi Maroo
Ms. Radhika Dewan
Ms. Nirvi Maru
Ms. Urvi Maru
Ms. Madhuri Gada
Ms. Kranti Gada

b) Transactions with Related Parties :*(Rupees in Lakhs)*

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
1) Transactions with related parties where control exists					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	9.11	-	-	-	-
Interest Paid	-	-	-	-	-
Investments	-	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	-	35.00	-	-	-
Other Income (Rent Received)	1.20	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	0.31	0.30	-	-	-
Purchase of goods & services	0.01	2.17	0.41	7.68	-
Salaries	-	-	-	-	-
Sales of goods & services	4.32	4.96	8.65	0.62	-
Subscription to Equity Share capital	-	-	3,065.59	-	-
Balances outstanding					
Receivable	-	-	-	-	-
Payables	-	-	-	-	-
Loans / Deposits	-	-	-	-	-
2) Transactions with Subsidiary Companies					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	-	-	-	-	-
Interest Paid	-	-	-	-	-
Investments	-	26.88	-	4.08	-
Loans Given	10.88	21.49	-	-	-
Loans Taken	-	-	-	-	-

Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	1.58	-	-	-
Salaries	-	-	-	-	-
Sales of goods & services	-	9.29	92.47	88.48	-
Balances outstanding					
Receivable	223.01	134.44	169.01	48.31	-
Payables	-	-	-	-	-
Loans / Deposits	-	21.49	-	-	-
3) Transactions with Associates					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	-	-	-	-	-
Interest Paid	-	-	-	-	-
Investments done during the year	612.19	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	-	-	-	-	-
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	-
Salaries	-	-	-	-	-
Sales of goods & services	-	-	-	-	-
Balances outstanding					
Receivable	-	-	-	-	-
Payables	-	-	-	-	-
Loans / Deposits	-	-	-	-	-

4) Transactions with Key Management Personnel & Relatives Key Management Personnel

Director's Remuneration	101.10	150.32	156.64	141.54	-
Dividend Proposed (Net of Dividend Distribution Tax)	80.35	-	-	18.67	-
Interest Paid	259.18	77.12	61.27	75.72	-
Investments done during the year	-	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	615.00	1,841.50	109.00	500.00	4.85
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	83.48	-	-	-
Personal Guarantees Taken against Bank Loans	50,620.00	38,340.00	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	-
Salaries	21.17	18.58	19.39	12.67	-
Sales of goods & services	-	-	-	-	-
Balances outstanding					
Receivable	-	-	7.75	-	-
Payables	-	-	0.24	-	-
Loans / Deposits	728.50	1,336.85	-	504.85	4.85

2) Earnings Per Share (EPS) :

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Profit / (Loss) after Tax (As restated)	1,290.66	125.88	(1,296.84)	734.55	(0.03)
Weighted average number of Equity Shares outstanding at the end of the year (in lakhs)					
Basic *	45.57	45.57	41.10	41.01	1.00
Diluted *	45.57	45.57	41.10	41.01	1.00
Nominal value of shares (in Rupees) **	10.00	10.00	10.00	10.00	10.00
<u>Earnings Per Share (in Rupees)</u>					
Basic	28.32	2.76	(31.55)	17.91	(0.03)
Diluted	28.32	2.76	(31.55)	17.91	(0.03)

* During the financial year 2010-11, the company issued 9 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07, has been reworked taking into account the Bonus Factor.

** The face value of the Equity Shares was Rs. 100/- for the year ended March 31st, 2007. However w.e.f. March 31st, 2008 onwards Equity Shares Rs.100/- each was sub divided into 10 Equity Shares of Rs. 10/- each. Hence for the restatement purpose, face value of Equity Shares of Rs. 10/- each is considered for Financial Year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07.

3) Components of Deferred Tax Liability :

(Rupees in Lakhs)

Particular	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Opening Deferred Tax Asset / (Liability)	(403.09)	(401.93)	(342.14)	(297.40)	-
<u>Components of Deferred Tax Assets / (Liabilities) -</u>					
Depreciation	(33.43)	(2.38)	(59.72)	(56.53)	-
Other	(12.94)	1.22	(0.08)	11.79	-
Deferred Tax Assets / (Liabilities) – Net	(46.37)	(1.16)	(59.80)	(44.74)	-
Closing Deferred Tax Assets / (Liability)	(449.46)	(403.09)	(401.93)	(342.14)	-

4) Auditor's Remuneration (including Service Tax) :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Audit fees	2.21	1.65	1.65	1.69	0.03
Tax audit fees	1.10	0.83	0.83	0.84	-
Fees for Certification Work	0.57	0.56	-	-	-
Total	3.88	3.04	2.48	2.53	0.03

5) Earnings in Foreign Currency :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
FOB Value of Exports	310.24	1,846.60	2,593.16	2,364.72	-
Total	310.24	1,846.60	2,593.16	2,364.72	-

6) Expenditure in Foreign Currency :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Professional Fees	0.07	-	17.41	5.49	-
Royalty	28.25	53.46	248.27	64.14	-
Advances Paid for Purchase of Content	-	-	49.07	1.41	-
Other Expenses	79.36	82.00	87.95	51.33	-
Total	107.68	135.46	402.70	122.37	-

7) CIF value of Imports :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Capital Equipments	-	-	-	2.09	-
Raw Materials	-	2.14	-	-	-
Stores and Spares	43.29	13.67	-	-	-
Purchase of Content	9.90	-	-	-	-
Software Purchase	-	-	-	1.12	-
Total	53.19	15.82	-	3.21	-

8) Directors Remunerations :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2011	2010	2009	2008	2007
Salary and Allowances	99.38	149.04	156.64	141.54	-
Perquisites	1.71	1.19	-	-	-
Contribution to PF and Pension Fund	-	0.09	-	-	-
Total	101.10	150.32	156.64	141.54	-

- 9) The Company has identified "Entertainment" as the only primary reportable business segment. The Company has no geographical segment other than India.
- 10) The scheme sanctioned by the Hon'ble High Court of Bombay order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited ("**Transferor Company**") to Shemaroo Holdings Private Limited ("**Transferee Company**") and also effected the interchange of the names of the companies i.e the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. Prior to the transfer there was no business carried on by the Company.
- 11) The company's major line of business is dealing in various types of copyrights. Due to the multiplicity and complexity of items, it is not practicable to maintain the quantitative record/continuous stock register for various types of Copyrights. Hence, the quantitative details for copyrights are not maintained by the Company as is the practice generally followed by companies in the industry. Physical stock is taken at the end of the year.
- 12) An amount of Rs. 1,590.94 lakhs to General Reserve Account and Rs. 2,199.63 lakhs to Profit & Loss Account has been transferred from Capital Reserve Account, vide court order dated 25th March, 2011. Bonus shares of Rs. 410.14 lakhs have been issued by capitalisation of Capital Reserve Account.

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – V

Standalone Summary of Accounting Ratios as restated :

Ratios	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
<u>Earnings Per Share (Rs.)</u>					
Basic	28.32	2.76	(31.55)	17.91	(0.03)
Diluted	28.32	2.76	(31.55)	17.91	(0.03)
Return on Net Worth (%)	14.12%	1.58%	(16.57)%	12.12%	(1.07)%
Net Asset Value Per Share (Rs)	200.53	174.54	171.78	147.74	(2.67)
Number of Equity Shares outstanding at the end of the Year (in lakhs)	45.57	4.56	4.56	4.10	0.10
Weighted Average Number of Equity Shares computed for calculating diluted Earnings per share *	45.57	45.57	41.10	41.01	1.00
Nominal Value per Equity share (Rs.) **	10.00	10.00	10.00	10.00	10.00

* During the financial year 2010-11, the company has issued 9 Bonus shares for every 1 share held. Accordingly, Weighted Average Number of shares for Financial Year 2009-10, 2008-09, 2007-08 and 2006-07, has been reworked taking into account the Bonus Factor.

** The face value of the Equity Shares was Rs. 100/- each for the year ended March 31st, 2007. However w.e.f. March 31st, 2008 the Equity Shares Rs.100/- each was sub divided into 10 Equity Shares of Rs. 10/- each. Hence for the restatement purpose, face value of Equity Shares of Rs. 10/- each is considered for Financial Year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07.

Notes:

Basic Earnings Per Share (₹) =
$$\frac{\text{Net Profit after Tax before Extraordinary Items less Preference dividend}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

Diluted Earnings Per Share (₹) =
$$\frac{\text{Net Profit after Tax before Extraordinary Items less Preference dividend}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year}}$$

Net Asset Value Per Share (₹) =
$$\frac{\text{Net worth excluding Revaluation Reserve}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

Return on Net worth (%) =
$$\frac{\text{Net Profit after Tax and before Extraordinary Items}}{\text{Net worth excluding Revaluation Reserve}}$$

Net Worth = Equity Share Capital + Reserves & Surplus (Excluding revaluation reserve, if any) – Miscellaneous Expenditure + Preference Share Capital

Net Profit, as restated as appearing in the summary statement of profit and losses, of the company has been considered for the purpose of computing the above ratios

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – VI

Standalone Statement of Capitalisation as at 31st March, 2011 as restated :

(Rupees in Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt	8,289.82	*
Long Term Debt	4,534.62	*
Total debts	12,824.44	*
Shareholders' funds		
Equity share capital	455.71	*
Capital Reserve on Demerger	1,081.32	*
Reserve and surplus	1,685.86	*
Profit and Loss account	2,854.29	*
Securities premium account	3,061.03	*
Total shareholders' funds	9,138.22	*
Long term debt / shareholders funds	49.62%	*
Total debt / shareholders funds	141.54%	*

* The corresponding Post issue figures will be calculated on conclusion of the book building process of the proposed Initial Public Offer

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – VII

Standalone Statement of Tax Shelter as restated:

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Profit before tax as per books (As Restated) - (A)	1,660.80				
		128.12	(1,216.65)	1,137.96	(0.03)
Tax Rate (%)	33.22%	33.99%	33.99%	33.99%	33.66%
Tax at notional rate on profits	551.72	43.55	(413.54)	386.79	-
Adjustments :					
<u>Permanent Differences (B)</u>					
Dividend exempt u/s 10 (34) & (35) of the Income Tax Act, 1961	0.90	-	0.67	0.06	-
Donation	(29.80)	-	(7.35)	(8.84)	-
Capital Gain exempt		-	-	39.67	-
Capital Gain Income		(9.45)	-	-	-
Total Permanent Differences (B)	(28.90)	(9.45)	(6.69)	30.89	-
<u>Timing Differences (C)</u>					
Difference between tax depreciation and book depreciation	62.06	131.71	183.95	264.89	-
Profit / (Loss) on sale of Fixed Assets	25.20	-	(8.39)	(6.89)	-
Expenses disallowed under the Income Tax Act, 1961	(127.56)	(1.22)	(55.74)	(102.88)	-
Difference due to expenses allowable/disallowable u/s 40 (a) (ia)			0.14	14.26	
Provision for doubtful debts and advances					
Provision for Gratuity	23.74	0.01	(0.75)	(15.66)	-
Provision for Leave Encashment	14.33	(3.61)	0.84	(11.56)	-
Total Timing Differences (C)	(2.23)	126.89	120.05	142.17	-
Profit / (Loss) as per Income Tax Returns D= (A-B-C)	1,691.93	10.68	(1,330.01)	964.90	
Brought forward Losses adjusted (E)	(1,319.34)	(10.68)	-	-	
Taxable Income / (Loss) (D+E)	372.59	-	(1,330.01)	964.90	
Taxable Income / (Loss) as per MAT	1,621.18	-	-	-	-
Tax as per Income tax as returned	323.11	-	-	327.97	
Interest u/s 234	-	-	-	-	
Total Tax as per return	323.11	-	-	327.97	
Carried forward business loss	-	(858.56)	(859.78)	-	
Carried forward depreciation loss	-	(460.78)	(470.23)	-	
Total carried forward loss as per return of the year	-	(1,319.34)	(1,330.01)	-	

Note :

The above Statement is in accordance with Accounting Standard 22 – Accounting for Taxes on Income as notified under the Companies Act, 1956 and has been prepared based on the Income Tax Returns filed for the respective years and are not based on the assessed income.

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – VIII

Standalone Details of Other Income as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,					Nature
	2011	2010	2009	2008	2007	
Other income	203.44	202.43	136.14	220.46	-	
Profit before Taxation and Extraordinary Items as Restated	1,660.80	128.12	(1,216.65)	1,137.96	(0.03)	
Percentage (%)	12.25	158.00	(11.19)	19.37	-	
Source of Income						
Interest	172.69	99.70	129.18	139.75	-	Recurring and related to business activity.
Dividend	0.90	1.05	0.67	0.06	-	Recurring and related to business activity.
Profit/(Loss) on Sale of Assets	25.20	(2.17)	(8.39)	(6.89)	-	Recurring and related to business activity.
Profit on Sale of Investments	-	-	-	39.67	-	Non recurring and not related to business activity.
Credit Balances Written Back	3.45	3.58	1.96	29.49	-	Recurring and related to business activity.
Discount Received	0.00	0.97	0.94	1.74	-	Recurring and related to business activity.

Insurance Claim	-	0.51	7.81	16.64	-	Recurring and related to business activity.
Surrender of Key man policy and Property Rights	-	98.78	-	-	-	Non recurring and not related to business activity.
Awards Received	-	-	3.98	-	-	Non recurring and not related to business activity.
Rent Income	1.20	-	-	-	-	Recurring and not related to business activity.
Total Other income	203.44	202.43	136.14	220.46	-	

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE –IX

Standalone Statement of Dividend declared as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Equity Dividend					
Equity Share Capital (Face value Rs. 10/- per share)	455.71	-	-	41.01	-
Rate of Dividend	20.00%	-	-	50.00%	-
Amount of Dividend	91.14	-	-	20.51	-
Tax on Dividend	15.14	-	-	3.49	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE –X

Standalone Statement of Investments as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Non-Trade Investments-Quoted					
Promoter Group Companies	-	-	-	-	-
Others	7.00	7.00	7.00	7.00	-
Total – A	7.00	7.00	7.00	7.00	-
Non-Trade Investment-Unquoted					
Promoter Group Companies	-	-	-	-	-
Others	-	-	-	-	-
Total – B	-	-	-	-	-
Trade Investment-Unquoted					
Subsidiary Companies	30.96	30.96	4.08	4.08	-
Investment in Associate Company	612.19	-	-	-	-
Total – C	643.15	30.96	4.08	4.08	-
Total	650.15	37.96	11.08	11.08	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XI

Standalone Statement of Sundry Debtors as restated :

(Rupees in lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Debts outstanding for a period exceeding six months					
Unsecured, considered good	1,614.34	2,721.56	3,196.68	408.08	-
Unsecured, considered doubtful					
Debts outstanding for a period less than six months					
Unsecured, considered good	8,673.79	3,844.24	2,677.60	4,909.60	-
Unsecured, considered doubtful					
Total	10,288.13	6,565.80	5,874.28	5,317.68	-

Out of the above, amounts outstanding from subsidiaries is as follows:

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Shemaroo Entertainment Inc., USA	110.16	125.15	169.01	48.31	-
Shemaroo Entertainment (UK) Private Limited	9.27	9.29	-	-	-
Total	119.43	134.44	169.01	48.31	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XII

Standalone Statement of Loans and Advances as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Advances recoverable in cash or in kind or for value to be received	2,942.99	2,859.88	3,125.47	3,478.27	-
Loan to Subsidiary Company	103.58	21.49	-	-	-
Advance Tax (net of Provision)	1,078.64	1,602.01	1,483.40	1,059.30	-
Deposits With Government departments	4.07	4.07	4.07	-	-
Deposits with Others	28.54	56.60	56.16	74.98	-
Total	4,157.82	4,544.05	4,669.11	4,612.55	-

Out of the above, Amounts outstanding from Subsidiaries are as follows:

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Shemaroo Entertainment (UK) Private Limited	103.58	21.49	-	-	-
Total	103.58	21.49	-	-	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XIII

Details of Other Current Assets as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Accrued Interest on FD	3.58	26.83	194.75	191.25	-
Total	3.58	26.83	194.75	191.25	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XIV

Standalone Statement of Secured Loans as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Working Capital Loan (Bank Overdraft / Cash Credit)	5,543.66	5,068.08	5,797.18	3,960.06	-
Term Loan	2,554.62	2,772.26	3,188.32	1,100.34	-
Bills Discounting	1,980.00	495.00	1,845.00	900.00	-
Total	10,078.28	8,335.34	10,830.50	5,960.40	-

The security given for the above loans as on March 31, 2011 is as follows :

Term Loans -

(Rupees in Lakhs)

Name of the Bank / Institution	Balance Outstanding as at 31st March 2011	Sanction Limits	Rate of Interest	Repayment Terms	Prepayment Terms	Penalty / Interest	Securities Offered
Industrial Development Bank of India	2,500	2,500	IDBI BPLR	Repayable in 25 Instalments of Rs 1 Crore each from 1st April 2011 till 1st April 2013	Prepayment allowed without any prepayment penalty	Additional interest @ 2% p.a. payable on default in payment of any installment of principal amount.	First Charge on specified negative prints and Intellectual property Rights. Personal Guarantee of Raman Maroo and Atul Maru dated June 21, 2008.

Bill Discounting -

(Rupees in Lakhs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2011	Sanction Limits	Rate of Interest	Repayment Terms	Penalty / Interest	Securities Offered
Yes Bank Limited	1,980	4,230	4.50 % above Yes Bank Base Rate	The Repayment will take place against the maturity of the accepted and acknowledged bill of exchange.	Additional Interest of 2 % payable in case of delay in repayment of Yes BANK Limited Installments.	1. Exclusive charge on copyright & receivables from Viacom 18 Media Private limited as per agreement 2. Letter from Viacom 18 Media Private Limited stating that all payments under the agreement will be directly made to YES Bank a/c against the invoices raised 3. Personal Guarantee of the Directors Mr. Raman Maroo , Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada

Cash Credit and Demand Loans -

(Rupees in Lakhs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2011	Sanction Limits	Rate of Interest	Securities Offered
The Shamrao Vithal Co-op Bank Limited	1,996.16	2,000	At PLR Less 1.50%	1. First Pari Pasu Charge on Stock and Book Debts 2. First Pari Pasu Charge on Fixed Asset
NKGSB Co-op Bank Limited	2,053.54	2,000	14.00%	1. First Pari Pasu Charge on Stock and Book Debts 2. First Pari Pasu Charge on Fixed Asset
Axis Bank Limited	1,493.96	1,500	BPLR- 3 %	1. Subservient Hypothecation Charge on entire current asset of the company.

Note :- Axis Bank Limited CC limit has been repaid on 18th August 2011 and Balance as on date is NIL

Others (Car Loan) -

(Rupees in Lakhs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2011	Rate of Interest (% p.a.)	Repayment Terms	Securities Offered
HDFC Bank Limited	23.12	11.57	Balance Payable In Equal Sixteen Installments	Car Loans are secured by Hypothecation of Vehicles Acquired there Against.
HDFC Bank Limited	2.76	12.76	Balance Payable In Equal Twelve Installments	
HDFC Bank Limited	2.91	9.50	Balance Payable In Equal Twenty One Installments	
Kotak Mahindra Prime Limited	0.42	9.55	Balance Payable In Equal one Installment	
Reliance Capital Limited	3.57	10.50	Balance Payable In Equal Twenty Eight Installments	
Reliance Capital Limited	3.57	10.50	Balance Payable In Equal Twenty Eight Installments	
Reliance Capital Limited	3.57	10.50	Balance Payable In Equal Twenty Eight Installments	
ICICI Bank Limited	2.48	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	3.45	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	2.87	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	2.87	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	3.02	9.51	Balance Payable In Equal Twenty Nine Installments	

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XV

Standalone Statement of Unsecured Loans as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
From Promoter Directors	221.50	899.40	-	504.85	4.85
From Directors	232.00	208.00			
From Banks	517.65	391.22	5.54	2,938.96	-
From relatives of Promoter Directors	169.00	152.44			
From relatives of Directors	106.00	77.01	-	-	-
Inter Corporate Deposits	1,500.00	1,300.00	1,300.00	1,600.00	-
Total	2,746.15	3,028.07	1,305.54	5,043.81	4.85

Terms and conditions -

Particulars	Balance outstanding as on 31st March 2011	Rate of Interest (%)	Other Terms
From Promoter Directors	221.50	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Directors	232.00	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Banks	517.65	Daily overnight Cost of Funds of Deutsche Bank + 2%	Renewable as per the terms and conditions
From relatives of Promoter Directors	169.00	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From relatives of Directors	106.00	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
Inter Corporate Deposits	1,500.00	12.00	Renewable as per the terms and conditions

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XVI

Standalone Statement of Current Liabilities and Provisions as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
<u>CURRENT LIABILITIES</u>					
Sundry Creditors					
(a) Total outstanding dues of Micro, Small and Medium Enterprises	-	-	-	-	-
(b) Total outstanding dues of creditors other than MSME	1,216.85	1,697.38	596.65	1,244.90	0.06
Advance received from Customers	115.07	26.23	90.14	-	-
Deposits & Retention	0.20	1.83	1.83	1.83	-
Statutory & Other Liabilities	842.12	327.94	173.45	648.60	-
Sub Total	2,174.23	2,053.39	862.07	1,895.33	0.06
<u>PROVISIONS</u>					
Proposed Dividend	91.14	-	-	20.51	-
Dividend Distribution Tax Payable	15.14	-	-	3.49	-
Sub Total	106.28	-	-	23.99	-
Total	2,280.51	2,053.39	862.07	1,919.32	0.06

SHEMAROO ENTERTAINMENT LIMITED**ANNEXURE – XVII****Standalone Statement of Contingent Liabilities as restated :***(Rupees in Lakhs)*

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Bank Gurantee	1.63	1.63	86.75	86.75	-
Estimated amount of contracts remaining to be executed on capital account	1.25	0.48		-	-
Disputed Direct Tax Demands	-	202.97	-	-	-
Disputed Sales Tax Demands	-	342.40	260.37	-	-
Disputed Service Tax Demands	-	-	15.88	15.88	-
Legal Cases against the company	180.51	185.13	185.13	-	-
Uncalled liability on Partly Paid Shares	342.00	-	-	-	-
TOTAL	525.39	732.60	548.12	102.63	-

AUDITOR'S REPORT ON THE AUDITED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS

RESTATED CONSOLIDATED FINANCIAL INFORMATION
AUDITORS' REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(As required by Part II of Schedule II of the Companies Act, 1956)

To,
The Board of Directors
Shemaroo Entertainment Limited,
Plot No. 18, Shemaroo House,
Marol Cooperative Industrial Estate,
Off. Andheri - Kurla Road,
Andheri East ,
Mumbai – 400 059.
India.

Dear Sirs,

1. We have examined the consolidated restated financial information of Shemaroo Entertainment Limited (the Company) and its subsidiaries (together termed as the Group), **as attached** to this report, stamped and initialled by us for identification and as approved by the Board of Directors, which has been prepared in accordance with Paragraph B, Part-II of Schedule II of the Companies Act, 1956 (the Act) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI Regulations), issued by the Securities and Exchange Board of India (SEBI), as amended to date.
2. The preparation and presentation of this financial information is the responsibility of Company's management. Our work has been carried out in accordance with the auditing standards generally accepted in India and in accordance with the Guidance Note on Reports in Company Prospectuses (Revised), issued by the Institute of Chartered Accountants of India. Our examination was conducted in accordance with the terms of our letter of engagement with the Company requesting us to carry out work in relation to the Offer Document being issued by the Company in connection with its proposed Initial Public Offer.
3. We have examined the attached Consolidated Restated Summary Statement of Assets and Liabilities of the Group as at March 31, 2011, 2010, 2009, 2008 and 2007 the attached Consolidated Restated Summary Statement of Profits and Losses and the attached Consolidated Restated Summary Statement of Cash Flows for each of the years ended on those dates (Annexure I, II and III) as prepared by the management and approved by the Board of Directors. Such consolidated restated financial information has been arrived at after making such adjustments and regroupings, as in our opinion, are appropriate and more fully described in the Statement of Significant Accounting Policies and Notes to the Consolidated Restated Statements appearing in Annexure IV to this report. These consolidated restated summary statements have been prepared from the audited financial statements of the Company and its subsidiaries for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 and adopted by the members of the respective companies in the respective years in their respective Shareholders Meetings.
4. We have not audited the financial statements of the Company for the years ended March 31, 2010, 2009, 2008 and 2007 as also subsidiaries for the years ended March 31, 2011, 2010, 2009, 2008 and 2007. The total assets and total revenues as reflected by these financial statements not audited by us are as below:

(Rupees in Lakhs)

Financial Year	Total Assets	Total Revenues
2006-2007	(2.67)	-
2007-2008	6,021.89	14,927.48
2008-2009	7,723.66	10,567.91
2009-2010	7,777.93	10,370.28
2010-2011	(42.63)	331.80

These financial statements were audited by other auditors and we have relied on these audited financial statements and have not carried out any audit tests or review procedures on the same. Since we did not perform the audit for these financial statements, the financial information included for such years is solely based on the audit reports submitted by the respective statutory auditors for the relevant years, whose reports were furnished to us and our opinion in so far as it relates to the amounts included in respect of such subsidiaries is based solely on the reports of such other auditors.

5. Based on our examination of the above, we further report that the Consolidated Restated Summary Statement of Assets and Liabilities, the related Consolidated Restated Summary Statement of Profits and Losses, the related Consolidated Restated Summary Statement of Cash Flows and the notes thereon, of the Group, do not require any restatement, except as stated in Annexure IIA of this Report since:

- (i) There are no changes in accounting policies, the impact of which needs adjustment retrospectively in respective financial years;
- (ii) There are no amounts relating to previous years that need adjustments in the respective financial years to which they relate (except as stated in Annexure IIA);
- (iii) There are no extra-ordinary items that need to be disclosed separately in the accounts;
- (iv) There are no qualifications in the Auditors' Reports that require adjustments.

Based on the above we are of the opinion that the consolidated restated financial information have been made in accordance with the SEBI Regulations after incorporating all the adjustments suggested in the said regulations.

6. Other Financial Information

We have also examined the following consolidated financial information of the Group as at and for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 as at , which are proposed to be included in the Offer Document, prepared by the management and approved by the Board of Directors and annexed to this report:

- (i) Consolidated Statement of Accounting Ratios, as Restated included in Annexure V
- (ii) Consolidated Statement of Capitalisation, as Restated included in Annexure VI
- (iii) Consolidated Details of Other Income, as Restated included in Annexure VII
- (iv) Consolidated Statement of Dividend declared, as Restated included in Annexure VIII
- (v) Consolidated Statement on Investments, as Restated included in Annexure IX
- (vi) Consolidated Statement of Sundry Debtors, as Restated included in Annexure X
- (vii) Consolidated Statement of Loans and Advances, as Restated included in Annexure XI
- (viii) Consolidated Statement of Other Current Assets, as Restated included in Annexure XII
- (ix) Consolidated Statement of Secured Loans, as Restated included in Annexure XIII
- (x) Consolidated Statement of Unsecured Loans, as Restated included in Annexure XIV
- (xi) Consolidated Statement of Current Liabilities and Provisions, as Restated included in Annexure XV
- (xii) Consolidated Statement of Contingent Liabilities, as Restated included in Annexure XVI

7. This report should not be in any way construed as a reissuance or a re-dating of any of the previous audit reports issued by us or by any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

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

10. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed initial public offering of equity shares of the Company. Our report and the enclosed Annexures should not be used, distributed, referred to, published or relied upon by any person for any other purpose, except with our prior written consent.

For M.K. Dandeker & Co
Chartered Accountants
(ICAI FRN. 0000679S)

K. J. Dandeker
Partner
Membership No. 18533
Mumbai
Dated: September 15, 2011

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – I

Statement of Consolidated Assets and Liabilities (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2011	2010	2009	2008	2007
A	Tangible Assets					
	Fixed Assets					
	Gross Block	5,191.47	5,437.49	5,325.96	5,240.93	-
	Less: Depreciation	1,694.25	1,812.74	1,547.16	1,275.76	-
	Net Block	3,497.21	3,624.75	3,778.80	3,965.17	-
	Less : Revaluation Reserve	-	-	-	-	-
	Net Block after adjustment of revaluation reserve	3,497.21	3,624.75	3,778.80	3,965.17	-
	Capital Work In Progress	5.35	5.57	53.66	51.23	-
	Total	3,502.56	3,630.32	3,832.46	4,016.40	-
B	Investments	615.16	7.00	7.00	7.00	-
C	Current Assets, Loans & Advances					
	Inventories	5,313.06	5,144.00	5,373.36	3,579.51	-
	Sundry Debtors	10,430.60	6,454.60	5,732.94	5,275.98	-
	Cash and Bank Balances	842.81	1,862.36	1,520.86	1,816.38	2.23
	Loans & Advances	4,054.24	4,522.86	4,669.38	4,621.12	-
	Total	20,640.72	17,983.83	17,296.55	15,292.99	2.23
D	Liabilities & Provisions					
	Secured Loans	10,078.28	8,335.34	10,830.50	5,960.40	-
	Unsecured Loans	2,746.15	3,028.07	1,305.54	5,043.81	4.85
	Share Application Money	-	-	-	2.51	-
	Current Liabilities & Provisions	2,423.93	2,076.72	874.38	1,945.64	0.06
	Total	15,248.37	13,440.13	13,010.42	12,952.36	4.91
E	Deferred Tax Liability (Net)	449.46	403.09	401.93	342.14	-
	Net Worth (A+B+C-D-E)	9,060.61	7,777.93	7,723.66	6,021.89	(2.67)
	Net Worth Represented by :					
F	Equity Share Capital	455.71	45.57	45.57	41.01	1.00
G	Reserves & Surplus					
	Share Premium	3,061.03	3,061.03	3,061.03	-	-
	General Reserve	1,685.86	1,590.94	1,590.94	1,666.00	-
	Capital Reserve on Demerger	1,081.32	1,491.46	1,491.46	1,491.46	-
	Profit and Loss Account	2,772.56	1,610.90	1,579.18	2,852.32	(3.67)
	Any other reserve (other than Revaluation Reserve)	4.13	6.60	(8.09)	0.04	-
	Total	8,604.90	7,760.94	7,714.53	6,009.82	(3.67)
H	Miscellaneous Expenses (To the extent Not written off/ Adjusted)	-	28.59	36.44	28.94	-
I	Net Worth (G+H-I)	9,060.61	7,777.93	7,723.66	6,021.89	(2.67)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II

Statement of Consolidated Profit and Loss (As Restated)

(Rupees in Lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2,011	2,010	2009	2008	2007
A	Income					
	Operating Income	15,824.39	10,167.84	10,431.77	14,707.02	-
	Other Income	203.45	202.44	136.14	220.46	-
	Loss from Associate Concern	(4.02)	-	-	-	-
	Total – A	16,023.82	10,370.28	10,567.91	14,927.48	-
B	Expenditure					
	Operating Expenses	10,195.15	6,458.78	7,622.44	9,167.54	-
	Employee Remuneration & benefits	995.81	873.12	1,058.73	952.48	-
	Administration & Other Expenses	980.44	685.70	668.63	857.44	0.03
	Selling Expenses	314.85	399.56	413.99	648.30	-
	Total – B	12,486.25	8,417.15	9,763.79	11,625.76	0.03
C	Profit before Interest, Depreciation, Tax and Extraordinary Items	3,537.58	1,953.12	804.13	3,301.72	(0.03)
	Financial Expenses	1,533.25	1,650.59	1,785.37	1,907.50	0.00
D	Profit after Interest and before Depreciation, Tax and Extraordinary Items	2,004.33	302.53	(981.24)	1,394.22	(0.03)
	Depreciation	271.34	268.58	286.87	264.67	-
E	Profit before Taxation and Extraordinary Items	1,732.99	33.95	(1,268.11)	1,129.56	(0.03)
	<u>Provision for Taxation</u>					
	- Current Tax	323.11	-	-	332.87	-
	- Deferred Tax	46.37	1.16	59.80	47.23	-
	- Fringe Benefit Tax	-	-	19.00	21.60	-
	- Wealth Tax	0.66	1.08	1.39	1.70	-
F	Profit after Tax and before Extraordinary Items	1,362.85	31.72	(1,348.30)	726.15	(0.03)
	Extraordinary Items	-	-	-	-	-
G	Net Profit after Extraordinary Items	1,362.85	31.72	(1,348.30)	726.15	(0.03)
	Surplus/(Deficit) brought forward from the Previous year	1,610.90	1,579.18	2,852.32	(3.67)	(3.64)
	Profit transferred as a result of Demerger	-	-	-	2199.63	-
	Adjustment on account of Demerger	-	-	-	29.26	-
	Adjustment on account of Exchange Fluctuations on translations	-	-	0.10	-	-
H	Profit available for appropriation	2,973.75	1,610.90	1,504.12	2,951.37	(3.67)
	Proposed Dividend	91.14	-	-	20.51	-
	Tax on Dividend	15.14	-	-	3.49	-

	Transfer from/to General Reserve	94.92	-	(75.06)	75.06	-
I	Adjusted Available Surplus / (Deficit) carried forward	2,772.56	1,610.90	1,579.18	2,852.32	(3.67)

Note :

The accompanying consolidated statement of Significant Accounting Policies and Notes to the Restated Statements are an integral part of this Statement of Consolidated Profit and Loss (As Restated)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – II A

Reconciliation Statement between Audited Profit after Tax and Restated Profit after Tax

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Net Profit/(loss) after Tax as per Audited Profit & Loss Account	1,371.36	35.17	(1,346.97)	742.20	(0.03)
Adjustments for:					
Preliminary Expense	-	-	-	3.61	-
Leave Encashment	14.33	(3.61)	0.84	(11.56)	-
Gratuity	23.74	0.01	(0.75)	(15.66)	-
Wealth Tax	0.66	(1.08)	(1.39)	(1.70)	-
Prior Period Items	(33.64)	-	-	-	-
Deferred Tax Asset/(Liability)	(12.94)	1.22	(0.03)	9.25	-
Expense (Wealth Tax Provided)	(0.66)	-	-	-	-
Net Profit After Tax as Restated	1,362.85	31.72	(1,348.30)	726.15	(0.03)

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – III

Statement of Consolidated Cash Flow (As Restated)

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
A. Cash flows from Operating Activities					
Net Profit / (Loss) before tax	1,732.99	33.95	(1,268.11)	1,129.56	(0.03)
<i>Adjustments for:</i>					
Depreciation	271.34	276.43	279.37	235.73	-
Interest Received	(172.69)	(99.71)	(129.18)	(139.75)	-
Financial Expenses	1,533.25	1,650.59	1,785.37	1,907.50	0.00
Dividend Income	(0.90)	(1.05)	(0.67)	(0.06)	-
(Profit) / Loss on sale of Fixed Assets	(25.20)	2.17	5.95	6.89	-
(Profit) / Loss on sale of Investments	-	-	-	(39.67)	-
Unrealised Foreign Exchange Gain (Net)	71.26	15.85	(8.23)	28.38	-
Provision for Leave Encashment	24.66	3.61	(0.84)	11.56	-
Provision for Gratuity	35.40	(0.01)	0.75	15.66	-
Provision for Taxation	(0.66)	-	-	-	-
Excess Provision for Taxation in Earlier Years	33.64	-	(3.70)	-	-
Non Cash Expenses Writtenoff	28.59	-	-	-	-
Miscellaneous Expenses written off	-	-	-	102.08	-
Operating profit before working capital changes	3,531.67	1,881.84	660.72	3,257.86	(0.03)
<i>Movements in working capital :</i>					
(Increase)/Decrease in Inventories	(169.05)	229.36	(1,793.85)	574.21	-
(Increase)/Decrease in Sundry Debtors	(3,958.51)	(688.28)	(577.67)	(492.71)	-
(Increase)/Decrease in Loans and Advances	111.87	261.83	220.04	203.63	-
Increase/(Decrease) in Current Liabilities, Provision and Other Liabilities	377.03	1,190.56	(866.71)	2.76	(3.39)
Cash flows from operations	(107.00)	2,875.31	(2,357.47)	3,545.75	(3.42)
Income tax paid during the year	(205.11)	(118.76)	(344.77)	(1,106.28)	-
Net cash flows from operating activities	(312.10)	2,756.55	(2,702.23)	2,439.47	(3.42)
B. Cash flows from investing activities					
Purchase of Fixed assets (including capital advances)	(182.48)	(69.34)	(110.51)	(335.00)	-
Proceeds from sale of investments	-	-	-	54.76	-
Purchase of Investments in Subsidiaries	(608.16)	(26.88)	-	4.08	-
Sale of Fixed Assets	63.91	0.68	1.82	1.42	-
Dividend Income	0.90	1.05	0.67	0.06	-
Interest Received	172.69	99.71	129.18	139.75	-
Loans given to Subsidiary and others	(82.08)	(21.49)	-	-	-
Net cash flows from investing activities	(635.22)	(16.27)	21.16	(134.94)	-
C. Cash flows from financing activities					
Increase / (Decrease) of Short term Borrowings	1,678.66	2,143.43	(956.14)	(1,768.58)	4.50
Increase / (Decrease) of Long term Borrowings	(217.64)	(2,916.06)	2,087.98	610.54	-
Dividend Paid	-	-	(23.99)	(39.99)	-
Financial Expense	(1,533.25)	(1,650.59)	(1,785.37)	(1,907.50)	-
Share Application Money	-	-	-	2.51	-

Increase in share capital including share premium	-	24.43	3,063.08	9.93	-
Net cash flows from financing activities	(72.22)	(2,398.79)	2,385.56	(3,093.08)	4.50
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,069.30)	1,435.42	(99.31)	(2,258.17)	1.08
Cash and cash equivalents at the beginning of the year	1,862.36	1,520.86	1,816.38	2.23	1.15
Cash and Cash Equivalents of the transferor company acquired as per the Scheme of Arrangement	-	-	-	2,602.69	-
Cash and cash equivalents at the end of the year	842.81	1,862.36	1,520.86	1,816.38	2.23

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – IV

Consolidated Statement of Significant Accounting Policies and Notes to the Restated Statements

1) Background

Shemaroo Entertainment Limited was incorporated under the laws of India on December 23, 2005.

i) The Company has the following subsidiaries/associate concern:

Sr.No.	Name of Company	Relationship	Date of Incorporation	Country of Incorporation	FOR THE YEAR ENDED MARCH 31,				
					2,011	2,010	2009	2008	2007
1	Shemaroo Entertainment Inc.	Subsidiary	15th March, 2007	United States of America	100%	100%	100%	100%	100%
2	Shemaroo Entertainment (UK) Pvt. Ltd	Subsidiary	8th July, 2009	United Kingdom	100%	100%	N.A.	N.A.	N.A.
3	Vistaas Digital Media Private Limited	Associate	17th September, 2009	India	50%	N.A.	N.A.	N.A.	N.A.

ii) During the financial year 2010-11, the Company has acquired 50% stake in Vistaas Digital Media Pvt. Ltd. By acquiring 45,000 equity shares.

2) Nature of Operations

Shemaroo Entertainment Limited ('the company') is engaged in the business of Aggregation, Production or Co-Production of Cinematograph Films, Dramas, and subsequently exploiting and distributing rights of Films, Dramas across the world through various medium such as television licensing , DVD and VCD release, exploiting various rights of the content through new distribution avenues such as IPTV, VOD and mobile platform. The Company houses state-of-the-art studio facilities, equipped with highly sophisticated studio hardware and software.

3) Significant Accounting Policies

a) Basis of preparation of Consolidated Financial Statements:

The consolidated financial statement have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

The Consolidated Financial statements relate to Shemaroo Entertainment Limited ('the Company'), its subsidiary companies and Associate Companies (together referred to as 'the Group') and have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

The Consolidated Financial Statements have been prepared on the following basis:

i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard 21 - "Consolidated Financial Statements". In accordance with the Standard, the losses applicable to the minority, to the extent, if it exceeds, the minority's interest in the Equity of the subsidiary, has been adjusted against the majority interest.

ii) In respect of associate companies, the financial statements have been consolidated as per Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" following the Equity Method for Consolidation of Associates.

iii) The excess of cost to the Company of its investment in the subsidiary company over the Company's share of net assets of the subsidiary company is recognised in the financial statements as goodwill, which is tested for impairment at each balance sheet date. The excess of Company's share of net assets of the subsidiary company over the cost of acquisition is treated as capital reserve.

iv) The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.

v) The translations of financial statements into Indian Rupees relating to non-integral foreign operations have been carried out using the following procedures:

- assets and liabilities have been translated at closing exchange rates at the year end; and
- income and expenses have been translated at an average of monthly exchange rates.

The resultant translation exchange gain/(loss) has been disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.

vi) The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the requisite disclosure.

b) Use of Estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

c) Fixed Assets

- i) Fixed assets are stated at cost of acquisition less accumulated depreciation. The group capitalises all costs relating to the acquisition and installation of fixed assets.
- ii) Depreciation is provided based on management estimate of useful lives of the fixed assets, on the straight line method prorata to the period of use or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher. The management has estimated the useful life of Plant & Machinery to be 12 years (lower useful life than that prescribed by Schedule XIV of the Companies Act, 1956). However, it was not practicable to use uniform accounting policies for depreciation in the case of following subsidiaries:

Asset Head	Depreciation Rules
	Shemaroo Entertainment (UK) Private Limited
Plant & Machinery	33.33%

- iii) Fixed Assets individually costing less than Rs. 5,000 or less are fully depreciated in the year of acquisition.
- iv) Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

d) Investments

Investments are classified into Current and Long Term Investments. Long term investments (including joint ventures) are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognize such decline. Current investments are stated at cost.

e) Inventories

- v. Projects in progress and movies under production are stated at cost. Cost comprises the cost of materials, the cost of services, labour and other expenses.
- vi. Inventories of Under-production films are valued at cost.
- vii. Raw Stock, Digital Video Discs/Compact Discs stock are stated at lower of cost or net realisable value.
- viii. The copyrights are valued at a certain percentage of cost based on the nature of rights. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate write down is made in cases where accelerated write down is warranted.

ix. The borrowing cost directly attributable to a movie/game is capitalised as part of the cost.

f) Revenue Recognition

- i. Sales of ACDs / VCDs / DVDs /ACS are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.
- ii. The cost of drama covering the cost of purchase of copyrights and shooting expenses is expensed out as a certain percentage of total cost.
- iii. Sales of rights are recognised on the date of entering into agreement for the sale of the same, provided the Censor Certificate is in existence.
- iv. Services are recognized when the contractual commitments are delivered in full and are recorded net of returns, trade discounts, rebates and indirect taxes.
- v. Revenues relating to complete Feature Films are recognised in the year of release of feature films.
- vi. Revenue pertaining to release of music of film is recognized on the date of its release.
- vii. Dividend income is recognised when the right to receive the same is established.
- viii. Interest Income is recognised on a time proportion basis.

g) Purchase of Rights

- iii. In respect of satellite rights, as per the terms and conditions of the agreement with producer / seller, with respect to the date of agreement of purchase and the existence of Censor Certificate.
- iv. In respect of other rights like Video and other rights on the date of the agreement of purchase with producer /seller, provided the Censor Certificate is in existence.

h) Employee Benefits

The company's contributions to Employees Provident Fund, Employees Pension Fund and cost of other benefits are charged to Profit & Loss Account on actual cost to the company on accrual basis each year.

Gratuity has been accounted on the basis of actuarial valuation and the contribution thereof paid / payable is charged to the Profit & Loss Account each year.

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability as on 31st March 2011.

Except of the Associate Vistaas Digital Media Private Limited all policies are conformity with that of the Group Policy.

i) Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition & construction of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred except Bill Discounting charges which have been carried forward on time proportion basis.

j) Foreign Currency Transaction

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities & Loans denominated in foreign currency as at balance sheet date are converted at the exchange rate prevailing on such date. Any Exchange differences arising from such conversion are recognized in the Profit and Loss A/c.

k) Taxation

iii. Current Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

iv. Deferred Tax

Deferred Tax is recognised on timing differences; being the differences between the taxable incomes and accounting incomes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is

virtual certainty of realisation of such assets. The tax effect is calculated on the accumulated timing difference at the yearend based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

l) Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

m) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

4) NOTES TO ACCOUNTS -

1) Related Party Transactions :

A) Details of the names of related parties and nature of relationships :

Particulars

Entity having common control

Shemaroo Holdings Private Limited
Shemaroo Trading Corporation
Shemaroo (Warden Road)
Shemaroo Corporation (formerly known as Shemaroo (Petit Hall)
Think Walnut Digital Private Limited
Technology and Media Group Pte Ltd.

Associate

Viastraas Digital Media Private Limited

Key Management Personnel

Mr. Atul Maru
Mr. Buddhichand Maroo
Mr. Raman Maroo
Mr. Jai Maroo
Mr. Hiren Gada

Relative of Key Management Personnel

Atul Maroo (HUF)
Buddhichand H. Maroo (HUF)
Raman Hirji Maroo (HUF)
Ms. Leelaben Maroo
Ms. Kastur Maroo
Ms. Sangita Maru
Ms. Smita Maroo
Ms. Mansi Maroo
Ms. Radhika Dewan
Ms. Nirvi Maru
Ms. Urvi Maru
Ms. Madhuri Gada
Ms. Kranti Gada

B) Transactions with Related Parties :*(Rupees in Lakhs)*

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
1) Transactions with related parties where control exists					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	9.11	-	-	-	-
Interest Paid	-	-	-	-	-
Investments	-	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	-	35.00	-	-	-
Other Income (Rent Received)	1.20	-	-	-	-
Other Income (Sale of Key man Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	0.31	0.30	-	-	-
Purchase of goods & services	0.01	2.17	0.41	7.68	-
Salaries	-	-	-	-	-
Sales of goods & services	4.32	4.96	8.65	0.62	-
Subscription to Equity Share capital	-	-	3,065.59	-	-
<u>Balances outstanding</u>					
Receivable	-	-	-	-	-
Payables	-	-	-	-	-
Loans / Deposits	-	-	-	-	-
2) Transactions with Associates					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	-	-	-	-	-
Interest Paid	-	-	-	-	-
Investments done during the year	612.19	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	-	-	-	-	-

Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	-
Salaries	-	-	-	-	-
Sales of goods & services	-	-	-	-	-
Subscription to Equity Share capital	-	-	-	-	-
Balances outstanding					
Receivable	-	-	-	-	-
Payables	-	-	-	-	-
Loans / Deposits	-	-	-	-	-
3) Transactions with Key Management Personnel & Relatives Key Management Personnel					
Director's Remuneration	101.10	150.32	156.64	141.54	-
Dividend Proposed (Net of Dividend Distribution Tax)	80.35	-	-	18.67	-
Interest Paid	259.18	77.12	61.27	75.72	-
Investments done during the year	-	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	615.00	1,841.50	109.00	500.00	4.85
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Key man Insurance)	-	83.48	-	-	-
Personal Guarantees Taken against Bank Loans	50,620.00	38,340.00	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	-
Salaries	21.17	18.58	19.39	12.67	-
Sales of goods & services	-	-	-	-	-
Subscription to Equity Share capital	-	-	-	-	-
Balances outstanding					
Receivable	-	-	7.75	-	-
Payables	-	-	0.24	-	-
Loans / Deposits	728.50	1,336.85	-	504.85	4.85

2) Earnings Per Share (EPS) :

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Profit / (Loss) after Tax (As restated)	1,362.85	31.72	(1,348.30)	726.15	(0.03)
Weighted average number of Equity Shares outstanding at the end of the year (in lakhs)					
Basic	45.57	45.57	41.10	41.01	1.00
Diluted	45.57	45.57	41.10	41.01	1.00
Nominal value of shares (in Rupees)	10.00	10.00	10.00	10.00	10.00
<u>Earnings Per Share (in Rupees)</u>					
Basic	29.91	0.70	(32.80)	17.71	(0.03)
Diluted	29.91	0.70	(32.80)	17.71	(0.03)

* During the financial year 2010-11, the company issued 9 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07, has been reworked taking into account the Bonus Factor.

** The face value of the Equity Shares was Rs. 100/- for the year ended March 31st, 2007. However w.e.f. March 31st, 2008 onwards Equity Shares Rs.100/- each sub divided into 10 Equity Shares of Rs. 10/- each. Hence for the restatement purpose, face value of Equity Shares of Rs. 10/- each is considered for Financial Year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07.

3) The Company has identified "Entertainment" as the only primary reportable business segment. The Company has no geographical segment other than India.

4) The scheme sanctioned by the Hon'ble High Court of Bombay order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited ("Transferor Company") to Shemaroo Holdings Private Limited ("Transferee Company") and also effected the interchange of the names of the companies i.e the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. Prior to the transfer there was no business carried on by the Company.

5) The company's major line of business is dealing in various types of copyrights. Due to the multiplicity and complexity of items, it is not practicable to maintain the quantitative record/continuous stock register for various types of Copyrights. Hence, the quantitative details for copyrights are not maintained by the Company as is the practice generally followed by companies in the industry. Physical stock is taken at the end of the year.

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – V

Consolidated Summary of Accounting Ratios as restated :

Ratios	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
<u>Earnings Per Share (Rs.)</u>					
Basic	29.91	0.70	(32.80)	17.71	(0.03)
Diluted	29.91	0.70	(32.80)	17.71	(0.03)
<u>Return on Net Worth (%)</u>					
Return on Net Worth (%)	15.04%	0.41%	(17.46)%	12.06%	(1.07)%
<u>Net Asset Value Per Share (Rs)</u>					
Net Asset Value Per Share (Rs)	198.82	171.31	170.29	147.59	(2.67)
<u>Number of Equity Shares outstanding at the end of the Year (in lakhs)</u>					
Number of Equity Shares outstanding at the end of the Year (in lakhs)	45.57	4.56	4.56	4.10	0.10
<u>Weighted Average Number of Equity Shares computed for calculating diluted Earnings per share (in lakhs) *</u>					
Weighted Average Number of Equity Shares computed for calculating diluted Earnings per share (in lakhs) *	45.57	45.57	41.10	41.01	1.00
<u>Nominal Value per Equity share (Rs.) **</u>					
Nominal Value per Equity share (Rs.) **	10.00	10.00	10.00	10.00	10.00

* During the financial year 2010-11, the company has issued 9 Bonus shares for every 1 share held. Accordingly, Weighted Average Number of shares for Financial Year 2009-10, 2008-09, 2007-08 and 2006-07, has been reworked taking into account the Bonus Factor.

** The face value of the Equity Shares was Rs. 100/- each for the year ended March 31st, 2007. However w.e.f. March 31st, 2008 the Equity Shares Rs.100/- each was sub divided into 10 Equity Shares of Rs. 10/- each. Hence for the restatement purpose, face value of Equity Shares of Rs. 10/- each is considered for Financial Year 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07.

Notes:

Basic Earnings Per Share (₹) =
$$\frac{\text{Net Profit after Tax before Extraordinary Items less Preference dividend}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

Diluted Earnings Per Share (₹) =
$$\frac{\text{Net Profit after Tax before Extraordinary Items less Preference dividend}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year}}$$

Net Asset Value Per Share (₹) =
$$\frac{\text{Net worth excluding Revaluation Reserve}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

Return on Net worth (%) =
$$\frac{\text{Net Profit after Tax and before Extraordinary Items}}{\text{Net worth excluding Revaluation Reserve}}$$

Net Worth = Equity Share Capital + Reserves & Surplus (Excluding revaluation reserve, if any) – Miscellaneous Expenditure + Preference Share Capital

Net Profit, as restated as appearing in the summary statement of profit and losses, of the company has been considered for the purpose of computing the above ratios

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – VI

Consolidated Statement of Capitalisation as at 31st March, 2011 as restated :

(Rupees in Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	8,289.82	*
Long Term Debt (B)	4,534.62	*
Total debts (C)	12,824.44	*
Shareholders' funds		
Equity share capital	455.71	*
Capital Reserve on Demerger	1,081.32	*
General Reserve	1,685.86	*
Profit and Loss Account	2,772.56	*
Share Premium	3,061.03	*
Foreign Currency Translation Reserve	4.13	*
Total shareholders' funds	9,060.61	*
Long term debt / shareholders funds	50.05%	*
Total debt / shareholders funds	141.54%	*

* The corresponding Post issue figures will be calculated on conclusion of the book building process of the proposed Initial Public Offer

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – VII

Consolidated Statement of Other Income as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,					Nature
	2,011	2,010	2009	2008	2007	
Other income	203.45	202.44	136.14	220.46	-	
Profit before Taxation and Extraordinary Items as Restated	1,732.99	33.95	(1,268.11)	1,129.56	(0.03)	
Percentage (%)	11.74	596.24	(10.74)	19.52	-	
Source of Income						
Interest	172.69	99.71	129.18	139.75	-	Recurring and related to business activity.
Dividend	0.90	1.05	0.67	0.06	-	Recurring and related to business activity.
Profit/(Loss) on Sale of Assets	25.20	(2.17)	(8.39)	(6.89)	-	Recurring and related to business activity.
Profit on Sale of Investments	-	-	-	39.67	-	Non recurring and not related to business activity.
Credit Balances Written Back	3.45	3.58	1.96	29.49	-	Recurring and related to business activity.
Discount Received	0.00	0.97	0.94	1.74	-	Recurring and related to business activity.
Insurance Claim	-	0.51	7.81	16.64	-	Recurring and related to business activity.
Surrender of Key man policy and Property Rights	-	98.78	-	-	-	Non recurring and not related to business activity.
Awards Received	-	-	3.98	-	-	Non recurring and related to business activity.
Rent Income	1.20	-	-	-	-	Recurring and not related to business activity.
Total Other income	203.45	202.44	136.14	220.46	-	

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – VIII

Consolidated Statement of Dividend declared as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Equity Dividend					
Equity Share Capital (Face value Rs. 10/- per share)	455.71	-	-	41.01	-
Rate of Dividend	20.00%	-	-	50.00%	-
Amount of Dividend	91.14	-	-	20.51	-
Tax on Dividend	15.14	-	-	3.49	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – IX

Consolidated Statement of Investments as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Non-Trade Investments-Quoted					
Promoter Group Companies	-	-	-	-	-
Others	7.00	7.00	7.00	7.00	-
Total – A	7.00	7.00	7.00	7.00	-
Non-Trade Investment-Unquoted					
Promoter Group Companies	-	-	-	-	-
Others	-	-	-	-	-
Total – B	-	-	-	-	-
Trade Investment-Unquoted					
Investment in Associate Company	608.16	-	-	-	-
Total – C	608.16				-
Total	615.16	7.00	7.00	7.00	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – X

Consolidated Statement of Sundry Debtors as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Debts outstanding for a period exceeding six months					
Unsecured, considered good	1,614.34	2,721.56	3,196.68	408.08	-
Unsecured, considered doubtful					
Debts outstanding for a period less than six months					
Unsecured, considered good	8,816.26	3,733.04	2,536.26	4,867.90	-
Unsecured, considered doubtful					
Total	10,430.60	6,454.60	5,732.94	5,275.98	-

There are no amounts outstanding from promoter/promoter group/directors/relatives of directors/associate concerns

SHEMAROO ENTERTAINMENT LIMITED**ANNEXURE – XI****Consolidated Statement of Loans and Advances as restated :***(Rupees in Lakhs)*

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Advances recoverable in cash or in kind or for value to be received	2,942.99	2,860.18	3,125.75	3,486.84	-
Advance Tax (net of Provision)	1,078.64	1,602.01	1,483.40	1,059.30	-
Deposits With Government departments	4.07	4.07	4.07	-	-
Deposits with Others	28.54	56.60	56.16	74.98	-
Total	4,054.24	4,522.86	4,669.38	4,621.12	-

There are no amounts outstanding from promoter/promoter group/directors/relatives of directors/associate concerns

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XII

Consolidated Statement of Other Current Assets as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Accrued Interest on Fixed Deposits	3.58	26.83	194.75	191.25	-
Total	3.58	26.83	194.75	191.25	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XIII

Consolidated Statement of Secured Loans as restated :

(Rupees in Lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Working Capital Loan (Bank Overdraft / Cash Credit)	5,543.66	5,068.08	5,797.18	3,960.06	-
Term Loan	2,554.62	2,772.26	3,188.32	1,100.34	-
Bills Discounting	1,980.00	495.00	1,845.00	900.00	-
Total	10,078.28	8,335.34	10,830.50	5,960.40	-

The security given for the above loans as on March 31, 2011 is as follows :

Term Loans -

(Rupees in Lakhs)

Name of the Bank / Institution	Balance Outstanding as at 31st March 2011	Sanction Limits	Rate of Interest	Repayment Terms	Prepayment Terms	Penalty / Interest	Securities Offered
Industrial Development Bank of India	2,500	2,500	IDBI BPLR	Repayable in 25 Installments of Rs 1 Crore each from 1st April 2011 till 1st April 2013	Prepayment allowed without any prepayment premium	Additional interest @ 2% p.a. payable on default in payment of any installment of principal amount.	First Charge on specified negative prints and Intellectual property Rights. Personal Guarantee of Raman Maroo and Atul Maru dated June 21, 2008.

Bill Discounting -

(Rupees in Lakhs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2011	Sanction Limits	Rate of Interest	Repayment Terms	Penalty / Interest	Securities Offered
Yes Bank Limited	1,980	4,230	4.50 % above Yes Bank Base Rate	The Repayment will take place against the maturity of the accepted and acknowledged bill of exchange.	Additional Interest of 2 % payable in case of delay in repayment of Yes BANK Limited Installments.	1. Exclusive charge on copyright & receivables from Viacom 18 Media Private limited as per agreement 2. Letter from Viacom 18 Media Private Limited stating that all payments under the agreement will be directly made to YES Bank a/c against the invoices raised 3. Personal Guarantee of the Directors Mr. Raman Maroo , Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada

Cash Credit and Demand Loans -

(Rupees in Lakhs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2011	Sanction Limits	Rate of Interest	Securities Offered
The Shamrao Vithal Co-op Bank Limited	1,996.16	2,000	At PLR Less 1.50%	1. First Pari Pasu Charge on Stock and Book Debts 2. First Pari Pasu Charge on Fixed Asset
NKGSB Co-op Bank Limited	2,053.54	2,000	14.00%	1. First Pari Pasu Charge on Stock and Book Debts 2. First Pari Pasu Charge on Fixed Asset
Axis Bank Limited	1,493.96	1,500	BPLR- 3 %	1. Subservient Hypothecation Charge on entire current asset of the company.

Note :- Axis Bank Limited CC limit has been repaid on 18th August 2011 and Balance as on date is NIL

Others (Car Loan) -

(Rupees in Lakhs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2011	Rate of Interest (% p.a.)	Repayment Terms	Securities Offered
HDFC Bank Limited	23.12	11.57	Balance Payable In Equal Sixteen Installments	Car Loans are secured by Hypothecation of Vehicles Acquired there Against.
HDFC Bank Limited	2.76	12.76	Balance Payable In Equal Twelve Installments	
HDFC Bank Limited	2.91	9.50	Balance Payable In Equal Twenty One Installments	
Kotak Mahindra Prime Limited	0.42	9.55	Balance Payable In Equal one Installment	
Reliance Capital Limited	3.57	10.50	Balance Payable In Equal Twenty Eight Installments	
Reliance Capital Limited	3.57	10.50	Balance Payable In Equal Twenty Eight Installments	
Reliance Capital Limited	3.57	10.50	Balance Payable In Equal Twenty Eight Installments	
ICICI Bank Limited	2.48	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	3.45	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	2.87	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	2.87	9.57	Balance Payable In Equal Thirty Installments	
ICICI Bank Limited	3.02	9.51	Balance Payable In Equal Twenty Nine Installments	

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XIV

Consolidated Statement of Unsecured Loans as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
From Promoter Directors	221.50	899.40	-	504.85	4.85
From Directors	232.00	208.00			
From Banks	517.65	391.22	5.54	2,938.96	-
From relatives of Promoter Directors	169.00	152.44			
From relatives of Directors	106.00	77.01	-	-	-
Inter Corporate Deposits	1,500.00	1,300.00	1,300.00	1,600.00	-
Total	2,746.15	3,028.07	1,305.54	5,043.81	4.85

Terms and conditions -

Particulars	Balance outstanding as on 31st March 2011	Rate of Interest (%)	Other Terms
From Promoter Directors	221.50	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Directors	232.00	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Banks	517.65	Daily overnight Cost of Funds of Deutsche Bank + 2%	Renewable as per the terms and conditions
From relatives of Promoter Directors	169.00	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From relatives of Directors	106.00	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
Inter Corporate Deposits	1,500.00	12.00	Renewable as per the terms and conditions

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XV

Consolidated Statement of Current Liabilities and Provisions as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
<u>CURRENT LIABILITIES</u>					
Sundry Creditors					
(a) Total outstanding dues of Micro, Small and Medium Enterprises	-	-	-	-	-
(b) Total outstanding dues of creditors other than MSME	1,339.03	1,700.39	605.53	1,259.13	0.06
Advance received from Customers	115.07	26.23	90.14	535.48	-
Deposits & Retention	0.20	1.83	1.83	1.83	-
Statutory & Other Liabilities	863.36	348.26	176.88	125.21	-
	2,317.65	2,076.72	874.38	1,921.65	0.06
<u>PROVISIONS</u>					
Proposed Dividend	91.14	-	-	20.51	-
Dividend Distribution Tax Payable	15.14	-	-	3.49	-
	106.28	-	-	23.99	-
	2,423.93	2,076.72	874.38	1,945.64	0.06
Note:					
Due to Directors	-	-	-	-	-
Due to Group Companies	-	-	-	-	-

SHEMAROO ENTERTAINMENT LIMITED

ANNEXURE – XVI

Consolidated Statement of Contingent Liabilities as restated :

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2,011	2,010	2009	2008	2007
Bank Guarantee	1.63	1.63	86.75	86.75	-
Estimated amount of contracts remaining to be executed on capital account	1.25	0.48	-	-	-
Disputed Direct Tax Demands	-	202.97	-	-	-
Disputed Sales Tax Demands	-	342.40	260.37	-	-
Disputed Service Tax Demands	-	-	15.88	15.88	-
Legal Cases against the company	180.51	185.13	185.13	-	-
Uncalled liability on Partly Paid Shares	342.00	-	-	-	-
On account of the Associate to the extent of the Effective Economic Interest	0.42	-	-	-	-
TOTAL	525.81	732.60	548.12	102.63	-

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

You should read the following discussion of our financial condition and results of operations together with our audited and restated consolidated financial statements for each of the Fiscal years 2007, 2008, 2009, 2010 and 2011, including the notes thereto and the report thereon, which appear elsewhere in the Draft Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the report of our auditors dated 15th September, 2011, which is included in the Draft Red Herring Prospectus under "Financial Statements." The restated consolidated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our Fiscal year ends on March 31 of each year; all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" means Shemaroo Entertainment Limited. Unless the context otherwise requires, references to "we," "us," "our" or "SEL" refers to Shemaroo Entertainment Limited and its Subsidiaries.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page xii of the Draft Red Herring Prospectus.

Overview

Founded on October 29, 1962, in Mumbai, as a book circulating library, today we are an established integrated media content house in India with activities across content acquisition, value addition to content and content distribution. Together with film-based copyrights and other entertainment rights, the brand "Shemaroo" is synonymous with quality entertainment.

In 1979 we set up India's first video rental business and thereafter in 1987 we forayed into distribution of content through the home video segment in the video home system ("VHS") format. Over the years, we have successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into new media platforms.

Our Content Library consists of more than 2,500 titles spanning new Hindi films like Ishqiya, Slumdog Millionaire, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Chandni Chowk to China, Bheja Fry 2, amongst others. Hindi films classics like Mughal-e-Azam, Shree 420, Mera Naam Joker, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali among others as well as non-film content.

Currently we distribute content over which we have either complete ownership rights or limited ownership rights. The content acquired or produced by us, consisting of complete ownership rights and limited ownership rights are known as our "**Content Library**".

Titles over which we have complete ownership rights are referred to as "**Perpetual Rights**", which allows us to distribute content worldwide for a perpetual period across all mediums. Titles over which we have limited ownership rights are referred to as "**Aggregation Rights**". Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof.

We distribute our Content Library through various mediums such as (i) television such as satellite, terrestrial and cable television; (ii) new media platforms consisting of mobile, internet, direct to home ("**DTH**") and other applications; (iii) home entertainment; and (iv) other media. For further details, please refer to "Distribution Platforms" on page 83 of this Draft Red Herring Prospectus.

Our recent initiatives include tying up as an official channel partner for Google Inc.'s You Tube where we are managing 32 channels. We are also moving beyond providing just content, to providing content management solutions to partners including (i) Tata DOCOMO's video platform for 3G services (ii) Airtel digital television in connection with an interactive devotional service, namely "iDarshan" and (iii) British Telecom's (UK) IPTV service BT Vision for their South-Asian content pack.

Based on our audited and restated consolidated financial statements the total income, EBDITA and profit after tax for Fiscal 2011 was ₹ 16,023.82 lakhs, ₹ 3,537.58 lakhs and ₹ 1,362.85 lakhs respectively, representing growth of 54.52%, 81.12% and 4196.80 % respectively, as compared to Fiscal 2010.

Significant Developments after March 31, 2011

We have raised ₹ 1600.33 lakhs, from preferential allotment of Equity Shares, for details please see "Capital Structure" on page no 27 of the Draft Red Herring Prospectus.

We have issued bonus shares as on August 29, 2011, in the ratio of 3:1.

Significant Factors Affecting our Results of Operations

Our financial condition and results of operations are affected by numerous factors, the following of which are of particular importance:

1. Challenging Economic Condition

Occurrence of events like the recent global financial meltdown can have an adverse impact on our business and operations and the entertainment and media industry in general. Factors like liquidity crunch may affect the scale and production of films. Slowdown in advertising budgets can impact the broadcast industry. Entertainment and Media spends are largely discretionary in nature, and in tough economic conditions, consumers may resort to cut in these spends.

While one cannot be totally insulated against challenging economic conditions, we believe that there will always be demand for compelling content, even in tough economic conditions. Only the flavor of content might change with times. Besides, most of the segments we operate in, like cable and satellite are a less expensive form of entertainment & leisure, and sometimes may benefit at the expense of other leisure activities.

2. Changes in Technology

The landscape of the media industry continues to change in response to technological innovation and evolving consumer trends. New mediums and technology like 3G, iPad, IPTV, DTH are changing the very definition of media. If we are unable to respond to changes in technology and evolving industry trends, our businesses may not be able to compete effectively.

We have been a key player in the evolution of the media industry. We understand content and its delivery platform and over the years, have successfully adapted to changing technology by expanding our distribution platforms. Our recent foray includes capturing the new age media platform and we have invested significantly in providing content to Mobile Operators, IPTV operators, 3G operators and leading online entertainment portals.

3. Availability of film content

Our Broadcast syndication business is driven primarily by availability of film content from producers or owners of the film. There is a risk that during certain periods fewer or no major films will release. We also face a risk of availability of quality content.

It is a part of our wider business strategy to purchase rights of content which is compelling and which is not necessarily restricted to box-office success. Several factors like star cast and appeal, popularity of director, and channel positioning are taken into consideration before we purchase the rights. Besides, we have a library of over 640 titles where we have perpetual rights. We also actively pursue non-film rights like special interest content and regional content. All this helps us reduce our dependence on the availability of film content.

4. Competition

In all our operating activities, we face competition from individuals as well as large corporate. Besides, most players can easily enter a business like broadcast syndication with a limited amount of investment. Any major

change in strategy by competition or entry of a new player could have an adverse effect on our operations and impact our financial condition.

We have evolved into one of India's largest content owner, aggregator and distributor of film-based copyrights and other entertainment rights. In broadcast syndication, our strong negotiating position due to our reputation and brand helps us acquire quality content and distribute at favourable terms. Our large library of perpetual rights makes us the partner of choice for most of the distribution platform owners. Besides, the market we operate in is structurally changing, and hence there are always opportunities for us to maximize/reinforce our leading market position. We believe our ability to vet the title rights and support technical quality of deliverables on a large scale and leadership position enables us to compete successfully.

5. Counterparty relationships

We may face material counterparty risk in relation to our clients, content owners, telecom operators and broadcasters.

We have various systems and processes in place which ensures minimal damage and counterparty risk. We have a robust legal due diligence process, having been refined over 25 years of experience. Our experienced management team has strong understanding and knowledge to assess the commercial viability of content deals and products. We also have technical due diligence in place which evaluates the quality of source material and ensure technical superiority of the content.

6. Changes in Regulations

Changes in laws and regulations governing the entertainment and media industry may have an adverse effect on our business. Compliance with and the effects of existing and future regulations could have a material adverse impact on us.

The government, regulatory bodies and members of the industry are actively working together towards reforms that aid the development of Indian media companies. In fact, the impending changes in regulations can only act as a catalyst to the growth of the sector. The roll out of 3G is one such example.

Significant Accounting Policies

Basis of Accounting

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India, Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006 and the requirements of the Companies Act, 1956.

Use of Estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation/amortization thereon and impairment losses, if any. Cost includes all costs incidental to acquisition, installation, commissioning and related internal costs and interest paid on funds borrowed to finance the assets until the assets are ready for commercial use.

Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition to /deletions from fixed assets is provided on pro-rata basis from / up to the date of such additions / deletions as the case may be. Fixed assets individually costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Investments

Investments are classified into Current and Long Term Investments. Long term investments (including joint ventures) are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognize such decline. Current investments are stated at cost.

Inventories

Projects in progress and movies under production are stated at cost. Cost comprises the cost of materials, the cost of services, labour and other expenses.

Raw Stock, Digital Video Discs/Compact Discs stock are stated at lower of cost or net realisable value.

The copyrights are valued at a certain percentage of cost based on the nature of rights. We evaluate the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate write down is made in cases where accelerated write down is warranted.

The borrowing cost directly attributable to a movie/game is capitalised as part of the cost.

Revenue Recognition

Sales of ACDs / VCDs / DVDs /ACS are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.

The cost of drama covering the cost of purchase of copyrights and shooting expenses is expensed out as a certain percentage of total cost.

Sales of rights are recognised on the date of entering into agreement for the sale of the same, provided the Censor Certificate is in existence.

Services are recognized when the contractual commitments are delivered in full and are recorded net of returns, trade discounts, rebates and indirect taxes.

Revenues relating to complete Feature Films are recognised in the year of release of feature films.

Revenue pertaining to release of music of film is recognized on the date of its release.

Dividend income is recognised when the right to receive the same is established.

Interest Income is recognised on a time proportion basis.

Purchase of Rights

In respect of satellite rights, as per the terms and conditions of the agreement with producer / seller, with respect to the date of agreement of purchase and the existence of Censor Certificate.

In respect of other rights like Video and other rights on the date of the agreement of purchase with producer /seller, provided the Censor Certificate is in existence.

Employee Benefits

Defined contribution plan

The company's contributions to Employees Provident Fund, Employees Pension Fund and cost of other benefits are charged to Profit & Loss Account on actual cost to the company on accrual basis each year.

Defined benefit plan

Our liability towards gratuity has been accounted on the basis of actuarial valuation and the contribution thereof paid / payable is charged to the Profit & Loss Account each year.

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability for every year.

Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition & construction of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred except Bill Discounting charges which have been carried forward on time proportion basis.

Foreign Currency Transaction

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities & Loans denominated in foreign currency as at balance sheet date are converted at the exchange rate prevailing on such date. Any Exchange differences arising from such conversion are recognized in the Profit and Loss A/c.

Taxation

Current Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on timing differences; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Impairment of Assets

We assess at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, we estimate the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

Results of operations

Explanation of key income statement items

Total Income

Income from Sales & Services

Income from sales & services primarily refers to income generated from the following:

Broadcast syndication

Content owned by us, especially films, are regularly broadcasted on various television networks. Income from broadcast syndication is generated by licensing the television rights of our films to television broadcasters including satellite television, cable television and terrestrial television for broadcast on their networks.

The content distributed by us through broadcast syndication predominantly consists of Hindi films. We enter into an agreement for a particular film or package of films with a particular channel or a particular group having multiple channels for broadcasting of our films, on its channel/ multiple channels within the same group, for a specified period of time.

New Media

New media revenue consists of revenue from MVAS, Internet, DTH, and IPTV amongst others. We have agreements with large number of telecom / new media players / operators for distribution of content through above mentioned platforms. We have tie-ups with almost all major players in this respect. We have been working closely with operators to ensure adequate distribution and marketing of our products.

Home Entertainment

Home entertainment distribution involves physical distribution of content through Blu Ray, DVDs and VCDs to consumers indirectly via retail channels and direct sales to corporate customers. We release film as well as non-film content from our Library as part of Home video compilations.

Other Distribution Platforms

We have taken Bollywood films across the globe through various distribution platforms due to the growing demand for Hindi film content amongst both ethnic and non-ethnic audiences abroad. We license airborne rights of our content for in-flight entertainment to a number of airlines. We also actively showcase our Content Library at international film festivals and content markets.

Miscellaneous Business Activities

We have an in-house state-of-the-art digital post-production studio. We provide the following key services namely, Digital Intermediate processing, Digital Restoration, 4K Spirit Data Scanner Telecine Transfer, Scanning & Archiving Digitally, HD and SD Post Production, Blu Ray / DVD and VCD Authoring and Format Conversion. The above facility is used for serving the in-house content management as well as to third parties also.

Other Income

Our other income consist primarily interest on Bank term deposits, dividends amongst others.

Expenditures

The principal components of our expenditures are direct operational expenses, personnel expenses, administrative expenses, selling & distribution expenses and preliminary expenditure written off.

Direct Operational Expenses

Our direct operating expenses comprise of cost of copyrights sold and cost of goods sold for physical products like VCDs, DVDs and Blu Ray for Home Video distribution. Our operating expenses include expenses with respect to works expenses for physical products, film prints and laboratory processing relating to the release of a film, which are written-off entirely in the year of release.

Personnel cost

Personnel costs include salaries, wages and bonuses of our employees, our contributions to provident and other funds and staff welfare expenses.

Administrative expenses

Our administration expense includes rent, rates and taxes; legal and professional fees arising primarily from services rendered in connection with our business; net foreign exchange losses arising from the conversion of non-Rupee denominated expenses / purchases into Rupees; communication expenses; repair and maintenance; electricity charges; commission and brokerage; insurance charges; printing and stationery; business development expenses; and travelling and conveyance expenses amongst others.

Selling expenses

Selling expenses relate to expenses incurred in connection with marketing and publicity expenses incurred towards the promotion of our content through advertisement on electronic and print media, printing and designing of publicity material, PR expenses and discount given to our customers.

Finance expenses

Finance expenses include interest on term loans, interest on cash credit/working capital loans, interest paid on inter corporate deposits and bank and other finance charges.

Depreciation

Depreciation consists of depreciation on our fixed assets. Such depreciation is calculated in accordance with the straight line method at the rates prescribed under Schedule XIV to the Companies Act.

Results of Operations

Our restated consolidated financial statements are included in this document under the section titled "Financial Statements." The following table sets forth selected data with respect to our results of operations in the periods indicated.

(₹ in lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2011	Percentage growth	2010
Income			
Sales & Services	15,824.39	55.63%	10,167.84
<i>As a % of total income</i>	98.76%		98.05%
Other Income	203.45	0.50%	202.44
<i>As a % of total income</i>	1.27%		1.95%
Loss from Associate Concern	(4.02)		
Total Income	16,023.82	54.52%	10,370.28
Total	16,023.82	54.52%	10,370.28
Expenditure			
Direct Operating Expenses	10,195.15	57.85%	6,458.78
<i>As a % of total income</i>	63.62%		62.28%
Personnel Expenses	995.81	14.05%	873.12
<i>As a % of total income</i>	6.21%		8.42%
Administrative Expenses	980.44	42.98%	685.70
<i>As a % of total income</i>	6.12%		6.61%
Selling & Distribution Expenses	314.85	(21.20)%	399.56
<i>As a % of total income</i>	1.96%		3.85%
Total	12,486.25	48.34%	8,417.15
<i>As a % of total income</i>	77.92%		81.17%

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2011	Percentage growth	2010
Earnings before Interest, Depreciation, Tax and Extraordinary Items (A-B)	3,537.58	81.12%	1,953.12
<i>As a % of total income</i>	22.08%		18.83%
Financial Expenses	1,533.25	(7.11)%	1,650.59
<i>As a % of total income</i>	9.57%		15.92%
Profit Before Depreciation & Tax	2,004.33	562.52%	302.53
<i>As a % of total income</i>	12.51%		2.92%
Depreciation	271.34	1.03%	268.58
<i>As a % of total income</i>	1.69%		2.59%
Profit before Tax and Extraordinary Items	1,732.99	5004.19%	33.95
<i>As a % of total income</i>	10.82%		0.33%
<u>Provision for Taxation</u>			
- Current Tax	323.11		-
- Deferred Tax	46.37		1.16
- Fringe Benefit Tax	-		-
- Wealth Tax	0.66		1.08
Net Profit after Tax but before Extraordinary Items	1,362.85	4196.80%	31.72
<i>As a % of total income</i>	8.51%		0.31%
Extraordinary Items			
Net Profit after Extraordinary Items	1,362.85	4196.80%	31.72
<i>As a % of total income</i>	8.51%		0.31%

Comparison of Fiscal 2011 with Fiscal 2010

Total Income

Our total income increased by 54.52% from ₹ 10,370.28 lakhs in Fiscal 2010 to ₹ 16,023.82 lakhs in Fiscal 2011 due to the following factors:

Sales and services

Our income from sales and services increased by 55.63% from ₹ 10,167.84 lakhs in Fiscal 2010 to ₹ 15,824.39 lakhs in Fiscal 2011 due to robust demand for films from television broadcasters and growth of new media platforms. In anticipation of these trends we had built a strong pipeline of content to service both the segments. Sales and services as a % of total income marginally increased from 98.05% to 98.76% for the same period.

Other Income

Other income increased marginally by 0.50% from ₹ 202.44 lakhs in Fiscal 2010 to ₹ 203.45 lakhs in Fiscal 2011. Other income as a percentage of total income marginally decreased from 1.95% to 1.27% for the same period.

Total Expenditure

Total expenditure increased by 48.34 % from ₹ 8,417.15 lakhs in Fiscal 2010 to ₹ 12,486.25 lakhs in Fiscal 2011. Total expenditure as a percentage of total income decreased from 81.17% to 77.92% for the same period.

This is primarily attributable to the following factors:

Direct operational expenses

Direct operational expenses increased by 57.85% from ₹ 6,458.78 lakhs in Fiscal 2010 to ₹ 10,195.15 lakhs in Fiscal 2011, primarily attributable to the company having built a strong content pipeline in anticipation of robust demand of content from various segments. Direct operational expenses as a percentage of total income marginally increased from 62.28% to 63.62% for the same period.

Personnel expenses

Our personnel expenses increased 14.05% from ₹ 873.12 lakhs in Fiscal 2010 to ₹ 995.81 lakhs in Fiscal 2011, primarily due to an increase in the number of employees commensurate with the increase in business and an annual increase in salaries. However, personnel expenses as a percentage of total income decreased from 8.42% to 6.21% for the same period on account of company achieving higher operational scale.

Administrative expenses

Administrative expenses increased by 42.98% from ₹ 685.70 lakhs in Fiscal 2010 to ₹ 980.44 lakhs in Fiscal 2011, primarily due to increase in statutory and legal fees and higher foreign exchange loss. However, administrative expenses as a percentage of total income decreased marginally from 6.61% to 6.12% for the same period.

Selling and distribution expenses

Selling and distribution expenses decreased by 21.20% from ₹ 399.56 lakhs in Fiscal 2010 to ₹ 314.85 lakhs in Fiscal 2011, primarily due to reduction in discount allowed to our customers. Selling and distribution expenses as a percentage of total income decreased from 3.85% to 1.96% for the same period on account of company achieving higher operational scale.

Earnings before Interest, Depreciation, Tax and Extraordinary Item (EBITDA)

EBITDA increased by 81.12% from ₹ 1,953.12 lakhs in Fiscal 2010 to ₹ 3,537.58 lakhs in Fiscal 2011 due to combination of higher revenue and better operating efficiency leading to higher margins. EBITDA margin as a percentage of total income improved from 18.83% to 22.08% for the same period.

Financial Expense

Financial expenses decreased by 7.11%, from ₹ 1,650.59 lakhs in Fiscal 2010 to ₹ 1,533.25 lakhs in Fiscal 2011, primarily due to lower borrowing during the year. Financial expense as a percentage of total income decreased sharply from 15.92% to 9.57% for the same period on account of our achieving higher scale and lower borrowing during the year.

Profit before depreciation and tax (PBDT)

PBDT increased significantly by ₹ 1,701.80 lakhs, from ₹ 302.53 lakhs in Fiscal 2010 to ₹ 2,004.33 lakhs in Fiscal 2011. PBDT margin as a percentage of total income increased sharply from 2.92% to 12.51% for the same period.

Depreciation

Depreciation increased marginally by 1.03% from ₹ 268.58 lakhs in Fiscal 2010 to ₹ 271.34 lakhs in Fiscal 2011, primarily due to addition in gross block. Depreciation as a percentage of total income decreased from 2.59% to 1.69% for the same period.

Profit before tax and extraordinary items (PBT)

PBT increased significantly by ₹ 1,699.04 lakhs, from ₹ 33.95 lakhs in Fiscal 2010 to ₹ 1,732.99 lakhs in Fiscal 2011. PBT margin as a percentage of total income increased sharply from 0.33% to 10.82% for the same period.

Provision for taxation

The provision for tax liabilities increased by ₹ 367.91 lakhs from ₹ 2.23 lakhs in Fiscal 2010 to ₹ 370.14 lakhs in Fiscal 2011. The primary component of this increase was current income tax.

Net Profit after tax (PAT)

For the reasons discussed above, PAT increased significantly by ₹ 1,331.13 lakhs, from ₹ 31.72 lakhs in Fiscal 2010 to ₹ 1,362.85 lakhs in Fiscal 2011. PAT margin as a percentage of total income increased sharply from 0.31% to 8.51% for the same period.

Restated Net Profit after Tax (Restated PAT)

As a result of the foregoing, the restated net profit after tax (after adjustments) increased by 4196.80%. Our restated PAT for Fiscal 2011 decreased by ₹ 8.51 lakhs as a result of adjustments for prior period items and restatement in accordance with

SEBI ICDR Regulations; our profit for Fiscal 2011 was ₹ 1,371.36 lakhs. For details of these adjustments, see Annexure IIA in our Consolidated Financial Information.

(₹ in lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2010	% growth	2009
Income			
Sales & Services	10,167.84	(2.53)%	10,431.77
<i>As a % of total income</i>	98.05%		98.71%
Other Income	202.44	48.70%	136.14
<i>As a % of total income</i>	1.95%		1.29%
Loss from Associate Concern			
Total Income	10,370.28	(1.87)%	10,567.91
Total	10,370.28	(1.87)%	10,567.91
Expenditures			
Direct Operating Expenses	6,458.78	(15.27)%	7,622.44
<i>As a % of total income</i>	62.28%		72.13%
Personnel Expenses	873.12	(17.53)%	1,058.73
<i>As a % of total income</i>	8.42%		10.02%
Administrative Expenses	685.70	2.55%	668.63
<i>As a % of total income</i>	6.61%		6.33%
Selling & Distribution Expenses	399.56	(3.49)%	413.99
<i>As a % of total income</i>	3.85%		3.92%
Total	8,417.15	(13.79)%	9,763.79
<i>As a % of total income</i>	81.17%		92.39%
Earnings before Interest, Depreciation, Tax and Extraordinary Items (A-B)	1,953.12	142.89%	804.13
<i>As a % of total income</i>	18.83%		7.61%
Financial Expenses	1,650.59	(7.55)%	1,785.37
<i>As a % of total income</i>	15.92%		16.89%
Profit Before Depreciation & Tax	302.53	130.83%	(981.24)
<i>As a % of total income</i>	2.92%		(9.29)%
Depreciation	268.58	(6.38)%	286.87
<i>As a % of total income</i>	2.59%		2.71%
Profit before Tax and Extraordinary Items	33.95	102.68%	(1,268.11)
<i>As a % of total income</i>	0.33%		(12.00)%
Provision for Taxation			
- Current Tax	-		-
- Deferred Tax	1.16		59.80
- Fringe Benefit Tax	-		19.00
- Wealth Tax	1.08		1.39
Net Profit after Tax but before Extraordinary Items	31.72	102.35%	(1,348.30)
<i>As a % of total income</i>	0.31%		(12.76)%
Extraordinary Items			
Net Profit after Extraordinary Items	31.72	(102.35)%	(1,348.30)
<i>As a % of total income</i>	0.31%		(12.76)%

Comparison of Fiscal 2010 and Fiscal 2009

Total Income

Our total income decreased by 1.87 %, from ₹ 10,567.91 lakhs in Fiscal 2009 to ₹ 10,370.28 lakhs in Fiscal 2010 due to the following factors:

Sales and services

Our income from sales and services decreased by 2.53% from ₹ 10,431.77 lakhs in Fiscal 2009 to ₹ 10,167.84 lakhs in Fiscal 2010. This financial year saw an overall slowdown in the media and entertainment industry which was the after effect of the global slowdown seen in end of year 2008. The film industry in particular saw the release of its high cost pipeline that resulted from the inflation in the input costs in the previous 2 years. We saw opportunities emerging in the second half of the year due to these factors. Considering that we had scaled down in the previous year, we were better positioned to capitalise on these opportunities by creating a strong pipeline of content.

Other Income

Other income increased by 48.7% from ₹ 136.14 lakhs in Fiscal 2009 to 202.44 lakhs in Fiscal 2010. Other income as a percentage of total income increased from 1.29% to 1.95% for the same period.

Total Expenditure

Total expenditure decreased by 13.79 %, from ₹ 9,763.79 lakhs in Fiscal 2009 to ₹ 8,417.72 lakhs in Fiscal 2010. Total expenditure as a percentage of total income decreased from 92.39% to 81.17% for the same period. This year saw the full effects of the cost reduction measures undertaken in the previous financial year.

This is primarily attributable to the following factors:

Direct operational expenses

Direct operational expenses decreased by 15.27%, from ₹ 7,622.44 lakhs in Fiscal 2009 to ₹ 6,458.78 lakhs in Fiscal 2010, primarily attributable to content costs coming down due to overall slowdown in the industry. The company continued to follow its viability criteria while acquiring content. Direct operational expenses as a percentage of total income decreased from 72.13% to 62.68% for the same period.

Personnel expenses

Our personnel expenses decreased by 17.53%, from ₹ 1,058.73 lakhs in Fiscal 2009 to ₹ 873.12 lakhs in Fiscal 2010, primarily due to effects of cost reduction measures undertaken in the previous financial year. However, personnel expenses as a percentage of total income decreased from 10.02% to 8.42% for the same period.

Administrative expenses

Administrative expenses increased by 2.55% from ₹ 668.63 lakhs in Fiscal 2009 to ₹ 685.7 lakhs in Fiscal 2010. Administrative expenses as a percentage of total income increased marginally from 6.33% to 6.61% for the same period.

Selling and distribution expenses

Selling and distribution expenses decreased by 3.49% from ₹ 413.99 lakhs in Fiscal 2009 to ₹ 399.56 lakhs in Fiscal 2010. Selling and distribution expenses as a percentage of total income decreased marginally from 3.92% to 3.85% for the same period.

Earnings before Interest, Depreciation, Tax and Extraordinary Item (EBITDA)

EBITDA increased by 142.89% from ₹ 804.13 lakhs in Fiscal 2009 to ₹ 1,953.12 lakhs in Fiscal 2010 due to overall cost reduction achieved by the company. EBITDA margin as a percentage of total income improved from 7.61% to 18.83% for the same period.

Financial Expense

Financial expenses decreased by 7.55%, from ₹ 1,785.37 lakhs in Fiscal 2009 to ₹ 1,650.59 lakhs in Fiscal 2010, primarily due to optimization of cash flows. Financial expense as a percentage of total income decreased from 16.89% to 15.92% for the same period.

Profit before depreciation and tax (PBDT)

PBDT increased significantly by ₹ 1,283.77 lakhs, from a loss of ₹ 98.24 lakhs in Fiscal 2009 to a profit of ₹ 302.53 lakhs in Fiscal 2010 due to overall cost reduction achieved by the company. PBDT margin as a percentage of total income increased sharply from negative 9.29% to a positive 2.92% for the same period.

Depreciation

Depreciation decreased by 6.38% from ₹ 286.87 lakhs in Fiscal 2009 to ₹ 268.58 lakhs in Fiscal 2010. Depreciation as a percentage of total income decreased from 2.71% to 2.59% for the same period.

Profit before tax and extraordinary items (PBT)

PBT increased significantly by ₹ 1,302.06 lakhs, from a loss of ₹ 1,268.11 lakhs in Fiscal 2009 to a profit of ₹ 33.95 lakhs in Fiscal 2010 due to overall cost reduction achieved by the company. PBT margin as a percentage of total income increased sharply from a negative 12% to a positive 0.33% for the same period.

Provision for taxation

The provision for tax liabilities decreased by ₹ 77.96 lakhs from ₹ 80.19 lakhs in Fiscal 2009 to ₹ 2.23 lakhs in Fiscal 2010. The primary component of this increase was current income tax.

Net Profit after tax (PAT)

For the reasons discussed above, PAT increased significantly by ₹ 1,380.02 lakhs, from a loss of ₹ 1,348.3 lakhs in Fiscal 2009 to a profit of ₹ 31.72 lakhs in Fiscal 2010. PAT margin as a percentage of total income increased from a negative 12.76% to 0.31% for the same period. Due to the measures taken by us in the previous year and achieving overall cost reductions, our profitability turned around. We were in a position to capitalise on the opportunities in the industry and build a strong content pipeline for monetization in the future years.

Restatement

Restated Net Profit after Tax (Restated PAT)

As a result of the foregoing, the restated net profit after tax (after adjustments) increased by 102.35%. Our restated PAT for Fiscal 2010 decreased by ₹ 3.45 lakhs as a result of adjustments for prior period items and restatement in accordance with SEBI ICDR Regulations; our profit for Fiscal 2010 ₹ 35.17 lakhs. For details of these adjustments, see Annexure IIA in our Consolidated Financial Information.

(₹ in lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2009	% growth	2008
Income			
Sales & Services	10,431.77	(29.07)%	14,707.02
As a % of total income	98.71%	0.19%	98.52%
Other Income	136.14	(38.25)%	220.46
As a % of total income	1.29%	(12.77)%	1.48%
Loss from Associate Concern			
Total Income	10,567.91	(29.20)%	14,927.48
Increase/(Decrease) in Stock			
Total	10,567.91	(29.20)%	14,927.48
Expenditures			
Direct Operational Expenses	7,622.44	(16.85)%	9,167.54
As a % of total income	72.13%		61.41%
Personnel Expenses	1,058.73	11.16%	952.48
As a % of total income	10.02%		6.38%
Administrative Expenses	668.63	(22.02)%	857.44
As a % of total income	6.33%		5.74%
Selling & Distribution Expenses	413.99	(36.14)%	648.30
As a % of total income	3.92%		4.34%
Preliminary Expenditure Written off	-		-
Total	9,763.79	(16.02)%	11,625.76
	92.39%		77.88%
Earnings before Interest, Depreciation, Tax and Extraordinary Items (A-B)	804.13	(75.65)%	3,301.72

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2009	% growth	2008
<i>As a % of total income</i>	7.61%		22.12%
Financial Expenses	1,785.37	(6.40)%	1,907.50
<i>As a % of total income</i>	16.89%		12.78%
Profit Before Depreciation & Tax	(981.24)	(170.38)%	1,394.22
<i>As a % of total income</i>	(9.29)%		9.34%
Depreciation	286.87	8.39%	264.67
<i>As a % of total income</i>	2.71%		1.77%
Profit before Tax and Extraordinary Items	(1,268.11)	(212.27)%	1,129.56
<i>As a % of total income</i>	(12.00)%		7.57%
<u>Provision for Taxation</u>			
- Current Tax	-		332.87
- Deferred Tax	59.80		47.23
- Fringe Benefit Tax	19.00		21.60
- Wealth Tax	1.39		1.70
Net Profit after Tax but before Extraordinary Items	(1,348.30)	(285.68)%	726.15
<i>As a % of total income</i>	(12.76)%		4.86%
Extraordinary Items			
Net Profit after Extraordinary Items	(1,348.30)	(285.68)%	726.15
<i>As a % of total income</i>	(12.76)%		4.86%

Comparison of Fiscal 2009 and Fiscal 2008

Total Income

Our total income decreased by 29.07%, from ₹ 14,927.48 lakhs in Fiscal 2008 to ₹. 10,567.91 lakhs in Fiscal 2009 due to the following factors:

Sales and services

Our income from sales and services decreased by 29.07% from ₹ 14,707.02 lakhs in Fiscal 2008 to ₹ 10,431.77 lakhs in Fiscal 2009. In the last 4-6 quarters leading to this financial year, the media and entertainment industry saw an unprecedented inflow of capital due to some new entrants. As a result of this, input costs witnessed steep inflation. Our company did not see any viable economic returns from acquisition at such costs. Therefore the management took a conscious decision to reduce its activity level. However, sales and services as a percentage of total income marginally increased from 98.52% to 98.71% for the same period.

Other Income

Other income decreased by 38.25% from ₹ 220.46 lakhs in Fiscal 2008 to ₹ 136.14 lakhs in Fiscal 2009 as last Fiscal i.e. 2008 there was a one time profit on sale of investments. Other income as a percentage of total income decreased from 1.48% to 1.29% for the same period.

Total Expenditure

Total expenditure decreased by 16.02%, from ₹ 11,625.76 lakhs in Fiscal 2008 to ₹ 9,763.79 lakhs in Fiscal 2009. Due to the above conscious decision to reduce its activity level, the management embarked upon certain cost reduction measures. Since, it took a few quarters for the benefits of the cost reduction to flow, total expenditure as a percentage of total income increased from 77.88% to 92.39% for the same period. Some of the measures resulted in savings in fiscal 2009 itself, while the effects of some measures was seen in the following years.

This is primarily attributable to the following factors:

Direct operational expenses

Direct operational expenses decreased 16.85%, from ₹ 9,167.54 lakhs in Fiscal 2008 to ₹ 7,622.44 lakhs in Fiscal 2009, primarily attributable to management decision to reduce its content acquisition activity. Direct operational expenses as a percentage of total income increased from 61.41% to 72.13% for the same period.

Personnel expenses

Our personnel expenses increased by 11.16%, from ₹ 952.48 lakhs in Fiscal 2008 to ₹ 1,058.73 lakhs in Fiscal 2009, primarily due to an annual increase in salaries. Personnel expenses as a percentage of total income increased from 6.38% to 10.02% for the same period on account of reduced comparable operational scale.

Administrative expenses

Administrative decreased by 22.02% from ₹. 857.44 lakhs in Fiscal 2008 to ₹. 668.63 lakhs in Fiscal 2009, primarily due to certain cost reduction measures undertaken by the management. Administrative expenses as a percentage of total income increased marginally from 5.74% to 6.33% for the same period on account of reduced comparable operational scale.

Selling and distribution expenses

Selling and distribution expenses decreased by 36.14% from ₹ 648.30 lakhs in Fiscal 2008 to ₹ 413.99 lakhs in Fiscal 2009, primarily due to certain cost reduction measures undertaken by the management. Selling and distribution expenses as a percentage of total income decreased from 4.34% to 3.92% for the same period on account of reduced comparable operational scale.

Earnings before Interest, Depreciation, Tax and Extraordinary Item (EBITDA)

EBITDA decreased by 75.65% from ₹ 3,301.72 lakhs in Fiscal 2008 to ₹ 804.13 lakhs in Fiscal 2009 due to reduced comparable operational scale while the full effects of cost reduction measures not yet flowing. EBITDA margin as a percentage of total income decreased from 22.12% to 7.61% for the same period.

Financial Expense

Financial expenses decreased by 6.40%, from ₹ 1,907.5 lakhs in Fiscal 2008 to ₹ 1,785.37 lakhs in Fiscal 2009, primarily due to reduction in bill discounting charges in Fiscal 2009. Financial expense as a percentage of total income increased from 12.78% to 16.89% for the same period.

Profit before depreciation and tax (PBDT)

PBDT decreased significantly by ₹. 2,375.46 lakhs, from a profit of ₹.1,394.22 lakhs in Fiscal 2008 to a loss of ₹. 981.24 lakhs in Fiscal 2010 due to reduced comparable operational scale. PBDT margin as a percentage of total income decreased sharply from positive 9.34% to a negative 9.29% for the same period.

Depreciation

Depreciation increased by 8.39% from ₹ 264.67 lakhs in Fiscal 2008 to ₹ 286.87 lakhs in Fiscal 2010, primarily due to increase in gross block. Depreciation as a percentage of total income increased from 1.77% to 2.71% for the same period.

Profit before tax and extraordinary items (PBT)

PBT increased significantly by ₹ 2,397.67 lakhs, from a profit of ₹ 1,129.56 lakhs in Fiscal 2008 to a loss of ₹ 1,268.11 lakhs in Fiscal 2009 due to reduced comparable operational scale while the full effect of cost reduction measures not yet flowing. PBT margin as a percentage of total income decreased from a positive 7.57% to a negative 12% for the same period.

Provision for taxation

The provision for tax liabilities decreased by ₹ 323.22 lakhs, from ₹ 403.41 lakhs in Fiscal 2008 to ₹ 80.19 lakhs in Fiscal 2009. The primary component of this increase was current income tax.

Net Profit after tax (PAT)

For the reasons discussed above, PAT increased significantly by ₹ 2,074.45 lakhs, from a profit of ₹ 726.15 lakhs in Fiscal 2008 to a loss of ₹ 1,348.30 lakhs in Fiscal 2009. PAT margin as a percentage of total income decreased from a positive 4.86% to a negative 12.76% for the same period.

Restated Net Profit after Tax (Restated PAT)

As a result of the foregoing, the restated net profit after tax (after adjustments) decreased by (285.68)%. Our restated PAT for Fiscal 2010 decreased by ₹ 1.33 lakhs as a result of adjustments for prior period items and restatement in accordance with SEBI ICDR Regulations; our loss for Fiscal 2009 ₹ (1,346.97) lakhs. For details of these adjustments, see Annexure IIA in our Consolidated Financial Information.

Comparison for Fiscal 2008 and Fiscal 2007 has not been shown as it will not reflect a true comparison

The scheme sanctioned by the Hon'ble High Court of Bombay vide its order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited (“**Transferor Company**”) to Shemaroo Holdings Private Limited (“**Transferee Company**”) and also effected the interchange of the names of the companies i.e. the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. Prior to the transfer there was no business carried on by us.

Liquidity and Capital Resources

We maintain cash balances, which are primarily held in Indian Rupees, to fund the daily cash requirements of our business. Our funding requirements for our working capital, capital expenditures, content expenses and other requirements have been met through a combination of cash generated from operating activities, long-term borrowings and credit facilities. Both the long-term borrowings and the credit facility are secured. Such credit facility is primarily used to fund content acquisition expenses. Draw-downs under the credit facility are subsequently repaid with cash generated from the monetization of content. As at March, 31 2011 and March, 31 2010, our secured loans totalled ₹ 10,078.28 lakhs and ₹ 8,335.34, respectively, and our unsecured loans totalled ₹ 2,746.15 and ₹ 3,028.07, respectively.

Cash Flows

The table below sets forth selected data with respect to our cash flows for the periods presented:

Rupees in Lakhs					
Particulars	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Net cash from operating activities	(312.10)	2,756.55	(2,702.23)	2,439.47	(3.42)
Net cash from investing activities	(635.22)	(16.27)	21.16	(134.94)	-
Net cash used in financing activities	(72.22)	(2,398.79)	2,385.56	(3,093.08)	4.50
Net increase/(decrease) in cash & cash equivalents	(1,069.30)	1,435.42	(99.31)	(2,258.17)	1.08
Cash and cash equivalents as at the end of the year	842.81	11,862.36	1,520.86	1,816.38	2.23

Cash Flows from Operating Activities

Cash flows from operating activities represent our cash flows from our operations of (I) Content Ownership, and, (II) Distribution and other related services.

The net cash used in operating activities in Fiscal 2011 was ₹ 312.10 lakhs, primarily due to increase in receivables position as result company achieving higher operational scale.

The net cash from operating activities in Fiscal 2010 was ₹ 2,756.55 lakhs, primarily due to an increase in revenues, net profits, payables and reduction in advance for content.

The net cash used in operating activities in Fiscal 2009 was ₹ 2,702.23 lakhs, primarily due to increase in receivables, inventory and decrease in Sundry creditors.

The net cash from operating activities in Fiscal 2008 was ₹ 2,439.47 lakhs, primarily due to an increase in revenues, net profits and decrease in inventories and other receivables.

The net cash used in operating activities in Fiscal 2007 was ₹. 3.42 lakhs, primarily due to decrease in Sundry creditors and other payables.

Cash Flows from Investing Activities

The cash flow from or used in investing activities represents mainly from purchase and sale of Fixed Assets, purchase and sale of investments, interest income and dividend income.

Net cash used in investing activities was ₹ 635.22 lakhs during Fiscal 2011, primarily due to increase in fixed assets and investment in made in associate.

Net cash used investing activities was ₹ 16.27 lakhs during Fiscal 2010, primarily due to increase in fixed assets and investment in made in subsidiaries.

Net cash from investing activities was ₹ 21.16 lakhs during Fiscal 2009, primarily due to increase in interest income from Bank Fixed Deposits.

Net cash used in investing activities was ₹ 134.94 lakhs during Fiscal 2008, primarily due to Increase in fixed assets.

Cash Flows from Financing Activities

Our cash flow from or used in our financing activities is determined primarily by the level of our borrowings, the schedule of principal and interest payments on borrowings, and payment of dividends.

For Fiscal 2011, our cash flow used in financing activities was ₹ 72.22 lakhs. This reflected decreased long term borrowings.

For Fiscal 2010, our cash used in financing activities was ₹ 2,398.79 lakhs. This reflected decreased long term borrowings.

For Fiscal 2009, our cash flow from financing activities was ₹ 2,385.56 lakhs. This reflected Issue of shares and increased long term borrowings.

For Fiscal 2008, our cash flow used in financing activities was ₹ 3,093.08 lakhs. This reflected decreased short term borrowing and increased financial expenses.

For Fiscal 2008, our cash flow from financing activities was ₹ 4.50 lakhs. This reflected increased short term borrowings.

Indebtedness

Particulars	As of 31 st March,				
	2011	2010	2009	2008	2007
Secured Loans					
Working Capital Loan (Bank Overdraft / Cash Credit)	5,543.66	5,068.08	5,797.18	3,960.06	-
Term Loan	2,554.62	2,772.26	3,188.32	1,100.34	-
Bills Discounting	1,980.00	495.00	1,845.00	900.00	-
Total	10,078.28	8,335.34	10,830.50	5,960.40	-
Unsecured Loans					
From Promoter Directors	221.50	899.40	-	504.85	4.85
From Directors	232.00	208.00	-	-	-
From Banks	517.65	391.22	5.54	2,938.96	-
From relatives of Promoter Directors	169.00	152.44	-	-	-
From relatives of Directors	106.00	77.01	-	-	-
Inter Corporate Deposits	1,500.00	1,300.00	1,300.00	1,600.00	-
Total	2,746.15	3,028.07	1,305.54	5,043.81	4.85

Contingent Liabilities

Our contingent liabilities not provided for as of 31st March are as follows:

Particulars	Rupees in Lakhs As of 31 st March,				
	2011	2010	2009	2008	2007
Bank Guarantees	1.63	1.63	86.75	86.75	-
Estimated amount of contracts remaining to be executed on capital account	1.25	0.48	-	-	-
Disputed Direct Tax Demands	-	202.97	-	-	-
Disputed Indirect Tax Demands	-	342.40	276.25	-	-

Legal Cases against the company	180.51	185.13	185.13		-
Uncalled liability on Partly Paid Shares	342.00	-	-	-	-
On account of the Associate to the extent of the Effective Economic Interest	0.42	-	-	-	-
Total	525.81	732.60	548.12	102.63	-

Capital Expenditure

The following table sets forth our capital expenditures, including additions of tangible fixed assets and intangible fixed assets, for the years ended March 31, 2011, 2010, 2009, 2008 and 2007.

	2011	2010	2009	2008	2007
Purchase of Fixed Assets	182.48	117.06	110.51	5,259.70	-
Total	182.48	117.06	110.51	5,259.70	-

Transactions with Associates and Related Parties

From time to time, we enter into transactions with companies which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. For details regarding our related party transactions, see "Financial Statements — Related Party Transactions" on page F-52 of this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including credit risk, interest rate risk, commodity risk, currency exchange risk inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

Credit Risk

Trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the our policy to monitor the financial standing of these counter-parties ongoing basis to ensure that we are exposed to minimal credit risk.

Interest Rate Risk

As at March 31, 2011, majority of our indebtedness was subject to floating rates of interest linked to the benchmark prime lending rate ("BPLR") and is thereby exposed to changes in interest rates. In addition, the interest rates for our indebtedness are subject to periodic resets. Upward fluctuations in interest rates increase the cost of our borrowings.

We do not currently use any instruments such as interest rate swaps, options and other derivative instruments for the purposes of mitigating our exposure to interest rate risk. However, this is kept under review, and we may enter into such instruments in the future.

Currency exchange risk

We have incurred and expect to incur expenditure and earn revenue denominated in foreign currencies in the course of our operations when acquiring or monetising our content and in respect of overseas market. Any fluctuation of the Indian Rupee against the currency in which we have an exposure may increase the Indian Rupee costs to us of our expenditure or may reduce the revenue to us.

We currently do not use foreign currency hedging instruments to manage the volatility associated with foreign currency payments and risks. However, this is kept under review, and the Company may enter into such instruments in the future.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

Unusual or Infrequent Events or Transactions

Except there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Significant Economic Changes that Materially Affected or are Likely to affect income from Continuing Operations

Except as described in the section titled "Industry" beginning on page 58 of the Draft Red Herring prospectus, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known Trends or Uncertainties

Except as described in sections titled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xii and 129 of the Draft Red Herring Prospectus respective, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in the sections titled "Risk Factor,", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," on page xii, page 73 and page 129 of the Draft Red Herring Prospectus, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

New Products or Business Segments

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. For instance, we have entered into arrangements with technology providers to power video delivery platforms in the backend where we offer combined solutions of video delivery platform plus video content to telecom operators.

Seasonality of Business

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 school holidays, 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.

Total turnover of each industry segment in which the co. Operates

The details of turnover during fiscal 2011, 2010, 2009 and 2008 are stated as above.

Significant Dependence on a Group of Customers

Broadcast syndication is one of our major activities. Television broadcasters source content from us and telecast it across their bouquet of channels, which include GECs as well as movie channels. As the content is procured by the television broadcasters at a bouquet level and there are a limited number of such broadcasters, the number of prospective buyers for our content is limited.

Competitive Conditions

Please see "Business – Competition", "Industry" and "Risk Factors" on page 87, page 58 and page xii, respectively, of the Draft Red Herring Prospectus for discussions regarding competition.

FINANCIAL INDEBTEDNESS

I. SECURED BORROWINGS

Set forth below, is a brief summary of our Company's major outstanding secured borrowings, of ₹ 9122.91 lakhs as of August 31, 2011 together with a brief description of certain significant terms of such financing arrangements.

Working Capital

Set forth below are the details of the working capital facilities availed by our Company:

Name of the lender	Documentation	Sanctioned amount (₹ in lakhs)	Total outstanding amount as on August 31, 2011 (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule
			Fund based	Non-fund based		
NKGSB Co-operative Bank Limited. ⁽¹⁾	Sanction letter dated. July 2, 2011	2,000.00	1,588.01	-	NKGSB PLR - 0.25%	12 months up to May 31, 2012
Shamrao Vithal Co-operative Bank Limited ⁽²⁾	Sanction letter dated July 1, 2011.	3,500.00	2,150.41	-	SVC PLR - 2.25%	Renewable annually
NKGSB Co-operative Bank Limited. ⁽³⁾	Sanction letter dated. August 2, 2011	500.00	504.49	-	NKGSB PLR	Repayable on January 28, 2012
Total (A)		6,000.00	4,242.91	-		

The following security has been created for the abovementioned facilities:

⁽¹⁾ (i) First pari passu charge under consortium with Shamrao Vithal Co-operative Bank and second charge to Axis Bank Limited under multiple banking arrangements as primary security. (ii) Hypothecation of stock and book debts. (iii) First pari passu charge under consortium with Shamrao Vithal Co-operative Bank on Office No. 3 Om Chambers Kemps Corner, Mumbai, Office Premises at Plot No. 18 & Plot No. 16, Marol Cooperative Industrial Estate, Off Andheri Kurla Road, Marol, Andheri East, Mumbai 59, Office No. 202, 301, 302 at Boolani Estate Owners Co-op Society Ltd, Link Road, Andheri West, Mumbai -53 as collateral security. (iv) Personal guarantee of the Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.

⁽²⁾ (i) Pari passu charge on hypothecation of stock and book debts up to 90 days (25% margin) and book debts from 90 to 120 days (30% margin). (ii) First pari passu charge under consortium with NKGSB Co-operative Bank. (iii) Personal guarantee of the Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.

⁽³⁾ (i) Copyrights of the specified films as primary security. (ii) First pari passu charge on Office No. 3 Om Chambers Kemps Corner, Mumbai, Office Premises at Plot No. 18 & Plot No. 16, Marol Cooperative Industrial Estate, Off Andheri Kurla Road, Marol, Andheri East, Mumbai 59, Office No. 202, 301, 302 at Boolani Estate Owners Co-op Society Ltd, Link Road, Andheri West, Mumbai -53 to be shared between NKGSB Co-operative Bank and Shamrao Vithal Co-operative Bank as collateral security. (iii) Personal guarantee of the Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.

Set forth below are the details of the bill discounting facility and line of credit availed by our Company:

Name of the lender	Documentation	Sanctioned amount (₹ in lakhs)	Total outstanding amount as on August 31, 2011 (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule
			Fund based	Non-fund based		
IDBI Bank ⁽⁴⁾	Loan agreement dated June 21, 2008 and sanction letter dated May 4, 2011.	2,500.00	2,000.00	-	At par with IDBI BPLR	25 monthly instalments of ₹ 100 lakhs each from April 1, 2011 to April 1, 2013.
Yes Bank Limited ⁽⁵⁾	Loan agreement dated April 6, 2011 and sanction letter dated February 25, 2011.	4,230.00	2,880.00	-	Base Rate + 4.50%	Repayable as per following schedule: ₹ 1,000 lakhs on September 2011; ₹ 1,200 lakhs on July 31, 2012; ₹ 680 lakhs as on March 31, 2013 (out of scheduled payment)
Total (B)		6,730.00	4,880.00	-		
Total (A+B)		12,730.00	9,122.91	-		

The following security has been created for the abovementioned facilities:

⁽⁴⁾ (i) First pari-passu charge on the specified negative prints and intellectual property rights in favour of IDBI Bank (ii) Personal guarantee from Mr. Raman Maroo and Mr. Atul Maru dated June 21, 2008 (iii) Receivables from the exploitation rights to be deposited in a dedicated current account opened with IDBI Bank (iv) Undertaking to the effect that IDBI has the right to create security for the loans by way of mortgage and charge on all the fixed assets of our Company

⁽⁵⁾ (i) First and exclusive charge on book debts and receivables from Viacom 18 Media Private Limited. (ii) Letter dated March 1, 2011 from Viacom 18 Media Private Limited stating that all payments under the agreement dated November 4, 2010 will be directly made to Yes Bank against the invoices raised. (iii) Escrow agreement between our Company, Yes Bank Limited (as the lender) and Yes Bank Limited (as the escrow agent) for depositing all the receivables to be received by our Company from Viacom 19 Media Private Limited into the escrow accounts towards repayment of the facility. (iv) Personal guarantee of Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada vide letter of guarantee dated March 3, 2011. (v) Demand promissory note dated March 3, 2011 and letter dated March 3, 2011 for continuity of the demand promissory note. (vi) Undertaking cum indemnity dated March 3, 2011. (vii) Letter of Indemnity for invoice/bill discounting limit dated March 3, 2011.

Term Loan

There are no outstanding term loans of the Company.

II. UNSECURED BORROWINGS

As on August 31, 2011, our Company has availed of unsecured loans of ₹ 2,246.92 lakhs. Set forth below are the details of these unsecured loans:

Name of the lender	Nature of facility	Sanctioned amount (₹ in lakhs)	Outstanding amount (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule / tenor
			Fund based	Non-fund based		
Promoters	Unsecured loan	N.A.	221.50	-	12.50%	Repayment on demand
Directors, Promoter Group and Relatives	Unsecured loan	N.A.	507.00	-	12.50%	Repayment on demand
Banks / Financial Institution	Overdraft Facility	520.00	518.42	-	Overnight MIBOR + 2%	Repayable on demand
Others	Inter Corporate Deposit / Unsecured loan	N.A.	1,000.00	-	Various	Repayment on demand
Total			2,246.94			

Name of the lender	Documentation	Nature of facility	Sanctioned amount (₹ in lakhs)	Outstanding amount (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule / tenor
				Fund based	Non-fund based		
Promoters							
Mr. Atul Maru	N.A.	Unsecured loan	N.A.	183.25	-	12.50%	Repayment on demand
Mr. Raman Maroo	N.A.	Unsecured loan	N.A.	38.25	-	12.50%	Repayment on demand
Directors, Promoter Group and Relatives							
Mr. Hiren Gada	N.A.	Unsecured loan	N.A.	20.00	-	12.50%	Repayment on demand
Mr. Buddhichand Maroo	N.A.	Unsecured loan	N.A.	123.00	-	12.50%	Repayment on demand
Mr. Jai Maroo	N.A.	Unsecured loan	N.A.	89.00	-	12.50%	Repayment on demand
Ms. Smita Maroo	N.A.	Unsecured loan	N.A.	14.00	-	12.50%	Repayment on demand
Atul Maroo (HUF)	N.A.	Unsecured loan	N.A.	37.00	-	12.50%	Repayment on demand
Raman Hirji Maroo (HUF)	N.A.	Unsecured loan	N.A.	132.00	-	12.50%	Repayment on demand
Buddhichand H. Maroo (HUF)	N.A.	Unsecured loan	N.A.	92.00	-	12.50%	Repayment on demand
Banks / Financial Institution							
Deutsche Bank	Sanction letters dated September 9, 2009, and June 28, 2010.	Overdraft Facility	520.00	518.42	-	Overnight MIBOR + 2%	Repayable on demand
Others							
Others	N.A.	Unsecured loan	N.A.	1,000.00	-	Various	Repayment on demand
Total				2,246.92			

Material Covenants:

Under the above mentioned facilities, our Company requires the prior consent of the lenders for certain corporate actions including:

- (a) Changes in capital structure
- (b) Scheme of amalgamation/ restructuring
- (c) Cross default provisions
- (d) Declaration of dividend and/or bonus
- (e) Implementation of scheme of expansion or acquire assets
- (f) Making investments/advances or deposit amounts with any concern
- (g) Investments in subsidiaries/ group companies etc.
- (h) Change in management/ control/ shareholding of Promoters
- (i) Any change in the ownership or control of our Company which may change the effective beneficial ownership or control of our Company;

III. CHARGES/GUARANTEES

Charges

Set forth below are the details of charges created on our properties/assets in order to secure financial assistance provided to us:

Sr. No.	Borrower	Lender	Amount (in ₹ lakhs, unless stated otherwise)	Date of creation/ modification of charge	Details of property/assets charged
1.	Shemaroo Entertainment Limited	IDBI Bank Limited	₹ 2,500	June 21, 2008	First Charge on specified negative prints and Intellectual property Rights. Personal Guarantee of Raman Maroo and Atul Maru dated June 21, 2008.
2.	Shemaroo Entertainment Limited	Yes bank Limited	₹ 4,230	March 3, 2011	Exclusive charge on copyright & receivables from Viacom 18 Media Private limited as per agreement Personal guarantee of the directors Mr. Raman Maroo, Atul Maru, Jay Maroo and Hiren Gada.
3.	Shemaroo Entertainment Limited.	Shamrao Vithal Co-op Bank Limited.	₹ 3,000	January 20, 2011	1. Pari passu Charge on Hypothecation of Stock and Book Debts 2. 1st Pari Passu Charge on Office No. 3 Om Chambers Kempes Corner Mumbai ,Office Premises at Plot No. 18 Marol Co-operative Industrial Estate Off Andheri Kurla Road Marol Andheri East Mumbai 59 ,Office No. 202,301,302 at Boolani Estate Owners Co-op Society Ltd Link Road Andheri west Mumbai -53 Personal Guarantors: Mr. Buddhichand Maroo Mr. Raman Maroo Mr. Atul Maru Mr. Jai Maroo

Sr. No.	Borrower	Lender	Amount (in ₹ lakhs, unless stated otherwise)	Date of creation/ modification of charge	Details of property/assets charged
4.	Shemaroo Entertainment Limited	NKGSB Co-op Bank Limited.	₹ 1,000	March 15, 2010	<p>1. First Pari Pasu Charge on Stock and Book Debts.</p> <p>2. First Pari Pasu Charge on Office No.3 Om Chambers Kempes Corner Mumbai ,Office Promises at Plot No. 18 Marol Co-op Industrial Estate, Off Andheri Kurla Road Marol Andheri East Mumbai -59 ,Office No. 202,301,302 at Boolani Estate Owners Co-op Society Ltd. Link Road Andheri west Mumbai -53</p> <p>Personnel Guarantors : Mr. Buddhichand Maroo Mr. Atul Maru Mr. Raman Maroo Mr. Jai Maroo</p>
5.	Shemaroo Entertainment Ltd.	NKGSB Co-op Bank Ltd.	₹ 1,500	March 15, 2010	<p>1. First Pari Pasu Charge on Stock and Book Debts.</p> <p>2. First Pari Pasu Charge on Office No.3 Om Chambers Kempes Corner Mumbai ,Office Promises at Plot No. 18 Marol Co-op Industrial Estate, Off Andheri Kurla Road Marol Andheri East Mumbai -59 ,Office No. 202,301,302 at Boolani Estate Owners Co-op Society Ltd. Link Road Andheri west Mumbai -53</p> <p>Personnel Guarantors : Mr. Buddhichand Maroo Mr. Atul Maru Mr. Raman Maroo Mr. Jai Maroo</p>

Guarantees

Set forth below are the details of guarantees given by our Company: As on August 31, 2011

Sr. no.	In favour of	Date of guarantee	On behalf of	Purpose
1.	Mahanagar Telephone Nigam Limited	36/1 dated June 20, 2011	Shemaroo Entertainment Limited	Providing WAP Services for GSM networks in MTNL
2.	Mahanagar Telephone Nigam Limited	36/2 dated June 20, 2011	Shemaroo Entertainment Limited	Providing WAP Services for 3G Networks in MTNL
3.	Mahanagar Telephone Nigam Limited	36/3 dated June 20, 2011	Shemaroo Entertainment Limited	Providing IVRS Services for GSM Networks in MTNL
4.	Mahanagar Telephone Nigam Limited	36/4 dated June 20, 2011	Shemaroo Entertainment Limited	Providing IVRS Services for GSM Networks in MTNL
5.	Mahanagar Telephone Nigam Limited	36/5 dated August 17, 2011	Shemaroo Entertainment Limited	Providing 2G & 3G services on GSM Network of MTNL

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no pending suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, Directors, Promoters and Group Companies or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoters and Group Companies and entities, defaults in creation of full security as per the terms of issue/other liabilities, legal proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or our Subsidiaries except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiaries, Promoters, Group Companies or Directors.

Further, (i) neither our Company nor our Promoters, relatives of Promoters, Subsidiaries, members of our Promoter Group, Group Companies, and Directors, have been declared as wilful defaulters by the RBI or any other governmental authority and, (ii) except as disclosed in this Section, there are no violations of securities laws committed by them or penalties imposed on them thereunder in the past or pending against them, and adverse findings regarding compliance with securities laws.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Contingent liabilities

Our contingent liabilities not provided for as of August 31, 2011 is as follows:

(₹ in lakhs)

Particulars	AS AT MARCH 31,				
	2011	2010	2009	2008	2007
Bank Gurantee	1.63	1.63	86.75	86.75	-
Estimated amount of contracts remaining to be executed on capital account	1.25	0.48		-	-
Disputed Direct Tax Demands	-	202.97	-	-	-
Disputed Sales Tax Demands	-	342.40	260.37	-	-
Disputed Service Tax Demands	-	-	15.88	15.88	-
Legal Cases against the company	180.51	185.13	185.13	-	-
Uncalled liability on Partly Paid Shares	342.00	-	-	-	-
TOTAL	525.39	732.60	548.12	102.63	-

II. Pending proceedings involving our Company:

A. Legal proceedings initiated against our Company:

1. CRIMINAL PROCEEDINGS:

1. Mr. Prem Prakash Mahajan "**Complainant**", proprietor of M/s Mahajan Video, has filed a First Information Report (FIR No. 180) "**FIR**", dated September 1, 2009, before the Office of the Assistant Commissioner of Police, IPR Section, Economic Offences Wing, Crime Branch, New Delhi, ("**ACP, Economic Offences Wing**") against our Company and certain other parties, ("**Defendants**") for alleged violation of sections 64/63 of the Copyright Act, 1947 and sections 420, 468 and 471 of Indian Penal Code, 1860. The Complainant has alleged that the Complainant was threatened by the Defendants for distributing certain films without obtaining a license to distribute such films. Our Company received notices dated February 22, 2010 and April 29, 2011 from the ACP, Economic Offences Wing in connection with the above. In reply to such notices, our Company has vide letters dated March 11, 2010 and May 25, 2011 clarified that our Company holds exclusive and perpetual rights over the two films specified therein. The complaint is pending hearing and final disposal.
2. Victoria Entertainment Private Limited, (the "**Complainant**") has initiated proceedings (No. 67/M/10) against our Company and others before the Metropolitan Magistrate 32nd Court, Bandra (East) under section 202 of the Code of Criminal Procedure, 1973 in connection with exhibition of the film "Love Khichdi" by Air India on their flights. A notice has been issued to the Company by the Inspector, Kerwadi Police Station, pursuant to a direction from the Metropolitan Magistrate 32nd Court and the Complainant's allegation that, in the agreement dated September 10, 2009 for transfer of rights between the Complainant and our Company, airborne rights were not transferred. Our Company has filed a reply vide letter dated December 23, 2010 denying the allegations made by the Complainant before the Inspector, Kerwadi Police Station and challenging the validity of the complaint before a criminal forum as the dispute is civil in nature. No summons has been issued by the Metropolitan Magistrate 32nd Court since. There is no monetary claim for relief against our Company and the complaint is pending hearing and final disposal.

2. TAXATION PROCEEDINGS

1. The Assessing Officer of Income Tax Office (TDS), Mumbai, has issued an order dated March 19, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 19, 2011, to our Company in respect of the assessment year 2009-10, demanding ₹ 10.97 lakhs as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has replied to the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there was an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has not received any further communication from the Income Tax Office in this regard. Our Company has made an application for stay of demand of ₹10.97 lakhs vide letter dated May 2, 2011.
2. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 18, 2011, under Section 210(1)/ 201(1A) of the Income Tax Act, 1961 along with a notice of demand dated March 18, 2011, to our Company, for the assessment year 2009-10, demanding ₹ 15.6 lakhs as tax deductible at source payable by our Company, on account of Short deduction/collection, amount deducted not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has replied to the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there was an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has not received any further communication from the Income Tax Office in this regard. Our Company has made an application for stay of demand of ₹ 15.6 lakhs vide letter dated May 2, 2011.
3. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 19, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated January 12, 2011, to our Company, for assessment year 2009-10, demanding ₹ 290 lakhs as tax deductible at source payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has replied to the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has not received any further communication from the Income Tax Office in this regard. Our Company has made an application for stay of demand of ₹ 290 lakhs vide letter dated May 2, 2011.

4. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 17, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 17, 2011, to our Company, for the assessment year 2010-11, demanding ₹15 lakhs as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income tax Act, 1961. Our Company has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has not received any further communication from the Income Tax Office in this regard. Our Company has made an application for stay of demand of ₹ 15 lakhs vide letter dated May 2, 2011.

3. CIVIL PROCEEDINGS

1. M/s Raj Enterprises, (“**Plaintiff**”) has filed the present suit (Suit No. 272 of 2007) against our Company amongst other parties before the High Court of Bombay claiming the right, title and interest over the film titled “Hum Hain Rahin Pyaar Ke”. The plaintiff has prayed that (i) a permanent order and injunction be passed restraining our Company from assigning or transferring satellite rights of the said film (ii) Prints, digi beta or betacam or copies or any other material of the said film in any format be impounded, seized and delivered up and destroyed by and under the orders and directions of the Court (iii) the consideration received by our company for the assignment of the said film or any rights including satellite rights thereof and all recoveries, income and realisations out of telecast, exhibition, distribution and exploitation of the said film by any means be paid to the plaintiff and (iv) that the amounts realised and recovered as per the accounts in respect of telecast, exhibition, distribution and exploitation with interest at the rate of 18% p.a. till payment and realisation. The suit is pending hearing and final disposal.
2. Navchitra Distributors Private Limited (“**Plaintiff**”) has filed the present suit for declaration (Suit No.1857 of 2008) before the High Court of Bombay against our Company in connection with the rights of telecasting the suit films viz. Girافتar, Ganga Jamuna Saraswati, Brahma and Prateeksha. There are no claims for monetary relief and the suit is pending hearing and final disposal.

4. CUSTOMS PROCEEDINGS

1. The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000/- penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to ₹ 1,60,64,368. Appeals bearing nos. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively, before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, *inter alia*, that (i) the aforementioned order be set aside the appeals be allowed in full. The matter is pending further hearing and final disposal.

B. Legal proceedings initiated by our Company:

1. CRIMINAL PROCEEDINGS:

1. Our Company has initiated proceedings (No. 1125 of 2010) against Influx Multitrade Limited, Mr. R.K.Singh, and Mr. T.S. Chamkire, collectively, the “**Accused**” before the Metropolitan Magistrate 44th Court at Andheri under the Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque amounting to ₹ 4.32 lakhs in connection with the invoices raised by our Company. The complaint is pending hearing and final disposal.
2. Our Company has initiated proceedings (No. 12954 of 2009) against Mr. Nagesh Rai, the “**Accused**” before the The Metropolitan Magistrate 44th Court at Andheri under the Section 138 of the Negotiable Instruments Act, 1881, against the Accused for dishonour of cheque amounting to ₹ 1.00 lakh with respect to the invoices raised by our Company. The complaint is pending hearing and final disposal.
3. Shemaroo Video Private limited has initiated proceedings (No. 758 of 2005) against Mr. Ramesh Nair, the “**Accused**” before the The Metropolitan Magistrate 44th Court at Andheri under the Section 138 of the Negotiable

Instruments Act, 1881 against the Accused for dishonour of two cheques amounting to a total of ₹ 1.00 lakh, with respect to the invoices raised by our Company. The complaint is pending hearing and final disposal.

4. Our Company has initiated proceedings (No. 135 /SS of 2006) against Harry Baweja and Baweja Movies Private Limited, collectively, the “**Accused**” before the Metropolitan Magistrate 44th Court at Andheri under the Section 138 of the Negotiable Instruments Act, 1881 against the Accused for dishonour of a cheque amounting to ₹ 10.00 lakh with respect to the advance paid by our Company to the accused. The complaint is pending hearing and final disposal.
5. Our Company has initiated proceedings (No. 5764 SS of 2010), against Shree Naurang Godavari Entertainment Private Limited and Mrs. Radha Yadav, the “**Accused**”, before the Metropolitan Magistrate 44th Court at Andheri, under the Section 138 of the Negotiable Instruments Act, 1881, against the accused for dishonour of cheque amounting to ₹ 2.44 lakh with respect to the invoices raised by our Company. The complaint is pending hearing and final disposal.

2. TAXATION PROCEEDINGS

There are no pending taxation proceedings initiated by our Company.

3. CIVIL PROCEEDINGS:

1. Our Company has initiated proceedings (Suit No. 253 of 2006) against the M/s Ratan International, (“**Defendants**”) before the High Court of Bombay with respect to, *inter alia*, the right to transfer, process, record, replicate etc. the suit film Haqeeqat. Our Company has prayed, *inter alia*, for the following reliefs (i) the Defendants be held liable, ordered and decreed to pay a sum of ₹ 25 lakhs with such interest as the Court may allow as damages. (ii) Pending hearing and final disposal of the above suit the Defendants, their servants, agents or representatives etc be restrained from in any manner exploiting or exhibit in any manner the suit film Haqeeqat. (iii) Pending hearing and final disposal of the above suit, the Defendants or any other person on their behalf be restrained by an order and injunction from infringing the video copyright in the suit film Haqeeqat. (iv) Pending hearing and final disposal of the suit, the Court receiver be appointed receiver of the infringing copies of the suit film Haqeeqat. The suit is pending hearing and final disposal.
2. Our Company has initiated a summary suit (No. 3071 of 2008) before the High Court of Bombay against Baweja Movies Private Limited and Harry Baweja, (collectively, the “**Defendants**”) for recovery of amount payable in connection with the assignment of certain rights for a Hindi feature film. Our Company has prayed that the Defendant be ordered and decreed to pay to our Company a sum of ₹ 15.4 lakhs along with an interest at the rate of 18% per annum from the date of filing the suit till the date of actual payment. The suit is pending hearing and final disposal.
3. Shemaroo Video Private Limited, has initiated proceedings, (Suit No. 1902 of 2005) before the High Court of Bombay against Movie Tee Vee Enterprises and others, (collectively, the “**Defendants**”) with respect to the right, title or interest in the copyright including the copyright of the negatives with respect to the suit films viz. Karz, and Hero. Our Company has prayed, *inter alia*, for the following reliefs: (i) that the Defendants be restrained by an order and permanent injunction from in any manner infringing the copy right in the suit films, (ii) that the Defendants be restrained by an order and temporary injunction from in any manner infringing copy right and or from exploiting the suit films whether by sale, offer for sale, distribution or exhibition; and (iii) that a court receiver be appointed interim receiver of all infringing copies and other materials in respect of the suit films. There is no monetary claim and the suit is pending hearing and final disposal.
4. Our Company has initiated proceedings (Suit No. 2712 of 2008) against Mr. Afzal Khan , sole proprietor of Shabbho Arts, (collectively, the “**Defendants**”), for, *inter alia*, making sale of intellectual property rights of the suit films, namely, (i) Mahanta, (ii) Hum Kisise Kum Nahi, (iii) Mehbooba and (iv) God Tussi Great Ho , which are produced and owned by Mr. Afzal Khan. The Court passed a money decree dated April 16, 2009 for a sum of ₹ 265.33 lakhs in favour of our Company in respect of which the Defendants failed to make payment within the stipulated time. Our Company has filed an execution application bearing no. 865/2011 for the execution of the decree. A chamber summons bearing no. 1331/2011 has been issued, *inter alia*, for the appointment of a court receiver and served on the Defendant. The suit is pending hearing and final disposal.

C. Notices from Statutory Authorities

Environmental Notices

1. The Maharashtra Pollution Control Board, “**MPCB**” has issued show cause notice no. MPC/PSO/Mithi/B-89 (278) dated March 16, 2006 to our Company under section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974, (“**Water Act**”) and section 21 of the Air (Prevention and Control of Pollution), Act, 1981, (“**Air Act**”) alleging that our Company has not obtained the consent of the MPCB as required under the Water Act, Air Act and the Hazardous Waste (Management and Handling) Rules, 1981, respectively. Our Company has filed application number SEL/MPCB/Sept-11/001 dated September 19, 2011 to obtain the said consent.

D. Proceedings initiated against our Company for economic offences

1. Mr. Prem Prakash Mahajan “**Complainant**”, proprietor of M/s Mahajan Video, has filed a First Information Report (FIR No. 180) “**FIR**”, dated September 1, 2009, before the Office of the Assistant Commissioner of Police, IPR Section, Economic Offences Wing, Crime Branch, New Delhi, (“**ACP, Economic Offences Wing**”) against our Company and certain other parties, (“**Defendants**”) for alleged violation of sections 64/63 of the Copyright Act, 1947 and sections 420, 468 and 471 of Indian Penal Code, 1860. The Complainant has alleged that the Complainant was threatened by the Defendants for distributing certain films without obtaining a license to distribute such films. Our Company received notices dated February 22, 2010 and April 29, 2011 from the ACP, Economic Offences Wing in connection with the above. In reply to such notices, our Company has vide letters dated March 11, 2010 and May 25, 2011 clarified that our Company holds exclusive and perpetual rights over the two films specified therein. The complaint is pending hearing and final disposal.

E. Past penalties imposed on our Company

Sr. No.	Period of assessment	Type of Penalty	Amount (in ₹)
1.	2008-2009	Penalty under section 272 (a)(2)(c) of the Income Tax Act, 1961 in respect of late filing of TDS return.	2,900
2.	2009-2010	Penalty under section 272 (a)(2)(c) of the Income Tax Act, 1961 in respect of late filing of TDS return.	24,000
3.	2008-2009	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	2,000
4.	2008-2009	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	2,000
5.	2000-2010	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	12,000
6.	2010-2011	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	2,000

F. Potential legal proceedings against our Company:

There are no potential legal proceedings against our Company that we are currently aware of or in connection with which, we have received notice, except as provided below:

1. Indian Film Distributors (India) Private Limited, (“**IFDIPA**”) has lodged a complaint dated April 14, 2009 along with Indian Film Exporters Association, (“**IFEA**”) against Shemaroo Video Limited, (“**SVL**”) in connection with the illegal exploitation of video rights of 63 films and claims compensation for alleged exploitation of video rights of the said films. IFDIPA vide its aforementioned complaint claims a compensation of ₹ 2,50,000 per film for 3 years in addition to a compensation of USD 5,000 per film for 3 years video rights. SVL has filed its reply dated May 14, 2009 before IFEA and the said complaint before IFEA is currently pending hearing and final disposal.
2. Mr. Chandru T. Sadarangani, “**Complainant**”, proprietor of M/s Tarun Films International, addressed a letter dated March 14, 2011 to our Company and marked a copy to the MIDC Police Department, Andheri East, raising objection and claiming film rights over the following films namely, (i) Dharam Veer, (ii) Grahasthi, (iii) Harjaee, (iv) Hatyara, (v) Kanhaiyaa, (vi) Shaayad, and (vii) Pyar Diwana for which our Company has issued public notices. Our Company has received letters from the MIDC Police Department, Mumbai directing our Company to present themselves before the police station. Our Company has replied vide letters dated March 28, 2011 and August 4, 2011 to the Complainant and the MIDC Police Department respectively, denying the claims of the Complainant.

3. Mr. Devia Melwani, (“**Proposed Plaintiff**”) has filed Caveat No. 620 of 2011 before the High Court of Bombay against our Company, proposing to file a suit against our Company either alone or with another or others claiming damages for infringement of copyright. The caveat is pending hearing and final disposal.

G. Material developments since the last balance sheet date

Except as disclosed in the Section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 129 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

H. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above ₹ 1,00,000 to small scale undertaking(s) by our Company, for more than 30 days.

I. Pending proceedings initiated against other companies whose outcome could have an adverse effect on our Company

There are no pending proceedings, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

J. Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

K. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

L. First Information Reports filed by our Company

Our Company has filed over 115 first information reports, (“**FIR’s**”) with the concerned police departments against various individuals/corporate entities in connection with the business of the Company and the piracy of content over which our Company has legal rights for an amount aggregating to ₹ 884 lakhs.

III. Pending Proceedings involving the Directors of our Company:

Except as described below, there are no pending proceedings including criminal prosecutions or civil proceedings involving our Directors, no material defaults, violation of statutory regulations or non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of part I of Schedule XIII of the Companies Act).

A. Pending proceedings initiated against our Directors:

There are no pending proceedings initiated against our Directors, except as provided herein below:

I. Mr. Atul Maru

Taxation proceedings:

The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000/- penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the

Customs Act, 1962. The total demand along with interest payable amounts to ₹ 1,60,64,368. Appeals bearing No. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, *inter alia*, that (i) the aforementioned order be set aside the appeals be allowed in full. The matter is pending further hearing and final disposal.

2. Mr. Vasanji Mamania

Taxation Proceedings:

The Commissioner of Central Excise, Mumbai, (“**Commissioner**”) has passed an order dated August 25, 2009 against Adlabs Media Private Limited, (“**Adlabs**”) and Mr. Vasanji Mamania (in his capacity as a director on the board of Ad-labs) in connection with payment of certain excise related penalties. Adlabs and Mr. Vasanji Mamania have filed an appeal against the aforementioned order before the Customs and Service Tax Appellate Tribunal, West Zonal Bench, Mumbai and the tribunal has granted an unconditional stay against the said order. The potential penalties to be imposed on Mr. Vasanji Mamania amount to ₹. 5.80 lakhs. The appeal is pending hearing and final disposal.

B. Pending proceedings initiated by our Directors

There are no pending proceedings initiated by any of our Directors, except as provided herein below:

1. Mr. Vasanji Mamania

Civil Proceedings:

Mr. Vasanji Mamania has filed a suit (No. 1255 of 2007) before the Arbitral Tribunal of Justice V.G. Palshikar, (Retd. Judge of High Court of Bombay) against Mr. Yudunarain Mulky Shetty, (“**Defendant**”) claiming specific performance of the agreement dated May 2, 2006 entered into between Mr. Vasanji Mamania and the Defendant in respect of the sale of land situated at Moti Baug, opp. R.K.Studios at Sion-Trombay Road, Chembur, Mumbai 400 071. The quantum of compensation involved amounts to ₹ 1125 lakhs along with interest. The suit is pending hearing and final disposal.

C. Past penalties imposed on our Directors

A penalty of ₹ 6,000 has been imposed against the Company and our Director Mr. Atul Maru by Mumbai Mahanagar Palika for non-compliance of Bombay Municipal Corporation norms with respect to pest control which was paid on January 9, 2010.

D. Proceedings initiated against our Directors for economic offences

There are no proceedings initiated against any of our Directors for any economic offences.

IV. Legal proceedings involving the Promoters of our Company

There are no pending legal proceedings involving our Promoters, including criminal prosecutions or civil proceedings involving our Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of part I of Schedule XIII of the Companies Act), except as stated below:

A. Legal proceedings initiated against our Promoters

The following legal proceedings have been initiated against our Promoters:

1. Mr. Atul Maru

Taxation proceedings:

The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000/- penalty under

section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to ₹ 1,60,64,368. Appeals bearing No. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, *inter alia*, that (i) the aforementioned order be set aside the appeals be allowed in full. The matter is pending further hearing and final disposal.

B. Legal proceedings initiated by our Promoters

There are no pending legal proceedings, initiated by our Promoters.

C. Past penalties imposed on our Promoters

A penalty of ₹ 6,000 has been imposed against the Company and our Director Mr. Atul Maru by Mumbai Mahanagar Palika for non-compliance of Bombay Municipal Corporation Norms with respect to pest control which was paid on January 9, 2010.

D. Legal proceedings initiated against our Promoters for economic offences

There are no legal proceedings initiated against our Promoters, for any economic offences.

E. Tax proceedings initiated against our Promoters

There are no criminal proceedings initiated against our Promoters towards tax liabilities as on the date of filing the Draft Red Herring Prospectus.

F. Legal Proceedings/defaults in connection with companies/firms/ventures with which our Promoters were associated in the past

There are no pending legal proceedings/defaults in connection with companies/firms/ventures with which our Promoters were associated in the past.

G. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

H. Legal proceedings against our Promoters for violation of statutory regulations

There are no proceedings initiated against our Promoters for violation of statutory regulations as on the date of filing the Draft Red Herring Prospectus.

V. Legal proceedings involving our Subsidiaries:

There are no pending legal proceedings involving our Subsidiaries, including criminal prosecutions or civil proceedings. There are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Subsidiaries (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of part I of Schedule XIII of the Companies Act).

VI. Legal proceedings involving Group Companies and entities:

A. Pending legal proceedings against our Group Companies:

There no pending legal proceedings initiated against our Group Companies and entities, except as provided below:

1. Shemaroo Holdings Private Limited

Taxation Proceedings

1. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to

SHPL , for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹ 3,400 as tax deductible at source, payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated May 2, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.

2. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL , for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹12,870 as tax deductible at source, payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.
3. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL , for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹1,440 as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.
4. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL , for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹ 33.66 lakhs as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.
5. The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL , for assessment year 2009-10, under Section 156 of the Income Tax, Act, 1961, demanding ₹17,920/- as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied to the aforesaid notice vide a letter dated April 26, 2011, stating that (i) SHPL has already made the payment of ₹ 17440/- when the original notice was received on 27th March, 2010 hence consequently no tax demand as ₹ 17920/- includes the original amount of demand ₹ 17440/- plus differential interest for the period from March 27, 2010 till the date of issuance of notice for which SHPL has no liability. SHPL has thereafter not received any further communication from the Income Tax Office in this regard. SHPL has made an application for stay of demand of ₹ 17,920/- vide letter dated May 2, 2011.

2. ***M/s Shemaroo Corporation:***

Civil Proceedings:

1. Mr. Trikamdass Jethbhai Khatau, Mr. Hansraj Jethabhai Khatau, Mr. Ranjit Ramdas Khatau, Mr. Kishore Krishnakumar Khatau, Mr. Yogesh Krishnakumar Khatau and Mr. Dharamshi Jethabhai Khatau, have initiated, (collectively, the “**Plaintiffs**”) have initiated this suit No. 627/1422 of 1992 against Mrs. Habib Jumabhbai Takki, Mr. Parvez Habib Takki, Mr. Abid Habib Takki, (“**Defendants**”) who are tenants of the plaintiffs at the suit property known as Khatau Mansion. The Plaintiffs have alleged that the Defendants have committed “acts of waste” of the Plaintiff’s property within the meaning of section 108(o) of the Transfer of Property Act, 1882 by carrying out permanent structural additions and alterations without the Plaintiffs’ permission. M/s Shemaroo Corporation has been impleaded on the alleged grounds that M/s Shemaroo Corporation is in illegal use, occupation and possession of the suit premises. The plaintiff has prayed that (i) the Defendants and M/s Shemaroo Corporation be ordered and

decreed to hand over quiet, vacant and peaceful possession of the suit premises and (ii) the costs of the suit be provided for. There is no monetary claim against M/s Shemaroo Corporation. The suit is pending hearing and final disposal.

B. Pending Proceedings Initiated by our Group Companies and entities

There are no pending proceedings initiated by our Group Companies and entities.

C. Claims and Notices from Statutory Authorities

There are no claims and notices from statutory authorities against our Group Companies.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities, and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled “Regulations and Policies” on page 90 of this Draft Red Herring Prospectus.

A. Approvals relating to the Issue

1. In-principle approval from the NSE dated [●]; and
2. In-principle approval from the BSE dated [●].

B Incorporation Details

1. Certificate of incorporation dated April 1, 2011 consequent upon change of name, issued by the Deputy Registrar of Companies, Mumbai, Maharashtra, , pursuant to the change in name of our Company from Shemaroo Entertainment Private Limited to Shemaroo Entertainment Private Limited.
2. Corporate Identification Number: U67190MH2005PLC158288.

C Approvals relating to our business and operations

Sr. No.	Approval	Authority	Reference / Registration Number	Date	Expiry Date
1.	Permanent Account Number (PAN)	Income Tax Department	AAJCS7151G	December 23, 1005	N.A
2.	Tax Deduction Account no.	Income Tax department	MUMS51286E	December 23, 2005	N.A
3.	Certificate of Importer Exporter Code	Office of Joint Director General of Foreign Trade	IEC Code No. 0308053354	October 23, 2008	N.A
4.	Certificate of Registration issued under Maharashtra Value Added Tax Act	Sales Tax Department	27680664606V	July 2, 2008	N.A
5.	Certificate of Registration issued under The Central Sales Tax Act	Sales Tax Department	27680664606C	July 2, 2008	N.A
6.	Certificate or Registration issued under Service Tax Act	Service Tax Department	AAJCS7151GST001	July 4, 2008	N.A
7.	Certificate of Registration under sub section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer Registration Branch, Profession Tax Division, Mumbai	P.T.R.C Number: 27680664604P	October 16, 2008	N.A
8.	Certificate of enrollment under sub section (2 or (2A) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and	Profession Tax Officer Registration Branch, Profession Tax Division, Mumbai	P.T.R.C Number: 99851644722P	October 7, 2008	N.A

Sr. No.	Approval	Authority	Reference / Registration Number	Date	Expiry Date
	Employments Act, 1975				
9.	Certificate of Holograph Image Registration with Bajaj Holographics (India) Pvt. Ltd	International Holograph Manufacturers Association	Member Number 1079 Hologram Registration No. 3927	January 10, 2007	N.A
10.	Registration cum Membership Certificate granting our Company the status of Manufacturer Exporter	Assistant Director, Electronics and Computer Software Export Promotion Council	Ref: RCMC No. 02:E&CSEPC: DEL:REG:5485:MUM BAI:2008-09	July 21, 2011	July 21, 2012
11.	Allotment of Publishers Identifier under International Standard Numbering System for Books, Software, Mixed Media etc in Publishing Distribution and Library Practices (ISBN system)	Special Officer (BP) ISBN System	ISBN 978-81-910117-0-8	February 11, 2010	N.A
12.	Registration of Certificate of Establishment (Commercial Establishment as per the Delhi Shops and Establishment Act, 1954)	Department of Labour Government of National Capital Territory of Delhi	2011005942	February 18, 2011	N.A
13.	Permission to set up a new industrial undertaking for the manufacture of film production by filing an Industrial Entrepreneurial Memorandum (IEM)	Secretariat of Industrial Assistance, Ministry of Commerce and Industry	LIC/IEMS/S-13/2001	June 23, 2000	N.A
14.	Provident Fund Registration Certificate under Employees Provident Fund and Miscellaneous Provisions Act, 1952	Office of the Regional Provident Fund Commissioner	MH/44700	September 13, 2000	N.A
15.	Employees State Insurance Corporation Registration Certificate	Deputy Director Regional Office, Maharashtra, Employees State Insurance Corporation	Code no. 31-43443-101	March 14, 2001	N.A
16.	License under provisions of section 394 of Mumbai Municipal Corporation Act, for Plastic Goods-packing and repacking of plastic goods i.e. CD's, DVD's etc.	Inspector License KE Ward, Municipal Corporation of Greater Mumbai	License No. 871150675	January 6, 2011	December 13, 2011

Sr. No.	Approval	Authority	Reference / Registration Number	Date	Expiry Date
17.	Registration Certificate of Establishment under Bombay Shops and Establishments Act, 1948.	Senior Inspector, Bombay Shops and Establishments Act, 1948	Registration No. 760047160/COMMER CIALII	April 7, 2008	December 31, 2011
18.	Factory License under Factories Act, 1948 and related Rules	Industrial Safety and Health State of Maharashtra Mumbai	License No. 089289	October 19, 2007	December 31, 2011
19.	Factory License under Factories Act, 1948 and related Rules	Industrial Safety and Health State of Maharashtra Mumbai	License No. 087706	December, 24, 2004	December 31, 2011
20.	Certificate of Registration under Maharashtra Labour Welfare Fund	Maharashtra Labour Welfare Fund	MUM11937	October 6, 2003	N.A
21.	License under provisions of section 394 of Mumbai Municipal Corporation Act, for Plastic Goods-packing and repacking of plastic goods i.e. CD's, DVD's etc. – Plot 16	Inspector License KE Ward, Municipal Corporation of Greater Mumbai	License No. 871171004	March, 25, 2011	March 15, 2012
22.	NOC from Mumbai Fire Brigade – Plot 18	Municipal Corporation of Mumbai	FBL/S/110/198	March 9, 2011	N.A
23.	NOC from Mumbai Fire Brigade – Plot 16	Municipal Corporation of Mumbai	FBL/S/110/1481	December 6, 2010	N.A
24.	Location Clearance Certificate	Office of the Joint Directorate of Industries	JDI/MMR/LC/Zone-1/S/2011/1662	November, 7, 2011	October, 03, 2011
25.	Services Export Promotion Council Registration and Member	Director General, Services Export Promotion Council	SEPC/03/03/894/2010-11	June 21, 2011	N.A
26.	Certificate of registration under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Commissioner of labour and Registering Licensing officer under Contract Labour (Regulation and Abolition) Act, 1970	DYCL/CLA/Regn/Pvt/177/DESK-2	December 31, 2009	December 31, 2012

Approvals relating to intellectual property rights

Trademarks

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
1.	Shemaroo	1404502	Class 18 in respect of <i>inter alia</i> Leather and imitations of leather and articles made from these materials and not included in other classes skins, hides, trunks and travelling bags, umbrellas and walking sticks, whips, harness and saddlery	December 7, 2005	December 6, 2015
2.	Shemaroo	1404478	Class 41 in respect of <i>inter alia</i> cine films (rental of) cinema facilities (providing), editing, video tape,	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			television entertainment, entertainer services, film production, movie studios, movie theatre facilities (providing) recording studio services sound recording		
3.	Shemaroo	1404479	Class 42 in respect of inter alia providing of food and drink, temporary accommodation, medical, hygienic and beauty care, veterinary and agricultural services legal services, scientific and industrial research computer programming	December 7, 2005	December 6, 2015
4.	Shemaroo	1404480	Class 40 in respect of inter alia treatment of material	December 7, 2005	December 6, 2015
5.	Shemaroo	1404481	Class 39 in respect of inter alia transportation packaging and storage of goods, travel arrangements	December 7, 2005	December 6, 2015
6.	Shemaroo	1404482	Class 38 in respect of inter alia telecommunication, cable television broadcasting, computer terminals (communication by radio broadcasting)	December 7, 2005	December 6, 2015
7.	Shemaroo	1404483	Class 37 in respect of inter alia building construction repair, installation services	December 7, 2005	December 6, 2015
8.	Shemaroo	1404484	Class 36 in respect of inter alia insurance and financial affairs, monetary affairs, real estate affairs.	December 7, 2005	December 6, 2015
9.	Shemaroo	1404485	Class 35 in respect of inter alia including advertising and business management, business administration, office functions, radio advertising, radio commercials, television, advertising television commercials	December 7, 2005	December 6, 2015
10.	Shemaroo	1404486	Class 34 in respect of inter alia including Gutkha, tobacco, raw or manufactured, smokers articles matches	December 7, 2005	December 6, 2015
11.	Shemaroo	1404487	Class 33 in respect of inter alia including wines, spirits and liqueres	December 7, 2005	December 6, 2015
12.	Shemaroo	1404488	Class 32 in respect of inter alia beer, ale and porter, mineral and aerated water and other non- alcoholic drinks, syrups and preparations making beverages	December 7, 2005	December 6, 2015
13.	Shemaroo	1404489	Class 31 in respect of inter alia Pan masala, mouth freshner, mukhwas, supari, agricultural, horticultural forestry products and grains not included in other clases living animals fresh fruits and vegetables seeds live plants and flowers, foods for animals	December 7, 2005	December 6, 2015
14.	Shemaroo	1404490	Class 30 in respect of inter alia coffe tea, cocoa, sugar, rice, tapioca, sago, coffe substitutes flower and preparations made fom creals bread biscuits cakes pasteries and confectionery honey, treacle, yeast baking powder, salt, mustard, pepper, vinegar, sauces, spices, ice.	December 7, 2005	December 6, 2015
15.	Shemaroo	1404491	Class 29 in respect of inter alia meat, fish, poultry and games, meat extracts, preserved dried and cooked fruits and	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			vegetables, jellies jams, eggs, milk, and other dairy products, edible oils and fats and preserves pickles		
16.	Shemaroo	1404493	Class 27 in respect of inter alia carpets, rugs, mats and matting, linoleums and other materials for covering floors, wall hangings (non textile)	December 7, 2005	December 6, 2015
17.	Shemaroo	1404494	Class 26 in respect of inter alia lace and embroidery, ribbons and braid, buttons, press buttons, hookbanas eyes, pins and needles, artificial flowers	December 7, 2005	December 6, 2015
18.	Shemaroo	1404495	Class 25 in respect of inter alia clothing including boots, shoes and slippers	December 7, 2005	December 6, 2015
19.	Shemaroo	1404496	Class 24 in respect of tissue (piece goods) bed and table covers, textile articles not included in other classes	December 7, 2005	December 6, 2015
20.	Shemaroo	1404497	Class 23 in respect of inter alia yarns and threads	December 7, 2005	December 6, 2015
21.	Shemaroo	1404498	Class 22 in respect of inter alia ropes, strings, nets, tents, awnings and tarpaulins and sails, sacks, padding and stuffing materials (hair, capoc, feathers, sea weed), raw fibres, textiles materials	December 7, 2005	December 6, 2015
22.	Shemaroo	1404499	Class 21 in respect of inter alia small domestic utensils and containers (not of precious metal nor coated therewith), combs and sponges, brushes other than paint brushes, brush making materials instruments and material for cleaning purposes, steel wool, glass ware, porcelain and earthen ware not included in other classes	December 7, 2005	December 6, 2015
23.	Shemaroo	1404500	Class 20 in respect of inter alia furniture, mirrors, picture frames, articles (not included in other classes of wood) cork, reeds, canes, wickers, horn, bone, ivory, whale bone, shell, amber, mother of pearl, meerschaum, celluloid and substitutes for all these materials.	December 7, 2005	December 6, 2015
24.	Shemaroo	1404501	Class 19 in respect of inter alia building materials, natural artificial stone, cement lime, mortar, plaster and gravel, pipes of earthen wares or cements, road making materials, asphalt, pitch and bitumen, portable buildings, stone monuments, chimney pots.	December 7, 2005	December 6, 2015
25.	Shemaroo	1404503	Class 17 in respect of inter alia gutta percha, india rubber, balata and substitutes articles made from these substances and not included in other classes, materials for packing stopping or insulating, asbestos, mica and their products, hose pipes (non metallic) plastics in the form of sheets, blocks, rods, and tubes being for use in manufactures	December 7, 2005	December 6, 2015
26.	Shemaroo	1404506	Class 14 in respect of inter alia precious metals and their alloys and goods and	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			precious metals or coated therewith (accepts cutlery forks and spoons), jewellery, precious stones, horological and other chronometric instruments		
27.	Shemaroo	1404507	Class 13 in respect of inter alia fire arm ammunition and projectile, explosive substance and fire works	December 7, 2005	December 6, 2015
28.	Shemaroo	1404509	Class 11 in respect of inter alia installations for lading heating steam generating cooking, refrigeration, drying, ventilating water supply and sanitary purposes	December 7, 2005	December 6, 2015
29.	Shemaroo	1404510	Class 10 in respect of inter alia surgical medical, dental and veterinary instruments and apparatus including artificial limbs, eyes and teeth.	December 7, 2005	December 6, 2015
30.	Shemaroo	1404512	Class 8 in respect of inter alia hand tools and instruments, cutlery forks and spoons, side arms	December 7, 2005	December 6, 2015
31.	Shemaroo	1404513	Class 7 in respect of inter alia machines and machine tools, motors (except for vehicles) machine couplings and belting (except for vehicles) large size agricultural implements incubators	December 7, 2005	December 6, 2015
32.	Shemaroo	1404514	Class 6 in respect of inter alia unwrought and partly wrought common metals and their alloys, anchors and those bells, rolled and cast building materials, rails and other metallic materials for railway tracks chains (except driving chains for vehicles), cables and wires (no electric), lock smith work, metallic pipes and tube, safes and cash boxes, steel balls, horse shoes nails and screws other goods in non precious metal not included in other classes and ores.	December 7, 2005	December 6, 2015
33.	Shemaroo	1404515	Class 5 in respect of inter alia pharmaceutical veterinary and sanitary substances infants and invalids food, plasters materials for bandaging, materials for stopping teeth, dental wax, disinfectants, preparation for killing weeds and destroying vermin	December 7, 2005	December 6, 2015
34.	Shemaroo	1404516	Class 4 in respect of inter alia industrial oils and greases (other than edible oils, fats and essential oils), lubricants, dust laying and absorbing compositions, fuels (including motor spirit) and illuminations, candles, tapers, nightlights and wicks	December 7, 2005	December 6, 2015
35.	Shemaroo	1404518	Class 3 in respect of inter alia bleaching preparations and other substances for laundry use, cleaning polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices.	December 7, 2005	December 6, 2015
36.	Shemaroo	1404517	Class 2 in respect of inter alia paints varnishes, lacquers preservatives against rust and against deterioration o	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			wood clouring matters, dyestuffs, morants, resins metals in foil and power form for painters and decorators		
37.	Shemaroo	1404519	Class 1 in respect of Chemical products used in industry, science, photography, agriculture, horticulture, forestry, manures (natura and artificial), fire extinguishing compositions, tempering substances and chemical preparations for soldering chemical substances for preserving food stuffs, tanning substances adhesive substances used in industry	December 7, 2005	December 6, 2015
38.	Shemaroo	1404520	Class 41 in respect of <i>inter alia</i> cine films (rental of) cinema facilities (providing), editing, video tape, television entertainment, entertainer services, film production, movie studios, movie theatre facilities (providing) recording studio services sound recording	December 7, 2005	December 6, 2015
39.	Shemaroo	1404521	Class 38 in respect of <i>inter alia</i> telecommunication, cable television broadcasting, computer terminals (communication by radio broadcasting)	December 7, 2005	December 6, 2015
40.	Shemaroo	1404522	Class 35 in respect of <i>inter alia</i> including advertising and business management, business administration, office functions, radio advertising, radio commercials, television, advertising television commercials	December 7, 2005	December 6, 2015
41.	Tina (Logo)	1710111	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	July 14, 2008	July 14, 2018
42.	Tina (Logo)	1710112	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	July 14, 2008	July 14, 2018
43.	Tina (Logo)	1710113	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	July 14, 2008	July 14, 2018
44.	Tina (Logo)	1710114	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	July 14, 2008	July 14, 2018
45.	Tina (Logo)	1710115	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	July 14, 2008	July 14, 2018
46.	Tina (Logo)	1710116	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	July 14, 2008	July 14, 2018
47.	Perry (Logo)	1766507	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
48.	Perry (Logo)	1766508	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
49.	Chica (Logo)	1766902	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
50.	Chica (Logo)	1766903	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these	December 22, 2008	December 22, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			materials		
51.	Chica (Logo)	1766904	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
52.	Chica (Logo)	1766905	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
53.	Chica (Logo)	1766906	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
54.	Pina (Logo)	1766923	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
55.	Pina (Logo)	1766924	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
56.	Pina (Logo)	1766925	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
57.	Pina (Logo)	1766926	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
58.	Esbee (Logo)	1766929	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
59.	Esbee (Logo)	1766933	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
60.	Bal Ganesh (Logo)	1792197	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
61.	Bal Ganesh (Logo)	1792198	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
62.	Coco (Logo)	1792201	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
63.	Miss Orange (Logo)	1792207	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
64.	Miss Orange (Logo)	1792208	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
65.	Perry (Logo)	1792209	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
66.	Esbee (Logo)	1792213	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
67.	Water Melon (Logo)	1792216	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
68.	Gorilla (Logo)	1792217	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
69.	Ghatothkach (Logo)	1792219	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
70.	Tina (Logo)	1792221	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
71.	Judy (Logo)	1792223	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
72.	Judy (Logo)	1792224	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
73.	Chintu power (Logo)	1829167	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
74.	Chintu power (Logo)	1829168	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
75.	Chintu power (Logo)	1829169	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
76.	Chintu power (Logo)	1829170	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
77.	Chintu power (Logo)	1829171	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
78.	Chintu power (Logo)	1829172	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
79.	Chintu power (Logo)	1829173	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
80.	Chintu power (Logo)	1829174	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
81.	Matru (Logo)	1829219	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
82.	Kateeli (Logo)	1829207	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
83.	Kateeli (Logo)	1829208	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
84.	Kateeli (Logo)	1829209	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
85.	Kateeli (Logo)	1829210	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
86.	Kateeli (Logo)	1829211	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
87.	Kateeli (Logo)	1829212	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
88.	Kateeli (Logo)	1829213	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
89.	Kateeli (Logo)	1829240	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
90.	Rinki (Logo)	1829230	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
91.	Rinki (Logo)	1829231	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
92.	Rinki (Logo)	1829233	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
93.	Rinki (Logo)	1829234	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
94.	Rinki (Logo)	1829236	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
95.	Rinki (Logo)	1829237	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
96.	Chintu (Logo)	1829159	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
97.	Chintu (Logo)	1829160	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
98.	Chintu (Logo)	1829161	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
99.	Chintu (Logo)	1829162	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
100.	Chintu (Logo)	1829163	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
101.	Chintu (Logo)	1829166	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
102.	Gatruu (Logo)	1829199	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
103.	Gatruu (Logo)	1829200	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
104.	Gatruu (Logo)	1829201	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
105.	Gatruu (Logo)	1829202	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
106.	Gatruu (Logo)	1829203	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
107.	Gatruu (Logo)	1829204	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
108.	Gatruu (Logo)	1829205	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
109.	Gatruu (Logo)	1829206	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
110.	Muchmuch (Logo)	1829222	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
111.	Muchmuch (Logo)	1829223	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
112.	Muchmuch (Logo)	1829224	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
113.	Muchmuch (Logo)	1829225	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
114.	Muchmuch (Logo)	1829226	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
115.	Muchmuch (Logo)	1829227	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
116.	Muchmuch (Logo)	1829229	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
117.	Matru (Logo)	1829216	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
118.	Matru (Logo)	1829217	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
119.	Matru (Logo)	1829218	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
120.	Matru (Logo)	1829220	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
121.	Rinki power (Logo)	1829175	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
122.	Rinki power (Logo)	1829176	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
123.	Rinki power (Logo)	1829177	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
124.	Rinki power (Logo)	1829178	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears,	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			fluffy animals, fluffy dolls		
125.	Rinki power (Logo)	1829180	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
126.	Rinki power (Logo)	1829181	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
127.	Rinki power (Logo)	1829182	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
128.	Thul thul (Logo)	1829183	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
129.	Thul thul (Logo)	1829184	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
130.	Thul thul (Logo)	1829185	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
131.	Thul thul (Logo)	1829186	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
132.	Thul thul (Logo)	1829187	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
133.	Thul thul (Logo)	1829188	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
134.	Thul thul (Logo)	1829189	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
135.	Thul thul (Logo)	1829190	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
136.	Pangaa Gang (Logo)	1829192	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
137.	Pangaa Gang (Logo)	1829193	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
138.	Pangaa Gang (Logo)	1829194	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
139.	Pangaa Gang (Logo)	1829195	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
140.	Pangaa Gang (Logo)	1829196	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
141.	Pangaa Gang (Logo)	1829197	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
142.	Pangaa Gang (Logo)	1829198	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
143.	Miss Orange (Logo)	1766502	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
144.	Perry (Logo)	1766505	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
145.	Miss Apple (Logo)	1766538	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
146.	Miss Apple (Logo)	1766539	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
147.	Miss Apple (Logo)	1766540	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
148.	Miss Apple (Logo)	1766541	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
149.	Miss Apple (Logo)	1766542	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
150.	Miss Apple (Logo)	1766543	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
151.	Benny (Logo)	1766544	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
152.	Benny (Logo)	1766545	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
153.	Perry (Logo)	1766504	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
154.	Perry (Logo)	1766506	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
155.	Ghatothkach (Logo)	1710105	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	July 14, 2008	July 14, 2018
156.	Ghatothkach (Logo)	1710106	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	July 14, 2008	July 14, 2018
157.	Ghatothkach (Logo)	1710107	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	July 14, 2008	July 14, 2018
158.	Ghatothkach (Logo)	1710108	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	July 14, 2008	July 14, 2018
159.	Ghatothkach (Logo)	1710109	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	July 14, 2008	July 14, 2018
160.	Ghatothkach (Logo)	1710110	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	July 14, 2008	July 14, 2018
161.	Judy (Logo)	1710099	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	July 14, 2008	July 14, 2018
162.	Judy (Logo)	1710101	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	July 14, 2008	July 14, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
163.	Judy (Logo)	1710103	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	July 14, 2008	July 14, 2018
164.	Judy (Logo)	1710104	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	July 14, 2008	July 14, 2018
165.	Water Melon (Logo)	1829147	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
166.	Water Melon (Logo)	1829148	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
167.	Water Melon (Logo)	1829150	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
168.	Water Melon (Logo)	1829152	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
169.	Gorilla (Logo)	1829153	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
170.	Gorilla (Logo)	1829156	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
171.	Gorilla (Logo)	1829157	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
172.	Gorilla (Logo)	1829158	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
173.	Miss Orange (Logo)	1766500	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
174.	Benny (Logo)	1766546	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
175.	Benny (Logo)	1766548	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
176.	Miss Orange (Logo)	1766501	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
177.	Perry (Logo)	1766503	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
178.	Judy (Logo)	1710102	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	July 14, 2008	July 14, 2018
179.	Benny (Logo)	1766547	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
180.	Benny (Logo)	1766549	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
181.	Miss Orange (Logo)	1766497	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
182.	Miss Orange (Logo)	1766498	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
183.	Miss Orange (Logo)	1766499	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
184.	Chica (Logo)	1792199	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
185.	Chica (Logo)	1792200	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
186.	Chica (Logo)	1792202	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
187.	Benny (Logo)	1792205	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
188.	Benny (Logo)	1792206	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
189.	Esbee (Logo)	1792214	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
190.	Pina (Logo)	1792212	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
191.	Water Melon (Logo)	1792215	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
192.	Gorilla (Logo)	1792218	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
193.	Ghathokach (Logo)	1792220	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
194.	Tina (Logo)	1792222	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
195.	Perry (Logo)	1792210	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
196.	Shemaroo with Logo	1151973	Class 12 in respect of <i>inter alia</i> vehicles, apparatus for locomotion by land, apparatus for locomotion by land, air or water.	November 20, 2002	November 20, 2012
197.	Shemaroo with Logo	1151974	Class 15 in respect of musical instruments	November 20, 2002	November 20, 2012
198.	Shemaroo with Logo	1151975	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	November 20, 2002	November 20, 2012

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
199.	Shemaroo with Logo	1151977	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	November 20, 2002	November 20, 2012
200.	Shemaroo with Logo	1151978	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	November 20, 2002	November 20, 2012

Copyrights

Sr. No.	Copyright Title	Copyright Number	Date of Certificate of Registration
1.	Judy	A-900080/2011	Januray 22, 2010
2.	Bal Ganesh	A-87171/2009	July 2, 2009
3.	Benny	A-87172/2009	July 2, 2009
4.	Pina	A-87173/2009	July 2, 2009
5.	Water Melon	A-87174/2009	July 2, 2009
6.	Gorilla	A-87175/2009	July 2, 2009
7.	Esbee	A-87176/2009	July 2, 2009
8.	Miss Apple	A-87177/2009	July 2, 2009
9.	Coco	A-87178/2009	July 2, 2009
10.	Perry	A-87179/2009	July 2, 2009
11.	Miss Orange	A-87180/2009	July 2, 2009
12.	Chica	A-87181/2009	July 2, 2009

Designs

Sr. No.	Design	Design Number	Class	Date of Certificate of Registration	Date of Expiry
1.	Ghatothkach - Plastic Foil (Self Adhesive)	216205	05-06	May 6, 2008	May 6, 2018
2.	Tina - Plastic Foil (Self Adhesive)	216206	05-06	May 6, 2008	May 6, 2018
3.	Judy - Plastic Foil (Self Adhesive)	216207	05-06	May 6, 2008	May 6, 2018
4.	Bal Ganesh - Plastic Foil (Self Adhesive)	220183	05-06	December 15, 2008	December 15, 2018
5.	Perry - Foil (Self Adhesive)	220184	05-06	December 15, 2008	December 15, 2018
6.	Miss Orange - Foil (Self Adhesive)	220185	05-06	December 15, 2008	December 15, 2018

Sr. No.	Design	Design Number	Class	Date of Certificate of Registration	Date of Expiry
	Adhesive)				
7.	Miss Apple - Foil (Self Adhesive)	220186	05-06	December 15, 2008	December 15, 2018
8.	Coco - Foil (Self Adhesive)	220187	05-06	December 15, 2008	December 15, 2018
9.	Chica - Foil (Self Adhesive)	220188	05-06	December 15, 2008	December 15, 2018
10.	Esbee - Foil (Self Adhesive)	220189	05-06	December 15, 2008	December 15, 2018
11.	Water Melon - Foil (Self Adhesive)	220190	05-06	December 15, 2008	December 15, 2018
12.	Benny - Foil (Self Adhesive)	220191	05-06	December 15, 2008	December 15, 2018
13.	Pina - Foil (Self Adhesive)	220192	05-06	December 15, 2008	December 15, 2018
14.	Gorilla - Foil (Self Adhesive)	220193	05-06	December 15, 2008	December 15, 2018
15.	Pangaa Gang - Foil (Self Adhesive)	222776	05-06	May 5, 2009	May 5, 2019

Taxation related registrations

We have received the following major taxation related registrations:

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Date of grant	Validity
1.	Allotment of tax Deduction Account Number (TAN) as per the Income Tax Act, 1961	Income Tax Department, Mumbai	TAN: MUMS51286E	May 21, 2006	N/A
2.	Central Sales Tax Registration Certificate	Notified Authority under Sales Tax Registration and Turnover Rules, 1957	TIN No. 07530349720	August 21, 2008	N/A
3.	Certificate of Registration under Delhi Value Added Tax Act, 2004	Value Added Tax Officer, Central Registration Cell, Department of Trade and Taxes, Government of N.C.T of Delhi	Registration No.07530349720	August 21, 2008	N/A
4.	Certificate of Registration u/s 16 of Maharashtra Value Added Tax Act, 2002	Sales Tax Officer, Registration Branch, Mumbai	TIN No. 27680664606V	July 2, 2008	N/A
5.	Certificate of Registration under Central Sales Tax (Regulation and Turnover) Rules, 1957	Sales Tax Officer, Registration Branch, Mumbai	TIN No. 27680664606C	July 2, 2008	N/A
6.	Service Tax Registration Certificate	Superintendent Service Tax-I Div. IV, Mumbai Central board of excise and customs	STC No. AAJCS7151GST001	June 24, 2008	N/A
7.	Certificate of Registration u/s 69 of the Finance Act,	Office of the Assistant	STC Code: AAAJCS7151GST001	March 4, 2009	N/A

	1994, Registration for Taxable Services	Commissioner of Service Tax Division-III, Mumbai	Premises code: SC0300001		
8.	Certificate of Registration as Dealer u/s 7(1)/7(2) of the Central Sales Tax Act, 1956	Registering, Licensing Officer under the Contract Labour (Regulation & Abolition) act, 1970, Government of Maharashtra	DYCL/CLA/REGN./PV T./177/DESK-27/28	April 1, 2011	N/A

Applications made in relation to which approvals are pending

Sr. No.	Approval applied for	Authority	Reference / Registration Number	Date of Application
1.	Factory Power Permit U/s. 390 of Municipal Corporation of Greater Mumbai Act.	Brihan-Mumbai Mahanagar Palika, Building and Factory Department	Ref. No. 785028637	May 20, 2011
2.	Consent of state pollution control board under Water (Prevention and Control of Pollution) Act, 1974, and section 21 of the Air (Prevention and Control of Pollution), Act, 1981	Maharashtra Pollution Control Board	Application No. SEL/MPCB/Sept-11/001	September 19, 2011

Trademarks

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
1.	Shemaroo	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	1404492	December 7, 2005
2.	Shemaroo	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1404504	December 7, 2005
3.	Shemaroo	Class 15 in respect of musical instruments	The Registrar of Trademark, Mumbai	1404505	December 7, 2005
4.	Shemaroo	Class 12 in respect of <i>inter alia</i> vehicles, apparatus for locomotion by land, apparatus for locomotion by land, air or water.	The Registrar of Trademark, Mumbai	1404508	December 7, 2005
5.	Shemaroo	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1404511	December 7, 2005
6.	Shemaroo (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these material	The Registrar of Trademark, Mumbai	1404523	December 7, 2005
7.	Shemaroo (Logo)	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1404524	December 7, 2005
8.	Chica (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1766907	December 22, 2008

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
9.	Coco (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1766908	December 22, 2008
10.	Coco (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1766909	December 22, 2008
11.	Coco (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1766910	December 22, 2008
12.	Coco (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1766912	December 22, 2008
13.	Coco (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1766913	December 22, 2008
14.	Esbee (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1766931	December 22, 2008
15.	Esbee (Logo)	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	1766932	December 22, 2008
16.	Esbee (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1766934	December 22, 2008
17.	Bal Ganesh (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1829142	June 15, 2009
18.	Bal Ganesh (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829143	June 15, 2009
19.	Bal Ganesh (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1829145	June 15, 2009
20.	Water Melon (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1829151	June 15, 2009
21.	Chintu (Logo)	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1829165	December 4, 2008
22.	Chintu (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1829164	June 15, 2009
23.	Matru (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1829214	June 15, 2009
24.	Rinki (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829232	June 15, 2009

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
25.	Rinki (Logo)	Class 30 in respect of inter alia coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1829235	June 15, 2009
26.	Rinki power (Logo)	Class 29 in respect of inter alia preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1829179	June 15, 2009
27.	Bal Ganesh (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1829141	June 15, 2009
28.	Judy (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1710100	July 14, 2008
29.	Coco (Logo)	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	1766911	December 22, 2008
30.	Pina (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1766927	December 22, 2008
31.	Pina (Logo)	Class 30 in respect of inter alia coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1766928	December 22, 2008
32.	Esbee (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1766930	December 22, 2008
33.	Miss Apple (Logo)	Class 09 in respect of inter alia exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1792203	March 4, 2009
34.	Miss Apple (Logo)	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	The Registrar of Trademark, Mumbai	1792204	March 4, 2009
35.	Pina (Logo)	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1792211	March 4, 2009
36.	Bal Ganesh (Logo)	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	1829144	June 15, 2009
37.	Gorilla (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1829154	June 15, 2009
38.	Gorilla (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829155	June 15, 2009
39.	Pangaa Gang (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1829191	June 15, 2009
40.	Muchmuch (Logo)	Class 9 in respect of inter alia exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1829228	December 13, 2008

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
41.	Bal Ganesh (Logo)	Class 30 in respect of inter alia coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1829146	June 15, 2009
42.	Water Melon (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829149	June 15, 2009
43.	Matru (Logo)	Class 16 in respect of inter alia paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1829215	December 11, 2008
44.	Matru (Logo)	Class 41 in respect of inter alia education services, entertainment services, particularly television programming	The Registrar of Trademark, Mumbai	1829221	December 11, 2008
45.	Shemaroo with Logo	Class 20 in respect of <i>inter alia</i> furniture, mirrors, picture frames, articles (not included in other classes of wood) cork, reeds, canes, wickers, horn, bone, ivory, whale bone, shell, amber, mother of pearl, meerschaum, celluloid and substitutes for all these materials.	The Registrar of Trademark, Mumbai	1151976	November 20, 2002
46.	Shemaroo with Logo	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1144357	October 18, 2002

Copyrights

Sr. No.	Copyright Title	Authority before which registration is pending	Application Number	Date of Application
1.	Pangaa Gang	The Registrar of Copyrights, New Delhi	H9018	June 2, 2009
2.	Chintu	The Registrar of Copyrights, New Delhi	H8793	June 2, 2009
3.	Chintu power	The Registrar of Copyrights, New Delhi	H8792	June 2, 2009
4.	Gatruu	The Registrar of Copyrights, New Delhi	H8791	June 2, 2009
5.	Kateeli	The Registrar of Copyrights, New Delhi	H8790	June 2, 2009
6.	Matru	The Registrar of Copyrights, New Delhi	H8789	June 2, 2009
7.	Muchmuch	The Registrar of Copyrights, New Delhi	H8788	June 2, 2009
8.	Rinki	The Registrar of Copyrights, New Delhi	H8787	June 2, 2009
9.	Rinki power	The Registrar of Copyrights, New Delhi	H8786	June 2, 2009
10.	Thul thul	The Registrar of Copyrights, New Delhi	H8785	June 2, 2009
11.	Ghatothkach	The Registrar of Copyrights, New Delhi	H8064	July 15, 2008

Sr. No.	Copyright Title	Authority before which registration is pending	Application Number	Date of Application
12.	Tina	The Registrar of Copyrights, New Delhi	H8066	July 15, 2008

Designs

Sr. No.	Design	Class Number	Authority before which it is pending	Application Number	Date of Application
1.	Thul Thul Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222768	May 5, 2009
2.	Rinki Power Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222769	May 5, 2009
3.	Rinki Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222770	May 5, 2009
4.	Chintu Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222771	May 5, 2009
5.	Chintu Power Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222772	May 5, 2009
6.	Gatruu Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222777	May 5, 2009
7.	Kateeli Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222773	May 5, 2009
8.	Matru Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222774	May 5, 2009
9.	Muchmuch Cartons	09	The Controller of Patents and Designs, Patents Office, Kolkata	222775	May 5, 2009

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

- Our Board has, pursuant to its resolution dated August 8, 2011 authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.
- The shareholders of our Company have authorised this Issue by their extra-ordinary resolution passed pursuant to Section 81(1A) of the Companies Act, at its EGM held on August 29, 2011 and authorised the Board to take decisions in relation to this Issue.
- Further, the IPO Committee has approved this Draft Red Herring Prospectus through its resolution dated September 19, 2011.

Prohibition by RBI

None of our Company, our Subsidiaries, our Directors, our Promoters, relatives of Promoters, our Promoter Group, and our Group Companies have been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Prohibition by SEBI or governmental authorities

We confirm that our Company, our Subsidiaries, Promoters, persons in control of our Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by the SEBI. Further, SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated.

None of our Directors are associated with the securities market in any manner.

Eligibility for this Issue

Our Company is an unlisted company, complying with the conditions specified in Regulation 26(1) of the SEBI Regulations in the following manner:

- Our Company has net tangible assets of at least ₹ 300 lakhs in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 100 lakhs in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of our Company; and
- Our Company has not changed its name in the last fiscal year.

Our Company's distributable profits, net worth, net tangible assets and monetary assets derived from its audited and restated standalone financial statements for Fiscal 2011, 2010, 2009, 2008 and 2007, are set forth below:

Particulars	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Distributable Profits ⁽¹⁾	2,854.29	1,764.83	1,638.95	2,860.72	(3.67)
Net Worth ⁽²⁾	9,138.22	7,953.83	7,827.95	6,059.20	(2.67)
Net Tangible assets ⁽³⁾	9,138.22	7,953.83	7,827.95	6,059.20	(2.67)
Monetary assets ⁽⁴⁾	781.18	1,851.97	1,468.17	1,791.00	2.23
Monetary assets as a percentage of the net tangible assets	8.55%	23.28%	18.76%	29.56%	83.55%

(₹ in lakhs)

(1) 'Distributable profits' have been defined in terms of Section 205 of the Companies Act, 1956.

(2) 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance in the profit and loss account.

(3) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(4) Monetary assets comprise of cash, and bank balances public deposit accounts with the Government.

Our Company's distributable profits, net worth, net tangible assets and monetary assets derived from its audited and restated consolidated financial statements for Fiscal 2011, 2010, 2009, 2008 and 2007, are set forth below:

(₹ in lakhs)

Particulars	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Distributable Profits ⁽¹⁾	2,772.56	1,610.90	1,579.18	2,852.32	(3.67)
Net Worth ⁽²⁾	9,060.61	7,777.93	7,723.66	6,021.89	(2.67)
Net Tangible assets ⁽³⁾	9,060.61	7,777.93	7,723.66	6,021.89	(2.67)
Monetary assets ⁽⁴⁾	842.81	1,862.36	1,520.86	1,816.38	2.23
Monetary assets as a percentage of the net tangible assets	9.30%	23.94%	19.69%	30.16%	83.55%

(1) 'Distributable profits' have been defined in terms of Section 205 of the Companies Act, 1956.

(2) 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance in the profit and loss account.

(3) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(4) Monetary assets comprise of cash, and bank balances public deposit accounts with the Government.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded. 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.

This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the SCRR read with Regulation 41(1) of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Our Company may, in consultation with the Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see "Issue Procedure" on page 200 of this Draft Red Herring Prospectus.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

- Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through its applications dated [●] and [●], respectively and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the [●] shall be the Designated Stock Exchange;
- Our Company has entered into agreements dated July 20, 2011 and July 7, 2011 with NSDL, CDSL and the Registrar to the Issue, respectively, for dematerialisation of the Equity Shares; and
- The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

We propose to meet our expenditure towards the objects of the Issue entirely out of the proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) does not apply. For further details in this regard, see "Objects of the Issue" on page 39 of this Draft Red Herring Prospectus.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, ICICI SECURITIES LIMITED AND YES BANK LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS, ICICI SECURITIES LIMITED AND YES BANK LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, YES BANK LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 19, 2011 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION

SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE

AS THE ISSUE SIZE IS MORE THAN ₹ 10 CRORES, 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 THIS DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

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

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from our Company, our Directors and the Book Running Lead Managers

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.shemaroo.com, or the website of any of our Subsidiaries, our Promoters, Promoter Group, Group Company or of any affiliate or associate of our Company or Subsidiaries, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, our Company and Registrar to the Issue.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor any member of the Syndicate shall be liable to Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company and its Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum

corpus of ₹ 2500 lakhs and pension funds with minimum corpus of ₹ 2500 lakhs, VCFs, the National Investment Fund, insurance funds set up and managed by the army, navy or air force of the Union of India and permitted Non-Residents including FIIs, their Sub-Accounts, FVCIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, Third Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC located at the address mentioned below. Further, a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC located at the address mentioned below:

The Registrar of Companies
100, Everest, Marine Drive,
Mumbai- 400 002,
India
Telephone: +91 22 2281 2639
Email: roc.mumbai@mca.gov.in

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. As prescribed under Section 73 of the Companies Act, if such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of refusal of permission from the Stock Exchanges then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid Closing Date.

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the BRLMs, the Auditor, the lenders to our Company, the domestic legal counsel to our Company, the domestic legal counsel to the Book Running Lead Managers, the International legal counsel to the Issue, the Bankers to our Company, the Registrar to the Issue have been obtained; and consents in writing of (b) the IPO Grading Agency, the Syndicate Members, the Escrow Collection Banks and the refund banks to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act. Further, such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, M/s M.K. Dandeker & Co. Chartered Accountants have given their written consent for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus. Further, such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

[●], the IPO Grading Agency, will give its written consent for inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations and the examination reports for our (i) audited and restated standalone financial statements, (ii) audited and restated consolidated financial statements and (iii) statement of tax benefits as provided by the Auditors, M/s M.K. Dandeker & Co., Chartered Accountants (a copy of which reports have been included in the Draft Red Herring Prospectus), we have not obtained any other expert opinions.

Issue Related Expenses

The estimated Issue expenses are as under:

Activity	Expenses*	As a % of Total Issue Expenses*	As a % of Issue*
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges etc.	[●]	[●]	[●]
Lead management, underwriting and selling commissions (including commission payable to SCSBs)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Other (legal fees, grading expenses, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

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

Our Company shall pay the underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers and any other fees and commission payable in relation to the Issue as per the engagement letters executed among our Company and the BRLMs. All commercial terms in the engagement letters executed among our Company and the BRLMs with relation to the fees and commissions shall prevail.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letters among our Company the BRLMs, copies of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of this Draft Red Herring Prospectus until the Bid Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated August 29, 2011 entered into, between our Company and the Registrar to the Issue a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment Advice by registered post/speed post/ordinary post.

IPO grading

This Issue has been graded by [●] and has been assigned the grade of [●] indicating [●], through its letter dated [●], which is valid for a period of [●]. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and an “IPO Grade 1” indicates poor fundamentals. A copy of the report provided by [●] will be made available for inspection at our Registered Office.

Public or Rights Issues during the last five years

Our Company has not made any previous public issue (including any rights issue to the public) in the five years preceding the date of this Draft Red Herring Prospectus.

Previous Issues of securities otherwise than for cash

Other than as disclosed in the section titled “Capital Structure” on page 27 of this Draft Red Herring Prospectus, our Company has not issued any securities for consideration other than cash.

Public Issues in the last three years

Neither our Company nor our Subsidiaries, Group Companies or Associate Companies, have made any public issue (including any rights issue to the public) in the last three years.

Performance vis-à-vis Objects

There has been no public issue (including any rights issue to the public) by our Company, Group Companies and entities, our Subsidiaries or our Associate Companies.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as disclosed in the section titled “Capital Structure” on page 27 of this Draft Red Herring Prospectus, none of our Directors, Promoters, and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least [●] from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical ASBA Form was submitted by an ASBA Bidder.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Ankit Singh, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Shemaroo House.
Plot no.18,
Marol Co-operative Industrial Estate,
Off Andheri Kurla Road,
Andheri East,
Mumbai- 400059.
Telephone: +91 22 4031 9911
Facsimile: +91 22 2851 9770
E-mail: compliance.officer@shemaroo.com

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act

We do not have any listed companies under the same management within the meaning of Section 370(1B) of the Companies Act and therefore there are no investor complaints pending against our companies.

Change in Auditors

There have been no changes in the Company’s auditors in the last three years, except as described below:

Name of Auditor	Date of Appointment	Date of Resignation	Reasons for change
M/s Gawande and Associates	September 30, 2006	July 11, 2011	Non-peer reviewed
M/s M.K Dandeker and Co.	July 11, 2011	-	Appointment

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled “*Capital Structure*” on page 27 of the Draft Red Herring Prospectus

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the ASBA Revision Form, the Allotment Advice, the Listing Agreements to be entered with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on August 8, 2011, authorised this Issue subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated August 29, 2011, under Section 81(1A) of the Companies Act, authorised this Issue.

Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See section titled “Main Provisions of the Articles of Association” on page 230 of this Draft Red Herring Prospectus for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, Articles of Association and the provisions of the Listing Agreements.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see “Main Provisions of the Articles of Association” on page 230 of this Draft Red Herring Prospectus.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid lot will be decided by our Company in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in an English and a Hindi national daily newspapers, and one Gujarati daily newspaper, each with wide circulation, being the newspapers in which the pre-Issue advertisements were published, at least two Working Days prior to the Bid Opening Date.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The Equity Shares have not been and will not be registered under the 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, the registration requirements of the Securities Act and applicable state securities laws.

Nomination facility to investors

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, we shall pay such interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other Non-Residents. Such Eligible NRIs, FIIs, Sub-Accounts or FVCIs and other Non-Residents shall be treated on the same basis as other categories for the purposes of Allocation.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer, subject to the applicable ceiling for foreign investment in such Indian company, without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Shares, Promoters' minimum contribution and Allotment made to Anchor Investor pursuant to the Issue, as detailed in the section entitled "Capital Structure" on page 27 of this Draft Red Herring Prospectus, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. See the section titled "Main Provisions of the Articles of Association" on page 230 of this Draft Red Herring Prospectus.

Withdrawal of the Issue

In accordance with the SEBI Regulations, our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid Opening Date. However, if our Company withdraw the Issue after the Bid Closing Date, we will give reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

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

If our Company withdraw the Issue after the Bid Closing Date they will file a fresh offer document with SEBI.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to upto ₹ 11,500 lakhs. The Issue will constitute up to [●] % of the fully diluted post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs [#]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to mutual funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including mutual funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
	thereafter.	thereafter.	Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, VCFs, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 2500 lakhs, pension fund with minimum corpus of ₹ 2500 lakhs, in accordance with applicable law, National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up by Department of Posts such as Postal Life Insurance Fund and Rural Postal Life Insurance Fund.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.

[#] Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" beginning on page 200 of this Draft Red Herring Prospectus.

^{##} In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.

^{*} Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI ICDR Regulations, where the Issue will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual

Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category would be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within 12 working days from the Bid Closing Date to all successful Allottees including ASBA Bidders.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date —Under Certificate of Posting || for refund orders less than or equal to ₹ 1,500 or through speed post/registered post for refund orders exceeding ₹ 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 working days from the Bid Closing Date

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date. In such an event our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, all Bidders other than Retail Individual Bidders i.e. QIBs (other than Anchor Investors), Non-Institutional Bidders for a Payment Amount of more than ₹ 2,00,000 are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. ASBA Bidders should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Payment Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Payment Amount can be blocked by the SCSB

Our Company and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for more than 25% of the post-Issue capital of our Company. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. 30% of the QIB portion will be reserved for anchor Investors and out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to other QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids through the SCSBs.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, or ASBA Forms as the case may be, which do not have the details of the Bidders' depository account, including DPID, PAN and Beneficiary Account Number, shall be treated as incomplete and will be rejected. Bidders will not have the option of getting Allotment of Equity Shares in physical form.

Bid cum Application Form and ASBA Form

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate only. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

ASBA Bidders can submit their Bids either to (i) a member of the Syndicate or to (ii) SCSBs

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

ASBA Bidders bidding through a Syndicate Member should ensure that the ASBA Bid cum Application Form is submitted to a Syndicate Member only in the Syndicate ASBA Centres. ASBA Bidders should also ensure that ASBA Forms submitted to the Syndicate Members in the Syndicate ASBA Centres will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>). ASBA Bidders bidding directly through the SCSBs should ensure that

the ASBA Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Bidders can also submit their Bids through the ASBA by submitting ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained. An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form and the ASBA Form for the various categories is as follows:

Category	Colour of Bid cum Application Form/ASBA Form
Resident Indians including resident QIBs, Non-Institutional Bidders and Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis*	White
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate or foreign individuals bidding under the QIB Portion) under the Portfolio Investment Scheme	Blue
Anchor Investors**	White
ASBA Bidders bidding through physical form	White

*Bid cum Application forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com)

**Bid cum Application forms for Anchor Investors have been made available at the offices of the BRLMs

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Limited liability partnerships;
- Eligible NRIs (whether on a non repatriation basis or a 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 (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;

- Venture Capital Funds registered with SEBI;
- FVCIs
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 2500 lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 2500 lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Insurance funds set up by Department of Posts such as Postal Life Insurance Fund and Rural Postal Life Insurance Fund.
- Multilateral and Bilateral Financial Institutions

Note: As per the existing regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, 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 under the Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both “qualified purchasers” as defined in the Investment Company Act (referred to in this Draft Red Herring prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.

Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an “offshore transaction” in accordance with Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Please see the section “Other Regulatory And Statutory Disclosures—Important Information for Investors—Eligibility and Transfer Restrictions.”

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may, subject to applicable regulatory requirements subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Funds portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Bids made by asset management companies or Custodians of Mutual Funds shall specifically state names of the concerned schemes for which such bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs should note that applications that are accompanied by payment in free foreign exchange should use the Bid cum Application Form which is blue in colour. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FIIs

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 total post-Issue paid-up share capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by SEBI registered Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 as amended *inter alia* prescribe the investment restrictions on VCFs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form or the ASBA Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form or the ASBA Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- (c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2011).

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion only if the Bidding was done through ASBA. The Cut-off Price option is an option given only to the Retail Individual Bidders

indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bid through the ASBA process. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at Cut-off Price'.

- (c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least ₹ 1,000 lakhs and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised Anchor Investor Allocation Notice.**

Information for the Bidders:

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.
- (b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- (c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, Bid cum Application Forms will be available on the websites of NSE and BSE.
- (d) Any eligible Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of our Company.
- (e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
- (f) QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA Bid cum Application Form or the Bid cum Application Form. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to (i) submit the ASBA Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate in the Syndicate ASBA Center.
- (g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI ICDR Regulations and any circulars issued by SEBI in this regard. Bidders (other than Anchor Investors) applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.
- (h) The demat accounts of Bidders for whom PAN details have not been verified, excluding persons resident in the

state of Sikkim, who, may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the database of Depositories, the application is liable to be rejected.

Information specific to ASBA Bidders

- (a) ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of this Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.
- (b) The ASBA Bid cum Application Form can be submitted (i) in physical mode, to a Syndicate Member in the Syndicate ASBA Center; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bid cum Application Form in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the Syndicate Members. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- (c) ASBA Bidders bidding through a Syndicate Member should ensure that the ASBA Bid cum Application Form is submitted to a Syndicate Member only in the Syndicate ASBA Center. ASBA Bidders should also ensure that ASBA Bid cum Application Forms submitted to the Syndicate Members in the Syndicate ASBA Center will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>). ASBA Bidders bidding directly through the SCSBs should ensure that the ASBA Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (d) For ASBA Bids submitted to the Syndicate Members in the Syndicate ASBA Center, the Syndicate Member shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the ASBA Bid cum Application Form with the relevant branch of the SCSB, at the relevant Syndicate ASBA Centre, named by such SCSB to accept such ASBA Bid cum Application Forms from the Syndicate Members (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Bid cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.
- (e) The Bids should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- (f) The SCSBs shall accept Bids only during the Bid/Issue Period and only from the ASBA Bidders.
- (g) The Book Running Lead Managers shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Offer through the ASBA process. Additionally, the Book Running Lead Managers shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.
- (h) The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

Method and Process of Bidding

- (a) Our Company in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.
- (b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/

Issue Period maybe extended, if required, by at least an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

- (c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
- (d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled “Build up of the Book and Revision of Bids”.
- (f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 217 of the Draft Red Herring Prospectus.
- (i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- (j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- (l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

- (a) Our Company in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
- (b) Our Company, in consultation with the BRLMs will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- (c) Our Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.
- (d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- (e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional working days after such revision, subject to the total Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see “Payment Instructions” in this section.

Electronic Registration of Bids

- (a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.
- (b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.
- (c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Members and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.
- (d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

- (e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.
- (f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Numbers of Equity Shares Bid for.
 - Bid Amount.
 - Cheque Details.
 - Bid cum Application Form number.
 - DP ID and client identification number of the beneficiary account of the Bidder.
 - PAN.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

- Application Number;
 - PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
 - Investor Category and Sub-Category- Individual, Corporate, FII, NRI, Mutual Funds, etc.;
 - DP ID and client identification number of the beneficiary account of the Bidders;
 - Numbers of Equity Shares Bid for;
 - Quantity;
 - Bid Amount; and
 - Bank account number;
- (g) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate or our Company.
- (h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (i) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.
- (j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records.
- (l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

- (a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bid/Issue Period.
- (c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- (h) Our Company in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.
- (i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
- (j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

- (a) Based on the demand generated at various price levels, our Company in consultation with the BRLMs, shall finalise the Issue Price and the Anchor Investor Issue Price.
- (b) Under-subscription, if any, in any other category, would be allowed to be met with spill-over from any other

category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

- (c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (d) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the SEBI ICDR Regulations.
- (e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.
- (b) The Registrar will dispatch CANs to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
- (d) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the BRLMs, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and if required, a revised Anchor Investor Allocation Notice. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor

Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares:

- (a) Our Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder's depository account is completed within two working days from the date of Allotment.
- (b) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form;
4. Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;
6. With respect to Bids by ASBA Bidders ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;
7. Ensure that you request for and receive a TRS for all your Bid options;
8. Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;
9. Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
10. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
11. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
12. Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by

a court, all Bidders should mention their PAN allotted under the IT Act;

13. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
6. Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 2,00,000);
7. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
8. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
9. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
10. Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

- (a) Check if you are eligible to Bid under ASBA.
- (b) Ensure that you use the ASBA Form specified for the purposes of ASBA.
- (c) Read all the instructions carefully and complete the ASBA Form.
- (d) Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, or the Registrar to the Offer or the Book Running Lead Managers.
- (e) Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.
- (f) Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
- (g) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.
- (h) Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
- (i) Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.
- (j) Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear

in the ASBA Form.

- (k) In relation to the ASBA Bids, ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA bearing the stamp of the relevant SCSB and/ or the Designated Branch and/ or the Syndicate Member (except in case of electronic ASBA Forms);
- (l) In relation to the ASBA Bids, ensure that your ASBA Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate Member in the Syndicate ASBA Center, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
- (m) ASBA Bidders bidding through a Syndicate Member should ensure that the ASBA Bid cum Application Form is submitted to a Syndicate Member only in the Syndicate ASBA Center and that the SCSB where the ASBA Account, as specified in the ASBA Bid cum Application Form, is maintained has named at-least one branch in the Syndicate ASBA Center for the Syndicate Members to deposit ASBA Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>);
- (n) Ensure that the ASBA Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;
- (o) Ensure that you have mentioned the correct ASBA Account number in the ASBA Bid cum Application Form;
- (p) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form; and
- (q) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the Syndicate Member in the Syndicate ASBA Center, as the case may be, for the submission of your ASBA Bid cum Application Form.

Don'ts:

- (a) Do not submit incorrect details of the DP ID, Beneficiary Account Number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- (b) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms/ ASBA Bid cum Application Forms, or on Bid cum application Forms in a color prescribed for another category of Bidder;
- (c) Do not submit the ASBA Bid cum Application Form with a Syndicate Member at a location other than the Syndicate ASBA Center; and

Do not submit ASBA Bids to a Syndicate Member in the Syndicate ASBA Center unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Bid cum Application Form, has named at-least one branch in the relevant Syndicate ASBA Center, for the Syndicate Members to deposit SBA Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>).
- (d) Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.
- (e) Do not submit more than five ASBA Bid cum Application Forms per ASBA Account;
- (f) Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.
- (g) Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- (c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- (d) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹2,00,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- (f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to ₹ 1,000 lakhs and in multiples of [●] Equity Shares thereafter.
- (g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, BENEFICIARY ACCOUNT NUMBER AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM.

Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be and entered into the electronic bidding

system of the stock exchanges by the Syndicate Member do not match with the DP ID, Beneficiary Account Number and PAN available in the Depository database, the application Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/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 Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the two parameters, namely, PAN of the Bidder and the DP ID/Client ID, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b). With respect to Bids 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 along with the Bid cum Application Form.

- (c). With respect to Bids made by provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, 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 Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of Resident QIB Bidders: “[●]”
 - (b) In case of Non-Resident QIB Bidders: “[●]”

- (c) In case of Resident Retail and Non-Institutional Bidders: “[●]”
 - (d) In case of Non-Institutional Bidders: “[●]”
4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.
 5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of resident Anchor Investors: “[●]”
 - (b) In case of non-resident Anchor Investors: “[●]”
 6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
 7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
 8. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
 9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
 10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
 11. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the ASBA Revision Form shall be submitted to the Designated Branches. No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository. In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case

Multiple Bids

A Bidder should submit only one (and not more than one) Bid

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of over one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in “Build Up of the Book and Revision of Bids” below.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bid(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.
2. For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bore the same DP ID and Beneficiary Account Numbers, these would be treated as multiple Bids and will be rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bid/ Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Offer Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Offer. The Registrar to the Offer shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the ‘Basis of Allotment’.

REJECTION OF BIDS

In case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- (A) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- (B) 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;
- (C) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended including minors, insane persons. Bids by minors through guardian is accepted.
- (D) PAN not mentioned in the Bid cum Application Form;
- (E) GIR number furnished instead of PAN;
- (F) Bids for lower number of Equity Shares than specified for that category of investors;
- (G) Bids at a price less than the Floor Price;
- (H) Bids at a price more than the Cap Price;
- (I) Signature of sole and/or joint Bidders missing;
- (J) Submission of more than five ASBA Bid cum Application Forms per bank account;
- (K) Submission of Bids by Anchor Investors through ASBA process
- (L) Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- (M) Bids for number of Equity Shares which are not in multiples of [●];
- (N) Category not indicated;
- (O) Multiple Bids as defined in the Draft Red Herring Prospectus;
- (P) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- (Q) Bids accompanied by Stockinvest/money order/postal order/cash;
- (R) Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members or the SCSB;
- (S) Bid cum Application Forms does not have Bidder's depository account details;
- (T) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;

- (U) In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;
- (V) With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- (W) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (X) Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (Y) With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;
- (Z) Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process;
- (AA) Bids submitted by Retail Individual Bidders through the non-ASBA process, wherein the Bid Amount exceeds ₹ 200,000 upon revision of Bids;
- (BB) Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);
- (CC) ASBA Bid cum Application Form submitted to a Syndicate Member at locations other than the Syndicate ASBA Center and ASBA Bid cum Application Forms submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (DD) Bids by QIB Bidders submitted after 5 pm on the QIB Bid/ Issue Closing Date, Bids by Non-Institutional Bidders submitted after 3 pm on the Bid/ Issue Closing Date, and Bids by Retail Individual Bidders submitted after 3 pm on the Bid/ Issue Closing Date unless extended by the Stock Exchanges, as applicable
- (EE) Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- (FF) Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- (GG) Bids not uploaded on the terminals of the Stock Exchanges; and
- (HH) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (II) Bids by OCBs

For Bid cum Application Forms from non-ASBA Bidders, the basis of Allotment will be based on the Registrar's validation of the electronic Bid details with the depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic bid details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010. The Registrar to the Issue will undertake technical rejections based on the electronic bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, the Issuer reserves the right to proceed as per the depository records or treat such Bid as rejected. In terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, for ASBA Bid cum Application Forms, the Registrar to the Issue will reconcile the compiled data received from the stock exchanges and all SCSBs, and match the same with the depository database for correctness of DP ID, Client ID and PAN. In cases where any DP ID, Client ID and PAN mentioned in the Bid file for an ASBA Bidder does not match the one available in the depository database the Issuer reserves the right to proceed as per the depository records on, such ASBA Bids or treat such ASBA Bids as rejected. The Registrar to the Issue will reject multiple ASBA Bids based on common PAN

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated July 20, 2011 among NSDL, our Company and the Registrar;
- Agreement dated July 7, 2011, among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading, 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.
- (i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar 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. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of Bidder's DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where clearing houses are managed by the RBI, except where the applicant is eligible and opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum 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 our Company.
3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds ₹ 2,00,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT – 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 MICR, if any, available to that particular bank branch. IFSC 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 of that particular bank branch and the payment of refund will be made to the applicants through this method.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto ₹ 1,500 and through Speed Post/Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 working days of Bid/ Issue Closing date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

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

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue

Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.
- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days or 12 working days, whichever is later from the Bid/Issue Closing Date, 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 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares, and in multiples

of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.
- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:
 - (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:

In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be up to [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the following requirements:
 - (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
 - (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - (c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto ₹ 2,500 lakhs and minimum number of five Anchor Investors for allocation more than ₹ 2,500 lakhs.
- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	2000 lakh equity shares
2.	Allocation to QIB (50%)	1000 lakh equity shares
	Of which:	
	a. Allocation to MF (5%)	50 lakh equity shares
	b. Balance for all QIBs including MFs	950 lakh equity shares
3.	No. of QIB applicants	10
4.	No. of shares applied for	5000 lakh equity shares

B. Details of QIB Bids

(Number of equity shares in lakhs)

Sr. No.	Type of QIB bidders [#]	Number of shares bid for
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	500

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 5 lakh Equity Shares to MF proportionately (please see note two below)	Allocation of balance 95 lakh Equity Shares to QIBs proportionately (please see note four below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.50	3.74	4.24
MF5	20	0.50	3.74	4.24
	500	5	95	42.41

Please note:

- The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in “Issue Structure” on page 197 of this Draft Red Herring Prospectus.
- Out of 1000 lakh Equity Shares allocated to QIBs, 50 lakh (i.e. 5%) will be allocated on proportionate basis among Mutual Fund applicants who applied for 200 shares in QIB category.
- The balance 95 lakh Equity Shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including five MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 950 lakh Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
- a. For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 95 / 495.
 - b. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95 / 495.
 - c. The numerator and denominator for arriving at allocation of 950 lakh shares to the 10 QIBs are reduced by 5 lakh shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [\bullet] Equity Shares per Bidder, the Allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be Allotted a minimum of [\bullet] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [\bullet] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.
- g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall credit the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through

electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agree that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar. In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

**Bid/Issue Programme* BID OPENS [●]
ON
QIB BID CLOSES ON [●]
BID CLOSES ON [●]**

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

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

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

(iii) in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between [●] a.m. and [●] p.m. (Indian Standard Time) and uploaded until [●] p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ 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;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- The details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

No regulation contained in Table “A” in the First Schedule to Companies Act apply to our Company but the regulations for the management of our Company and for the observance of the members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act and subject to any exercise of the statutory powers of our Company with reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed by the Companies Act as are contained in the Articles unless the same are repugnant or contrary to the provisions of the Companies Act.

Article Number	Title of Article	Content
3	Share Capital	The Authorised Share Capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum Of Association of the Company, with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.
4	Increase of capital by the Company how carried into effect	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97of the Act.
5	New Capital same as existing capital	Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6	Non Voting Shares	The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
7	Redeemable Preference Shares	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, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
8	Voting rights of preference shares	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
9	Provisions to apply on issue of	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:

Article Number	Title of Article	Content
	Redeemable Preference Shares	<p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>(b) No such Shares shall be redeemed unless they are fully paid.</p> <p>(c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(d) Where any such Shares are redeemed otherwise then 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 "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
10	Reduction of capital	<p>The Company may from time to time by special resolution, subject to confirmation by the court, wherever required under law for the time being in force and subject to the provisions of Sections 78, 80 and 100 to 105 of the Act, reduce its Share Capital or Capital Reserve or Capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may by:</p> <p>i. extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid-up;</p> <p>ii. either with or without extinguishing or reducing liability on any of its shares, cancel paid-up share capital which is lost or is unrepresented by available assets; or</p> <p>either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.</p>
11	Purchase of own Shares	<p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
12	Sub-division consolidation and cancellation of Shares	<p>Permission for sub-division/consolidation of share certificates</p> <p>Sub-division consolidation and cancellation of shares</p> <p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General</p>

Article Number	Title of Article	Content
		Meeting may also cancel shares which 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.

MODIFICATION OF RIGHTS

Article Number	Title of Article	Contents
14	Modification of rights	<p>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 Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

SHARE WARRANTS

Article Number	Title of Article	Contents
88	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.
89	Deposit of share warrants	<p>(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.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
90	Privileges and disabilities of the holders of share warrant	<p>(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.</p> <p>(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</p>

Article Number	Title of Article	Contents
		be a Member of the Company.
91	Issue of new share warrant coupons	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), and a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

SHARE CERTIFICATES

Article Number	Title of Article	Contents
27	Share certificate	<p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p>
27A	Limitation of time for issue of certificates	<p>Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so 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 and approve, provided that in respect of a Share or Shares jointly held by several person, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery vis-à-vis all such holder.</p> <p>(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership may be delivered to anyone of such joint owners on behalf of all of them.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>
28	One Renewal of share certificates	<p>No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
29	Issue of new certificate in place of one defaced, lost or destroyed	If any share 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, if any share certificate lost or destroyed then upon proof

Article Number	Title of Article	Contents
		<p>thereof to the satisfaction of the Company and on execution of such indemnity as the company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ .2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to Debenture certificate of the Company</p>

CALLS

Article Number	Title of Article	Contents
45	Directors may make calls	<p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by instalments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
46	Notice of call when to be given	Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
47	Call deemed to have been made	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
48	Directors may extend time	The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.
49	Amount payable at fixed time or by instalments to be treated as calls	If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.
50	When interest on call or instalment	If the sum payable in respect of any call or instalment is not paid on or before the day appointed for the payment thereof, the holder for the time being or

Article Number	Title of Article	Contents
	payable	allottee of the Share in respect of which the call shall have been made or the instalment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
51	Evidence in action by Company against share holder	On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
52	Payment in anticipation of calls may carry interest	<p>That any amount paid in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits</p> <p>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.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.</p>

LIEN

Article Number	Title of Article	Contents
53	Partial payment not to preclude forfeiture	Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Article Number	Title of Article	Contents
54	Company's lien on Shares/ Debentures	<p>That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p> <p>Company to have Lien on Shares</p> <p>The Company shall have first and paramount lien upon all the Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of such 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 on the 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.</p>
55	As to enforcing lien by sale	<p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same.</p> <p>PROVIDED THAT no sale shall be made:-</p> <p>(a) Unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p> <p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from on behalf of and in the name of such Members</p> <p>The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.</p>
56	Application of proceeds of sale	<p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p>

FORFEITURE AND SURRENDER OF SHARES

Article Number	Title of Article	Contents
57	If money payable on Shares not paid notice to be given	<p>If any Member fails to pay the whole or any part of any call or any instalments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p>
58	Sum payable on allotment to be deemed a call	<p>For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.</p>

Article Number	Title of Article	Contents
59	Form of notice	The notice shall name a day, (not being less than fourteen days form the day of the notice) and a place or places on and at which such call in instalment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
60	In default of payment Shares to be forfeited	If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
61	Notice of forfeiture to a Member	When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
62	Forfeited Shares to be the property of the Company and may be sold etc.	Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
63	Member still liable for money owing at the time of forfeiture and interest	Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
64	Effects of forfeiture	The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
65	Power to annul forfeiture	The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
66	Declaration of forfeiture	(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

Article Number	Title of Article	Contents
		<p>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.</p> <p>(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, instalments, 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.</p> <p>(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 affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</p>
67	Provisions of these articles as to forfeiture to apply in case of non-payment of any sum	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
68	Cancellation of shares certificates in respect of forfeited Shares	Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
69	Evidence of forfeiture	The declaration as mentioned in Article 66(of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
70	Validity of sale	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
71	Surrender of Shares	The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Article Number	Title of Article	Contents
72	No transfers to	No Share which is partly paid-up or on which any sum of money is due shall in

Article Number	Title of Article	Contents
	minors etc.	any circumstances be transferred to any minor, insolvent or person of unsound mind.
73	Instrument of transfer	That a common form of transfer shall be used The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
74	Application for transfer	(a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee. (b) 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. (c) For the purposes of clause (b) above 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 instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
75	Execution of transfer	The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
76	Transfer by legal representatives	A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
77	Register of Members etc when closed	The Board of Directors shall have power on giving not less than seven days pervious notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
78	Directors may refuse to register transfer	That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reason, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstance that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the

Article Number	Title of Article	Contents
		refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company or any account whatsoever except when the company has a lien on the shares However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots.
79	Death of one or more joint holders of Shares	In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
80	Titles of Shares of deceased Member	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
81	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.
82	Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	Subject to the provisions of the Act and Article 79 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
83	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.
84	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.
85	No fee on transfer or transmissions	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or

Article Number	Title of Article	Contents
		Marriage, Power of Attorney or similar other document with the Company.
86	Transfer to be presented with evidence of title	Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
87	Company not liable for disregard of a notice prohibiting registration of transfer	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

DEMATERIALISATION

Article Number	Title of Article	Contents
26.(A)	Dematerialisation of securities	<p>Definitions:</p> <p>Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
26. (B)	Dematerialisation of securities	Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
26. (C)	Options to receive	Every person subscribing to securities offered by the Company shall have the

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	security certificates or hold securities with depository	option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
26. (D)	Securities in depositories to be in fungible form	All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
26. (E)	Rights of depositories and beneficial owners	(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
26. (F)	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.
26. (G)	Service of documents	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.
26 (H)	Option to opt out in respect of any security	If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
26. (I)	Sections 83 and 108 of the Act not to apply	Notwithstanding anything to the contrary contained in the Articles: (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

JOINT HOLDER

Article Number	Title of Article	Contents
30	The first name joint holder deemed sole holder	If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's

Article Number	Title of Article	Contents
		Articles.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Article Number	Title of Article	Contents
92	Share may be converted into stock	The Company may, by Ordinary Resolution: Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
93	Transfer of stock	The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
94	Right of stock holders	The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
95	Regulation applicable to stock and share warrant	Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

MEETINGS

Article Number	Title of Article	Contents
102	Statutory meeting	The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
103	Annual General Meeting	(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. (b) An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. (c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time with which any Annual General Meeting may be held. (d) Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

Article Number	Title of Article	Contents
		<p>(e) The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.</p> <p>(f) Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor.</p> <p>(g) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.</p> <p>(h) The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p>
104	Report statement and registers to be laid before the Annual General Meeting	The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
105	Extra-Ordinary General Meeting	All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
106	Requisitionists' Meeting	<p>(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:-</p> <p>(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.</p> <p>(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.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be:</p> <p>(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</p> <p>(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 lakh in all.</p> <p>(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</p>

Article Number	Title of Article	Contents
		<p>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.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(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.</p> <p>i. In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;</p> <p>ii. In the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</p> <p>PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, 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 thereof.</p> <p>(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 Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(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.</p>
107	<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra Ordinary General Meeting</p>	<p>(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.</p> <p>(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.</p>
108	<p>Contents of requisition, and number of requisitionists required and the conduct of Meeting</p>	<p>(1) In case of requisition the following provisions shall have effect:</p> <p>(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.</p> <p>(b) The requisition may consist of several documents in like form each</p>

Article Number	Title of Article	Contents
		<p>signed by one or more requisitionists.</p> <p>(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.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(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 the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) by the requisitionists themselves; or</p> <p>(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 (I) which ever is less.</p> <p>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.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(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</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition.</p> <p>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.</p> <p>(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.</p> <p>(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.</p>
109	Length of notice of Meeting	<p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p>

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		<p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
110	Contents and manner of service of notice and persons on whom it is to be served	<p>(1) Every notice of a 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.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) 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 Members of the Company</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of 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.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
111	Special and ordinary business and explanatory statement	<p>(1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature</p>

Article Number	Title of Article	Contents
		<p>of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT where any such item of special business at the Meeting of the Company relates 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 twenty percent of the paid up-share capital of the other company.</p> <p>(3) 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 shall be specified in the statement aforesaid.</p>
112	Omission to give notice not to invalidate proceedings	The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.
113	Notice of business to be given	No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
114	Quorum	Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.
115	If quorum not present when Meeting to be dissolved and when to be adjourned	If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.
116	Resolution passed at adjourned Meeting	Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is 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.
117	Chairman of General Meeting.	At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
118	Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.

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119	Business confined to election of Chairman whilst the Chair is vacant	No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
120	Chairman may adjourn Meeting	<p>(a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.</p> <p>(b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place</p> <p>(c) 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.</p> <p>(d) 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.</p>
121	How questions are decided at Meetings	Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
122	Chairman's declaration of result of voting on show of hands	A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
123	Demand of poll	Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
124	Time of taking poll	A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
125	Chairman's casting vote	In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
126	Appointment of scrutineers	Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

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127	Demand for poll not to prevent transaction of other business	The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
128	Special notice	Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Article Number	Title of Article	Contents
129	Member paying money in advance not to be entitled to vote in respect thereof	A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
130	Restriction on exercise of voting rights of Members who have not paid calls	No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
131	Number of votes to which Member entitled	<p>Subject to the provisions of Article 129, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company.</p> <p>Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares.</p> <p>A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period proceeding the date on which the vote is taken.</p>
132	Votes of Members of unsound mind	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.
133	Votes of joint Members	If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be

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		entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
134	Representation of body corporate	<p>(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
135	Votes in respects of deceased or insolvent Members	Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
136	Voting in person or by proxy	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.
137	Rights of Members to use votes differently	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons 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
138	Proxies	Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

Article Number	Title of Article	Contents
139	Proxy either for specified meeting or for a period	An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
140	No proxy to vote on a show of hands	No proxy shall be entitled to vote by a show of hands.
141	Instrument of proxy when to be deposited	The instrument appointing a proxy and the Power of Attorney or 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 at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
142	Form of Proxy	Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
143	Validity of votes given by proxy notwithstanding revocation of authority	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 revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
144	Time for objection to vote	No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
145	Chairman of any Meeting to be the judge of Validity of any value	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
146	Custody of Instrument	If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Article Number	Title of Article	Contents
147	First Directors of the Company	The first Directors of the Company shall be as follows: Mr. ATUL MARU Mr. RAMAN MAROO

Article Number	Title of Article	Contents
148	Number of Directors	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
149	Directors not to retire by rotation	<p>a) Notwithstanding anything contained in these Articles so long as one or more persons specified ("Specified Persons") as defined in sub-article b) of this Article, whether singly or collectively in any combination whatsoever, hold not less than 15% of the subscribed Equity Share Capital of the Company, Mr. Raman Maroo S/o Late Shri Hirji Devji Shah, or any person nominated in this behalf by him, shall be entitled to appoint in the aggregate such number of directors not exceeding one-third of the total number of directors (or upto such number or proportion as may be permitted under the provisions of the Act) on the Board of Directors of the company and to remove any such director so appointed and to appoint another in his place or in place of any such Director who resigns or otherwise vacates such office. Such appointment/removal shall be effected by writing to the Board and shall take effect immediately upon such writing being delivered at the Registered Office/Corporate Office/Head Office of the Company. Any director so appointed shall not be liable to retire by rotation under the provisions of Section 255 of the Act at any general meeting of the Company. Provided however, that the number of Directors to be appointed in accordance with this Article shall be reduced by the number of Directors to be appointed under the rights conferred upon the public financial institutions under any statutory provisions or under any arrangement entered into and/or under any agreement with such public financial institutions to nominate a Director(s) on the Board of the Company.</p> <p>b) For the purposes of this Article the following persons shall be the 'Specified Persons' referred to in sub-clause (a) above:</p> <p>(i) The promoters;</p> <p>(ii) The relatives of any one or more of the Promoters;</p> <p>(iii) Any company or corporation or body incorporate in which not less than 15% of the subscribed equity share capital or capital or corpus whichever is less, is held whether singly or collectively, by one or more of the persons specified in clause (i) and (ii) above;</p> <p>(iv) Any subsidiary or holding company or company which is under the same management of any company, corporation or body corporate specified in clause (iii) above;</p> <p>(v) Any company, corporation or body corporate in which not less than 15% of the Equity share capital is held by any one or more companies, corporations or bodies corporate specified in clause (iii) and (iv) above, whether by singly or together with one or more persons specified in clauses (i), (ii) (iii) and (iv) of this sub-article.</p> <p>(vi) Any partnership, Limited Liability Partnership or other firm, trust, association of persons body of individuals or any other entity, whether incorporated or not, of which not less than 15% of the total profit or benefit accrues, arises or becomes due to the persons specified in clauses (i), (ii), (iii), (iv), and (v) of this sub-article whether singly or collectively.</p>
150	Appointment of Directors	The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.

Article Number	Title of Article	Contents
151	Debenture Directors	<p>Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.</p>
152	Nominee Director or Corporation Director	<p>(a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places.</p> <p>(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.</p> <p>(d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p>

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		<p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
153	Special Director	<p>(a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.</p>
154	Limit on number of non-retiring Directors	<p>The provisions of Articles 151, 152 and 153 are subject to the provisions of Section 255 of the Act and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
155	Alternate Director	<p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.</p>
156	Directors may fill in vacancies	<p>The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>

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157	Additional Directors	Subject to the provisions of Section 260 of the Act, the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
158	Qualification shares	A Director need not hold any qualification shares.
159	Directors' sitting fees	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 sum 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.
160	Extra remuneration to Directors for special work	<p>Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:</p> <ol style="list-style-type: none"> 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 authorised such payment.
161	Travelling expenses incurred by Directors on Company's business	The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
162	Director may act notwithstanding vacancy	The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
163	Board resolution necessary for certain contracts	<p>(a) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:</p> <ol style="list-style-type: none"> (a) For the sale, purchase or supply of goods, materials or services; or (b) for underwriting the subscription of any Share in or debentures of the Company; (c) nothing contained in clause (a) of sub-clause (1) shall

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		<p>affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business. PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>(b) Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(c) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into.</p> <p>(d) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(e) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>
164	Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director	<p>When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.</p>
165	Directors of interest General notice of disclosure	<p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract 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 in the manner provided in Section 299(2) of the Act.</p> <p>(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last</p>

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		<p>month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
166	Directors and Managing Director may contract with Company	<p>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.</p>
167	Disqualification of the Director	<p>A person shall not be capable of being appointed as a Director of the Company if:-</p> <ol style="list-style-type: none"> (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 years has not elapsed form the date of expiry of the sentence; (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 call; 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.
168	Vacation of office by Directors	<p>The office of Director shall become vacant if:-</p> <ol style="list-style-type: none"> (a) he is found to be of unsound mind by a Court of competent jurisdiction; or (b) he applies to be adjudged an insolvent; or (c) he is adjudged an insolvent; or (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he (whether by himself or by any person for his benefit or on his account

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		<p>or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</p> <p>(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(k) if by notice in writing to the Company, he resigns his office, or</p> <p>(l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.</p>
169	Vacation of office by Directors (contd.)	<p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 168 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
170	Removal of Directors	<p>(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read</p>

Article Number	Title of Article	Contents
		<p>out at the Meeting:</p> <p>Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 156 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 156 or Section 262 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(g) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
171	Interested Directors not to participate or vote in Board's proceedings	<p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings 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 such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.</p> <p>Provided however, that nothing herein contained shall apply to:-</p> <p>(a) 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 a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
172	Director may be director of companies promoted by the Company	<p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.</p>

Article Number	Title of Article	Contents
173	Appointment of Sole Selling Agents	<p>The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p> <p>The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.</p>

DIVIDENDS

Article Number	Title of Article	Contents
218	Division of profits	<p>(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 and 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;</p> <p>(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.</p>
219	The Company at General Meeting may declare dividend	The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
220	Dividends out of profits only	No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
221	Interim Dividend	The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
222	Debts may be deducted	<p>(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p> <p>(b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.</p>
223	Capital paid-up in advance to carry interest, not the right to earn dividend	Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
224	Dividends in proportion to amounts paid-up	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.

Article Number	Title of Article	Contents
225	No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
226	Effect of transfer of Shares	A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
227	Dividend to joint holders	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.
228	Dividend how remitted	The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
229	Notice of dividend	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
230	Reserves	The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
231	Dividend to be paid within time required by law.	The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- <ul style="list-style-type: none"> (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
232	Unpaid or unclaimed dividend	That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of

Article Number	Title of Article	Contents
		<p>thirty days, open a an account in that behalf in any scheduled bank called “_____” unpaid dividend account and transfer to the said account the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.</p> <p>(b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the fund known as “Investor Education and Protection Fund” established under section 205C of the Act. Claim to any money so transferred may be preferred to the Central Government by the shareholders to whom the money is due.</p> <p>(c) That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Act in respect of unpaid or unclaimed dividend</p>
233	Set-off of calls against dividends	Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
234	Dividends in cash	No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
235	Capitalisation	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
236	Board to give effect	<p>236. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>

Article Number	Title of Article	Contents
237	Fractional certificates	<p>237.</p> <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power:</p> <p>(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also</p> <p>(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Issue

1. Letters of appointment to the Book Running Lead Managers from our Company appointing them as the Book Running Lead Managers.
2. Issue Agreement between our Company and the Book Running Lead Managers dated September 19, 2011.
3. Agreement between our Company and the Registrar to the Issue dated August 29, 2011
4. Escrow Agreement dated [●] amongst our Company and the Book Running Lead Managers, the Escrow Collection Banks and the Registrar to the Issue.
5. Syndicate Agreement dated [●] amongst our Company, the Book Running Lead Managers and the Syndicate Members.
6. Underwriting Agreement dated [●] amongst our Company, the Book Running Lead Managers and the Syndicate Members.
7. Agreement dated July 20, 2011 between NSDL, our Company and the Registrar to the Issue.
8. Agreement dated July 7, 2011 between CDSL, our Company and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation.
3. Resolution of the Board of Directors dated August 8, 2011 authorising the issue, subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.
4. Resolution of the shareholders of our Company dated August 29, 2011, under Section 81(1A) of the Companies Act, authorising the Issue.
5. Reports of the Auditors dated September 15, 2011 prepared as per Indian GAAP and mentioned in the Financial Statements appearing at page F-1 and F-39 respectively of this Draft Red Herring Prospectus.
6. Statement of Tax Benefits from M/s M.K. Dandekar & Co., Chartered Accountants dated September 19, 2011.
7. Copies of annual reports of our Company for Fiscal 2007, 2008, 2009, 2010 and 2011.
8. Consent of the Auditors for inclusion of their reports on the audited and restated standalone and consolidated financial statements and the report on the audited and restated standalone and consolidated financial statements as of and for the fiscal years ended March 31, 2007, 2008, 2009, 2010 and 2011, in the form and context in which they appear in this Draft Red Herring Prospectus.
9. Consent of the IPO grading agency, [●], for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.
10. Consents of Bankers to our Company, Book Running Lead Managers, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Domestic Legal Counsel to the Issue, International Legal Counsel to the Issue, Legal

Counsel to the Company, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

11. Applications dated [●] and [●] filed with the NSE and the BSE, respectively, for obtaining their in-principle listing approval.
12. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.
13. Due diligence certificate dated September 19, 2011 to SEBI from the Book Running Lead Managers.
14. Share subscription, share purchase and shareholder's agreement dated October 30, 2010 (the between Mr. Rajiv K. Sanghvi, Ms. Deepal R. Sanghvi, Ms. Alpa Kalpesh Patel, Mr. Pankaj Nandlal Vyas, Mr. Prayag Ashok Trivedi, Mr. Kalpesh Mansukhbhai Dhaduk and Mr. Darshit Kishor Jobaliya and Shemaroo Entertainment Private Limited and Vistaas Digital Media Limited
15. Scheme of Arrangement in connection with the de-merger for the transfer and demerger of the whole entertainment business of the erstwhile Shemaroo Entertainment Private Limited to the erstwhile Shemaroo Holdings Private Limited under section 391-394 of the Companies Act, approved by the High Court of Bombay, by its order dated March 7, 2008.
16. Agreement dated January 1, 2011 between our Company and Mr. Raman Maroo, in respect of his appointment as Managing Director;
17. Agreement dated January 1, 2011 between our Company and Mr. Atul Maru in respect of his appointment as Joint Managing Director;
18. Agreement dated January 1, 2011 between our Company and Mr. Hiren Gada in respect of his appointment as the Whole-time Director.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

1. DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. BUDDHICHAND MAROO	
Mr. RAMAN MAROO	
Mr. ATUL MARU	
Mr. HIREN GADA	
Mr. JAI MAROO	
Mr. JAYESH PAREKH	
Mr. GNANESH GALA	
Mr. VASANJI MAMANIA	
Mr. KIRIT GALA	
Mr. SHASHIDHAR SINHA	

Date:
Place:

SIGNED BY THE WHOLETIME DIRECTOR, IN HIS CAPACITY AS THE FINANCE HEAD OF THE COMPANY

Mr. HIREN GADA	
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Date: September 19, 2011
Place: Mumbai

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