

Notice

Notice is hereby given that the Ninth Annual General Meeting of the Equity Shareholders of Siti Cable Network Limited will be held at "Hall of Culture", Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Thursday, the 27th day of August, 2015 at 3:30 p.m., to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company, on a standalone and consolidated basis, for the financial year ended March 31, 2015 including the Balance Sheet as at March 31, 2015, Statement of Profit & Loss of the Company for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Subodh Kumar, IAS (Retd.) (DIN 02151793), who retires by rotation at this meeting and being eligible, offers himself for reappointment.
3. To re-appoint M/s. Walker Chandiook & Co. LLP (*Formerly Walker Chandiook & Co.*) Chartered Accountants, New Delhi, having Firm Registration No. 001076N/N500013, as the Statutory Auditors of the Company to hold such office from the conclusion of the ensuing Annual General Meeting till the conclusion of Annual General Meeting to be held in year 2020, subject to ratification at every Annual General Meeting.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') and rules made thereunder read with Schedule IV of the Act, Ms. Kavita Kapahi (DIN: 02330706), appointed as an Additional Director of the Company with effect from March 31, 2015 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice

in writing from a member under Section 160 of the Act proposing her candidature of the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period upto March 31, 2018."

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Special Resolution:-

"RESOLVED THAT pursuant to provisions of the Foreign Exchange Management Act, 1999 (FEMA), as applicable, including the regulations, guidelines and circulars issued there under, and all other applicable rules, regulations, guidelines, circulars, policies and laws, as applicable (including any modifications or reenactment(s) thereof, from time to time) and subject to all applicable approval(s), permission(s), sanction(s), consent(s) and intimation(s), as may be required, and subject to such condition(s) as may be prescribed by the Reserve Bank of India or any other the relevant authorities, while granting such approval(s), permission(s), sanction(s) and consent(s), the consent of the Members of the Company be and is hereby accorded to permit Foreign Portfolio Investors ("FPIs") and Foreign Institutional Investors ("FIIs"), as defined under the relevant regulations by the Securities and Exchange Board of India, including their sub-accounts, to acquire and hold Equity Shares of the Company, by purchase or acquisition through primary or secondary market route, and under the 'portfolio Investment scheme' under FEMA or otherwise, upto an aggregate limit of 49% of the paid-up share capital of the Company or such other limit as may be permissible under applicable laws, regulations or guidelines as at the relevant date(s) as recorded by the Board of Directors of the Company from time to time, provided however that the shareholding of each FPI or FII, on its own account and on behalf of each of their sub-accounts in the Company shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all

such acts, deeds, matters and things including seeking appropriate confirmations / consents / approvals as may be necessary for the purpose of permitting such increase of FPIs and FIIs investment limits in the Company."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Special Resolution:-

"RESOLVED THAT pursuant to Section 62(1)(c) and other applicable provisions of Companies Act, 2013 (hereinafter referred to as the "Act"), Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations"), Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed, enabling provisions in the Memorandum and Articles of Association of the Company and provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve bank of India (RBI) and all other appropriate and/or concerned authorities, or bodies and subject to such conditions and modifications, as may be prescribed by any of them while granting such approvals, consent, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute, for the time being, to exercise the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Portfolio Investors, Foreign Institutional Investors, Financial Institutions, Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, Individuals or otherwise whether shareholder(s) of the Company or not (hereinafter collectively referred to as 'Investors'), through an issue of equity shares or bonds,

debentures and/or any other securities including Foreign Currency Convertible Bonds or Depository Receipts convertible into equity shares of the Company at the option of the Company or the holder of such security, including by way of Qualified Institutional Placement ('QIP') to Qualified Institutional Buyers ('QIB') in terms of Chapter VIII of the SEBI Regulations, through one or more placements of Equity Shares (hereinafter collectively referred to as 'Securities'), in domestic and/ or one or more international markets whether by way of private placement or otherwise, in one or more tranches, so that the total amount raised through such issue(s) of Securities shall not exceed Rupee equivalent of USD 100 Million.

RESOLVED FURTHER THAT in case of QIP issue:

- (i) the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares subsequent to the receipt of approval from the shareholders of the Company in terms of section 62(1)(c) of the Companies Act, 2013, and other applicable laws, rules regulations and guidelines in relation to the QIP;
- (ii) the Board may offer a discount of up to 5% of the price at which the Equity Shares are to be offered pursuant to the QIP, computed in accordance with the SEBI Regulations;
- (iii) the issue and allotment of Equity Shares shall be made only to QIBs within the meaning of the SEBI Regulations and such Equity Shares shall be fully paid up on its allotment, which shall be completed within 12 months from the date of passing of this resolution or such other time that may be allowed under the SEBI Regulations, from time to time;
- (iv) the Equity Shares shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted by the SEBI Regulations; and
- (v) the total amount raised in such manner shall not,

together with the over-allotment option, exceed five times of the net worth of the Company as per its audited balance sheet for the previous financial year.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to:-

- (i) determine the form, terms and timing of the Issue(s), including the class of investors to whom the Securities are to be issued and/or allotted, number of securities to be issued / allotted in each tranche, issue price, face value, premium amount in the issue / conversion / exercise / redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad;
 - (ii) enter into any arrangements including for managing, advising, underwriting, marketing, listing and trading of Securities and to pay any fees, commissions, remunerations, expenses relating thereto;
 - (iii) issue placement and other offering documents, sign all deeds, documents and writings relating to such issue(s), allotment, listing etc. of such Securities;
 - (iv) create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities, if required, and approve, accept, finalise and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with the issue of securities; and
 - (v) generally do all such acts, deeds, matters and things, and settle any questions or difficulties that may arise in regard to the Issue(s) of Securities."
7. To consider and if thought fit, to pass, with or without modification, following resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") or any statutory modification(s) or re-enactment of the Act or the SEBI Regulations, the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to such other approval(s), permission(s) and sanction(s) as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall include any 'Nomination and Remuneration Committee' or 'Employee Stock Option Committee' of the Board), to introduce and implement an Employee Stock Option Plan (**called 'SITI ESOP 2015' or 'the ESOP Plan'**), and to grant, offer, issue and allot in one or more tranches at any time to or to the benefit of such employees of the Company and Directors of the Company, whether Whole-time Directors or otherwise, but excluding Independent Directors of the Company as may be decided by the Board, Options under **SITI ESOP 2015** exercisable & convertible into equity shares (hereinafter referred to as 'the securities') of the Company not exceeding in the aggregate 5% of the issued, subscribed and paid-up capital of the Company as on March 31, 2015 i.e. up to 33,881,656 equity shares of ₹ 1/- each of the Company (or such other adjusted number of shares for any bonus, consolidation or other re-organisation of the capital structure of the Company as may be applicable from time to time), at such price, in such manner, during such period and on such terms and conditions as may be determined by the Board in accordance with the SEBI Regulations or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT,

- a) the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the Scheme / ESOP Plan on such terms and conditions as contained in the Explanatory Statement to this Notice and to make any modification(s), change(s),

variation(s), alteration(s), or revision(s) in the terms and conditions of the Scheme from time to time including but not limited to amendments with respect to vesting period/ schedule, exercise price/ period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme / ESOP Plan;

- b) the Non-Executive Directors of the Company excluding Independent Directors and Promoter Directors, if any, be granted up to a maximum of 100,000 Options per annum and up to a maximum of 500,000 Options in the aggregate under the scheme;
 - c) any new equity shares to be issued and allotted upon exercise of options from time to time under SITI ESOP 2015 shall rank *pari passu* inter se in all respects with the then existing Equity Shares of the Company;
 - d) the Board be and is hereby authorised to take requisite steps for listing of the securities allotted under SITI ESOP 2015 on the Stock Exchanges where the securities of the Company are listed; and
 - e) for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things to the extent permissible by SEBI Regulations, as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.
8. To consider and if thought fit, to pass, with or without modification, following resolution as a Special Resolution:-

"RESOLVED THAT the benefits of Employees Stock Option Scheme, "SITI ESOP 2015" proposed under

Resolution No. 7 contained in this Notice be extended to the employees and Directors whether Whole-time Director or not but excluding Independent Directors and Promoter Directors, if any, of any present and future subsidiary/holding company of the Company on such terms and conditions as may be decided by the Board Directors of the Company."

By Order of the Board

Suresh Kumar
Company Secretary

Place : Delhi
Date : May 28, 2015

Registered Office
Continental Building
135, Dr Annie Besant Road
Worli, Mumbai - 400018.

NOTES

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf, instead of himself / herself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or member.
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution / Power of Attorney / other valid authority, pursuant to Section 113 of the Companies

Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.

4. Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of Annual Report to the Meeting, as no copies will be made available at the meeting.
5. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for appointment / reappointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

In connection with appointment of Ms. Kavita Kapahi, the Board of Directors have reviewed the declarations made by her confirming that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that Ms. Kavita Kapahi fulfills the conditions specified in the Act and the rules made there under and is independent of the management of the Company.

6. The Register of Members and Share Transfer Books of the Company will remain closed from August 21, 2015 to August 27, 2015 (both days inclusive).
7. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
9. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

10. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participation in the securities market, deletion of name of deceased shareholder or transmission / transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

11. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 A.M. and 12.00 noon up to the date of the Meeting.

12. In support of the "Green Initiative" announced by the Government of India and as well as Clause 32 of the Listing Agreement executed with Stock Exchanges, electronic copy of the Annual Report and this Notice, *inter alia* indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Company / Depository Participants unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice *inter alia* indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode.

13. The Company hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or Sharepro Services (India) Private Limited, Registrar and Transfer Agent (R&T) of the Company. Further, Members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R & T of the Company at 13AB, Samhita Warehousing Complex, Second Floor,

Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 or at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021, quoting their folio number(s).

14. E-voting

In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 & clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 9th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL) for all the business as detailed in this notice.

The remote e-voting period for all items of business contained in this Notice shall commence from Monday the 24th day of August 2015 at 9.00 a.m. and will end on Wednesday, the 26th day of August 2015 at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of August 20, 2015, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

15. The facility for voting by way of Ballot / Poll paper shall also be made available at the venue of the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
16. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
17. The voting rights of Members either by way of remote e-voting prior to the meeting or by way Ballot / Poll paper at the meeting shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on the Cut-off date of August 20, 2015.

18. At the AGM the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of Ballot / Poll Paper by all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

19. The Company shall appoint an Independent Professional as Scrutinizer to conduct remote e-voting process as well as Ballot / Poll Paper voting process at the Annual General Meeting in a fair and transparent manner.

20. The Scrutinizer shall, after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of the voting forthwith.

21. The results declared along with the Scrutiniser's report shall be placed on the website of the Company www.siticable.com and shall also be communicated to the Stock Exchanges. The resolutions, if approved, shall be deemed to be passed on the date of AGM.

22. The instructions and process for e-voting are as under :-

- (i) The voting period begins on 24th day of August 2015 at 9.00 a.m. and ends on 26th day of August 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 20, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com. should enter Folio Number registered with the Company
- (iv) Click on Shareholders. (vi) Next enter the Image Verification as displayed and Click on Login.
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ▶ Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ▶ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ▶ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab. (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. (xii) Click on the EVSN for SITI CABLE NETWORK LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF

format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Items No. 4

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Ms. Kavita Kapahi as Additional Director from March 31, 2015.

The brief profile of Ms. Kavita Kapahi in terms of Clause 49 of the Listing Agreement, is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 85 of the Articles of Association of the Company, Ms. Kavita Kapahi holds office as Additional Director only up to the date of the forthcoming Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from one of the members signifying his intention to propose the appointment of Ms. Kavita Kapahi as a Director.

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 4 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof other than Ms. Kavita Kapahi is concerned or interested in the Resolution at Item No. 4 of the Notice.

Items No. 5

Pursuant to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA 2000**") and the 'Consolidated FDI Policy' (issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India) ("**FDI Policy**"), foreign investment upto 49% of the paid-up share capital is permitted in automatic route and beyond 49% but up to 74% is permitted with the approval of Government, in Cable Networks (Multi System operators (MSOs) operating at National or State or District level and undertaking up gradation of networks towards digitalization and addressability). Further, under FEMA 2000 and FDI Policy, the total holdings of all Foreign Portfolio Investors ("**FPIS**") and Foreign Institutional Investors ("**FIIIs**") registered with the Securities and Exchange Board of India ("**SEBI**"), including their sub-accounts can not be exceed 24% of the paid-up share capital of the Company. However, this limit can be increased to 49% of the paid-up share capital of the Company (which is the permissible limit under automatic route) after approval by the Members of the Company by way of a special resolution and intimation to the Reserve Bank of India.

FPI & FII investment in the Company as at the close of May 22, 2015 was at 13.26%. In order to facilitate further FPI and FII Investments, your Board deems it desirable to increase the current cap for FPI and FII Investments upto an aggregate limit of 49% of the paid-up share capital of the Company or such other limit as may be permissible under applicable laws, regulations or guidelines.

Increased participation by FIIs in the Equity shares of the Company is considered to be in the interest of the Company and your Board recommends the Special Resolution for consideration by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in anyway interested or concerned in the above resolution, except to the extent of the equity shares of the Company held by him/her or their relatives.

Items No. 6

The Members had approved raising of funds up to USD 100 Million by passing a special resolution through postal

ballot on October 14, 2014, against which the Company has already raised an amount of ₹ 2,211.11 million from eligible QIBs in March 9, 2015.

Since the validity of the shareholders' approval as per Regulation 88(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI Regulations'), is 12 months, it is proposed to seek fresh approval of the shareholders in this regard.

Therefore, your Board of Directors has proposed to raise funds by issuance of Equity Shares or other Securities convertible into Equity Shares of the Company either by way of public issue, private placement or qualified institutional placement within the meaning of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI regulations"), or through issuance of depositary receipts, foreign currency convertible bonds etc., (together referred to as "Securities" and the issue the "Issue") for meeting *inter alia* expenditures in connection with implementation of DAS (Digital Addressable System) in phase III & IV; ongoing acquisition of Multi System Operators (MSO) / Local Cable Operators (LCOs) and Primary Points; Business expansion including Value Added Services (VAS) etc.; reduction of debts; working capital requirements; and other general corporate business purposes.

Section 62(1) of the Companies Act, 2013 provides, *inter alia* that whenever it is proposed to issue further shares or securities convertible into shares, same shall be offered to the existing shareholders of the Company in the manner laid down in the said section, unless shareholders decide otherwise by passing a Special Resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and / or applicable SEBI regulations, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges, authorizing the Board to issue Securities, as stated in the resolution, which may result in issuance of further Shares of the Company to persons other than the existing members of the Company in accordance with the terms and nature of the Securities.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in the Special Resolution detailed in Item No.6. The Board recommends the Resolution detailed in Item No.6 – to be passed as a Special Resolution, as proposed in the Notice.

Item No. 7 & 8

Employee Stock Options have long been recognised as an effective instrument, to align the interests of the employees with those of the Company and its shareholders, providing an opportunity to the employees to share the growth of the Company and to create long term wealth in the hands of the employees.

With a view to reward employees for their contribution, encourage value creation and value sharing with employees and to attract / retain best talents, your Board has, at its meeting held on May 28, 2015, subject to your approval approved implementation of an Employees Stock Option Plan called '**SITI ESOP 2015**', for the benefit of present and future employees including Executive/Non-Executive Directors of the Company (but excluding Independent Directors and Promoter Directors) and Holding / Subsidiary companies, in accordance with the provisions of prevailing regulations.

In terms of provisions of Section 62 of the Companies Act 2013 and SEBI Regulations, approval of the shareholders is being sought for issue of stock options to the employees of the Company. Upon approval of this SITI ESOP 2015, the earlier approved ESOP Scheme called Employee Stock Option Scheme 2007 (ESOP -2007) shall cease to be effective except to the extent that the Company shall continue to issue and allot Equity Shares against exercise of any of the Stock Options that may have already vested, or will be vesting in due course, under the terms of the said ESOP Scheme.

The following are the salient features of the Scheme, and various disclosures as required by Clause 6 (2) of the Securities and Exchange Board of India (Employee Share Based Benefits) Regulations, 2014 (the "SEBI Guidelines"):

1. Description of the ESOP Scheme

The Employees Stock Option Scheme shall be called 'SITI ESOP 2015' and shall extend to present and future employees and Directors (excluding Independent Directors and Promoter Directors) of the Company and any of its Holding or Subsidiary Company, and the Scheme shall be administered by the Nomination & Remuneration Committee of the Board. The Scheme shall involve issuance of new shares of the Company directly to those employees/directors who may be issued options under the Scheme and hence, there is no involvement of any Trust or provision of any loan to such Trust.

2. Total number of options to be granted:

A number of options to be granted under the Scheme shall not exceed 5% of the issued, subscribed and paid-up equity shares of the Company as on March 31, 2015, i.e. up to 33,881,656 equity shares of ₹ 1/- each of the Company. It is also proposed to reserve maximum of 500,000 options for grant to the Non-Executive Directors (other than Promoter Directors and Independent Directors) of the Company from time to time. In the event of any corporate action(s) viz. bonus, consolidation or other re-organisation of the capital structure of the Company, number of options/shares to be issued shall undergo fair, reasonable and appropriate adjustments pursuant to the SEBI Regulations. Each option when exercised would be converted into one Equity Share of ₹ 1/- each fully paid-up.

Any vested option(s) that lapse due to non-exercise or unvested option(s) that get cancelled due to resignation of the employees or otherwise surrendered, would not be available for being re-granted at a future date.

3. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme:

All employees of the Company, including Executive & Non-Executive Directors, but excluding the Promoters of the Company and Independent Directors, as may be decided by the Nomination & Remuneration Committee from time to time, would be entitled to be granted stock options under the ESOP Scheme.

4. Transferability of employee stock options:

The stock options granted to an employee will not be transferable to any other person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee/option holder while in employment, the right to exercise all the vested options granted to him/her till such date shall be transferred to his/her legal heirs or nominees.

5. Requirements of vesting, period of vesting and maximum period of vesting:

The Options granted shall vest, not earlier than one year and not later than five years from the date of grant of options, so long as the employee continues to be in the employment of the Company, as the case may be. Vesting shall happen in one or more tranches, subject to such terms and conditions of vesting as may be decided by the Board / Nomination & Remuneration Committee including but not limited to certain performance metrics (on the achievement of which the granted options would vest) and the proportion in which options granted would vest.

6. Exercise Price or Pricing Formula:

The Options would be granted at an exercise price equal to the 'market price' within the meaning as defined in the SEBI Guidelines i.e. the latest available closing market price (on that stock exchange where there is highest trading volume) on the date prior to the date on which the options are granted to the employees.

7. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of four years from the date of vesting of such options. The options will lapse if not exercised within the specified exercise period or such other period as may be decided by the Board.

The options will be exercisable by the Employees by a written application addressed to the designated officer of the Company intimating his / her intention to exercise the options in such manner, and on execution of such documents, as may be prescribed

by the Board/Nomination & Remuneration Committee from time to time.

8. Appraisal Process for determining the eligibility of the employees to ESOP:

The Company has a formal performance appraisal system established in line with emerging standards, wherein the performance of employees is assessed each year on the basis of various functional and managerial parameters. Stock Options would be granted based on performance linked parameters, value creation, leadership, role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Board/ Nomination & Remuneration Committee at its sole discretion.

9. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Scheme will depend upon the rank/ designation of the employee and shall be in the aggregate less than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

10. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Regulations and/or the Accounting standards

11. Method of option valuation:

The Company shall use the Fair Value Method for valuation of the options granted. In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognised if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option scheme provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the Members is being sought pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013, and as per Clause 6(1) of the SEBI Regulations.

As per Clause 6(3) of the SEBI Regulations, a separate special resolution is required to be passed if the benefits of the Scheme are to be extended to employees/directors of subsidiary or holding company, existing now or formed or acquired in future.

The Board recommends the Special resolutions as set out in Item no. 7 & 8 for the Member's approval.

None of the Directors and Key Managerial Personnel of the Company (or any of their relatives) are in any way

concerned or interested in this resolution, except to the extent of any option that may be offered or securities that may be issued to them under the Scheme.

By Order of the Board

Suresh Kumar
Company Secretary

Place : Delhi
Date : May 28, 2015

Registered Office
Continental Building
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Worli, Mumbai - 400018.