



## SITI CABLE NETWORK LIMITED

**Regd. Office:** Continental Building, 135, Dr. Annie Besant Road,  
Worli, Mumbai – 400018

**Tel:** +91-22 - 24831234 **Fax:** +91- 22 - 24955974

**CIN:** L64200MH2006PLC160733 **Website:** [www.siticable.com](http://www.siticable.com)

### POSTAL BALLOT NOTICE

Dear Shareholder(s),

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 that consent of the Members of Siti Cable Network Ltd is sought to the proposals detailed herein, by passing the following Resolution(s) through Postal Ballot.

Pursuant to Section 102 of the Companies Act, 2013, the explanatory statement pertaining to the proposed Resolution(s) setting out the material facts and the reasons thereof along with a Postal Ballot Form is annexed herewith. The Company has appointed FCS Satish K. Shah, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and the Notice and return the completed Ballot Form so as to reach the Scrutinizer at the Registered Office of the Company at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018, **on or before 6.00 p.m. on Friday, the 10th day of October, 2014**, the last date for the receipt of the completed Postal Ballot Forms. Postal Ballot Forms received after this date & time will be considered invalid.

Upon completion of the scrutiny of the Postal Ballot Forms and E-Voting, the Scrutinizer will submit his report to the Company and the results of the Postal Ballot will be announced on Tuesday, the 14th day of October, 2014. The result of the Postal Ballot will also be uploaded on the Company's website [www.siticable.com](http://www.siticable.com) besides the Company sending appropriate communications to the BSE Limited and National Stock Exchange of India Limited.

The date of declaration of the results of the Postal Ballot shall be the date on which the resolutions would be deemed to have been passed by the Members, if approved by requisite majority.

#### E-Voting Option

The Company is pleased to offer E-Voting facility also as an alternative for the Members which would enable you to cast your votes electronically, instead of sending Physical Postal Ballot Form(s). E-voting is optional. Please carefully read and follow the instructions on E-Voting printed in this Notice.

#### Proposed Resolutions

##### Item No. 1

#### **Increase of Authorised Share Capital of the Company and consequence change in Clause V(a) of the Memorandum of Association of the Company relating to share capital.**

*To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:*

**“RESOLVED THAT** in accordance with the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Rules framed there under, the Authorised Share Capital of the Company be and is hereby increased from Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 74,00,00,000 (Seventy Four Crores) Equity Shares of Re. 1/- each and 1,00,00,000 (One Crore) Preference Shares of Re.1/- each to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) divided into 99,00,00,000 (Ninety Nine Crores) Equity Shares of Re. 1/- each and 1,00,00,000 (One Crore) Preference Shares of Re.1/- each, by creation of additional 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- each and in consequence thereof the existing Clause V(a) of the Memorandum of Association of the Company relating to share capital be substituted by the following clause :

V(a) The Authorised Share Capital of the Company is Rs.100,00,00,000 (Rupees One Hundred Crores Only) divided into 99,00,00,000 (Ninety Nine Crores) Equity shares of Re.1/- (Rupees One) each and 1,00,00,000 (One Crore) Preference Shares of Re.1/- each, with power to increase or decrease, consolidate or sub-divide the shares under the power of the Companies Act, 2013”.

##### Item No. 2

#### **Issuance of Equity Shares or Securities Convertible into Equity Shares**

*To consider and if thought fit, to pass the following resolution as **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 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."

### **Item No. 3**

#### **Authority to Board of Directors for creation of charges/mortgages in respect of borrowings**

*To consider and if thought fit, to pass the following resolution as **Special Resolution**:*

**"RESOLVED THAT** in supersession of the earlier resolution passed by the Members under Section 293(1)(a) of the Companies Act, 1956 on December 29, 2006 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations on all or any part of assets or immovable properties of the Company wherever situated, both present and future, and/or whole or part of the undertaking(s) of the Company of every nature and kind whatsoever together with power to take over the management of the business and concern of the Company in certain events, to or in favor of Banks, Financial Institutions, any other lenders or other investing agencies and trustees for the holders of debentures, bonds, other instruments to secure rupee/foreign currency loans (hereinafter collectively referred to as "Loans") to secure the amount(s) borrowed or to be borrowed by the Company

from time to time for due repayment of the principal together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings.”

#### **Item No. 4**

##### **Authorisation for Loan and Investments by the Company**

*To consider and if thought fit, to pass the following resolution as **Special Resolution**:*

**“RESOLVED THAT** pursuant to Section 186 and other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Meeting of Board and its Powers) Rules, 2014 as may be amended, from time to time, approval of the Shareholders of the Company be and is hereby given to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for:-

- (i) giving any loan to any person or other body corporate,
- (ii) giving any guarantee or providing security in connection with a loan taken by any other body corporate or person; and/or
- (iii) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate;

up to financial limit of Rs.1,000 crores over and above limits available under Section 186 of the Companies Act, 2013, notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees so far given or to be given by the Company and securities so far provided and to be provided, exceeds the limits/will exceed the limits laid down under Section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules 2014.”

#### **Item No. 5**

##### **Appointment of Mr.V.D.Wadhwa as Executive Director**

*To consider and if thought fit, to pass the following resolution as **Special Resolution**:*

**“RESOLVED THAT** pursuant to Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to the approval of the Central Government, if necessary and such other approvals, permissions and sanctions, as may be required, consent be and is hereby accorded for the appointment of Mr.V.D.Wadhwa as an Executive Director of the Company, for a period of three years commencing from August 12, 2014, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Postal Ballot Notice.

**RESOLVED FURTHER THAT** for the purposes of giving effect to this resolution, the Board of Directors (hereinafter referred to as “the Board” which term be deemed to include any Committee of the Board of Directors duly authorized in that behalf for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorized to alter, vary or modify, from time to time, said terms and conditions within the limits specified in the Explanatory Statement annexed to the Postal Ballot Notice or otherwise as may be permissible by law and do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

##### **Notes:**

1. Explanatory Statement for the proposed Resolutions pursuant to Section 102 read with Section 110 of the Companies Act, 2013 along with the applicable rules there under setting out material facts is appended herein below.
2. The Notice will be dispatched to all the Members whose name appears in the Register of Members / Record of Depositories as on 29th day of August, 2014.
3. Voting period will commence on and from Thursday, the 11th day of September, 2014 at 9.00 a.m. and end on Friday, the 10th day of October, 2014 at 6.00 p.m.
4. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent of the Company quoting their Folio number.
5. Members are also requested to carefully read the instructions printed behind the Postal Ballot Form before exercising their vote in physical form.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 1 and 2**

To augment the funding needs of the Company 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, your Board, at the meeting held on July 17, 2014, had accorded its in-principle approval for raising funds of up to USD 100 Million 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, or through issuance of depository receipts, foreign currency convertible bonds etc., (together referred to as “Securities” and the issue the “Issue”).

To facilitate such issuance of Equity Shares or Securities convertible into Equity Shares of the Company, it is desired to increase the existing Authorised Share Capital of the Company to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) divided into 99,00,00,000 (Ninety Nine Crores) Equity Shares of Re. 1/- each and 1,00,00,000 (One Crore) Preference Shares of Re.1/- each, by creation of additional 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- each. The proposed alteration to the Capital Clause of Memorandum of Association of the Company is a consequence of increase in the Authorised Share Capital.

As per the Section 61 of the Companies Act, 2013 ("Act"), any increase in Authorised Capital and consequent amendment to the Memorandum and Articles of Association of the Company requires consent and approval of the Members of the Company.

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 Resolutions detailed in Item No.1 and Item No.2 of the Notice. The Board recommends these Resolutions detailed in Item No. 1 – to be passed as an Ordinary Resolution and Item No.2 – to be passed as a Special Resolution, as proposed in the Notice.

### **Item No.3**

In compliance with Section 293(1)(a) of the Companies Act, 1956, Members of the Company had on December 29, 2006 authorised the Board of Directors to create charge on assets/undertakings of the Company to secure its borrowings from time to time. Consequent to repeal of Section 293(1)(a) of Companies Act, 1956 and enactment of Section 180(1) (a) of the Companies Act, 2013 and in accordance with clarification issued by Ministry of Corporate Affairs vide circular no. 04/2014 dated March 25, 2014, the Ordinary Resolution passed by the Members under Section 293(1)(a) on February 20, 2006 shall remain valid till September 11, 2014.

To facilitate the Board to create mortgage / charge on assets and/or undertakings of the Company from time to time, to secure borrowings of the Company, it is desirable that your Board be authorised for the purpose under Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) read with Section 110 of the Companies Act, 2013, the authority to the Board to sell/lease/charge Undertaking(s) of the Company would be subject to approval of Members by passing a Special Resolution by way of Postal Ballot.

Your Board recommends the Special resolution as set out in this notice for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in this Special resolution

### **Item No.4**

Pursuant to Section 186 of the Companies Act, 2013, no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, except with prior approval of Shareholders by way of Special Resolution.

Besides implementation of Phase III and IV of Digital Addressable System (DAS), the Company may also acquire stake in MSO's / LCO's as part of its business operations. The said acquisition may entail funds infusion by the Company either by way of Loan / investments / guarantee in these entities which may or may not be subsidiary of the Company and the cumulative investment/loan/guarantee may exceed the limits prescribed under Section 186 of the Companies Act, 2013. Approval of the shareholders of the Company is therefore sought pursuant to the provisions of Section 186 of the Companies Act, 2013, so as to give powers to the Board of Directors for making investments, providing loans or giving guarantees to any persons or any other body corporate for an amount of up to Rs.1,000 crores in excess of limits specified under Section 186 of the Companies Act, 2013.

As per the provisions of Rule 22(16)(j) of the Companies (Management and Administration) Rules, 2014, the resolution for giving loan or making investment or extending guarantee or providing security in excess of the limit as specified under Section 186(2) of the Act can be passed only through Postal Ballot process.

The Board recommends the resolution as set out at item no. 4 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of Company and their relatives is in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 4 of the Notice.

### **Item No. 5**

At the meeting held on August 12, 2014, your Board had approved appointment of Mr.V.D.Wadhwa as an Executive Director of the Company, pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act,

2013, and subject to the approval of the Central Government, if necessary, w.e.f. August 12, 2014 for a period of 3 (three) years based on the recommendation of the Nomination and Remuneration Committee (earlier known as "Remuneration Committee").

The terms of appointment of Mr. Wadhwa as Executive Director of the Company are as follows:-

- (i) **Period of Appointment:** The appointment of Mr.V. D. Wadhwa shall be for a period of 3 years with effect from August 12, 2014.
- (ii) **Remuneration:-**
- (a) The Board of Directors of the Company is empowered to fix the remuneration payable to Mr.V.D.Wadhwa in the slab of Rs.2,00,00,000/- to Rs.4,00,00,000/- per annum, with the basic salary in the scale of Rs.80,00,000 to Rs.1,60,00,000/- per annum, subject however to deduction of all applicable taxes and / or levies etc.
- (b) The Board of Directors is also empowered to finalise the breakup /components of remuneration including its modifications within the overall range of remuneration specified above, as it may deem fit, during the term of his appointment.
- (c) Within the overall range of remuneration mentioned in para (ii)(a) above, Mr. V. D. Wadhwa shall be entitled to (i) all other employee benefits with respect to Provident Fund, Superannuation Fund, Gratuity, Earned / Privilege leave including Encashment of Leave; (ii) reimbursement of all business related expenses incurred by him on actual basis; and (iii) coverage under group medical and personal accident insurance, as per Company's policy, practice and procedure as is in effect from time to time, as an employee in continuation of his employment with the Company.
- (iii) Performance of Mr. V.D. Wadhwa shall also be reviewed by the Board annually and his remuneration shall also be revised within the overall range as mentioned above.
- (iv) **Minimum Remuneration:** Remuneration payable to Mr. V.D. Wadhwa, shall be fixed by the Board of Directors of the Company within the limits approved by the Shareholders of the Company, which shall constitute the minimum remuneration payable to him irrespective of the fact that the Company has inadequate profits / or has losses.

**Memorandum of Interest or Concern:** Except for Mr. V.D. Wadhwa, no other Director of the Company is in any way interested / concerned in the appointment of Mr. V.D. Wadhwa as an Executive Director of the Company. The terms and conditions as specified above shall also be treated as an abstract of the terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 190 of the Companies Act, 2013.

Your Board recommends the resolution as set out in Item No. 5 for your approval by passing as Special Resolution.

None of the Directors, key managerial personnel or their relatives, except Mr. Wadhwa, is concerned or interested in this resolution.

**Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013, for payment of Remuneration to Executive Director in case of no profit or inadequate profits.**

#### I. GENERAL INFORMATION

- Nature of Industry:** The Company is a Multi System Operator and is carrying on business of reception of signals of Television channels of various Broadcasters from the designated Satellites (including reception of terrestrial signals of various Channels of Doordarshan) and distribution thereof through cable networks to the Cable Operators and/or subscribers in various cities, town & villages in India.
- Date of commencement of commercial production:** March 27, 2006
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- Financial performance (consolidated) based on given indicators:**

Particulars	Financial Year		
	2013-14	2012-13	2011-12
Sales	6972.37	4696.36	3428.17
Total Income	7103.41	4836.65	3642.60
Gross Profit Before Interest, Depreciation & Tax	1259.35	869.62	192.00
Interest (Net)	1191.13	863.67	566.41
Depreciation	837.90	563.08	304.06
Profit Before Tax	-769.68	-557.13	-678.47
Income Tax	64.08	46.28	29.91
Profit After Tax	-833.76	-603.41	-708.38
Equity Share Capital	521.35	452.85	452.85

- Foreign investments or collaborators, if any:** The Company is listed on BSE Limited and National Stock Exchange of India Limited and as on June 30, 2014, the foreign holdings in the Company were 35.74% (including 29.99% FDI).

## II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:** Mr. Wadhwa is an Alumnus of Harvard Business School & a fellow member of the Institute of Company Secretaries of India. He has served on various committees of FICCI and ASSOCHAM besides serving as President of the Horological Federation of India.

He has 29 years of General Management experience in Consumer life style and retail industry and largely credited with profitable turnaround of Timex operations in India and establishing retail operations in India and South Asian Countries. Mr.Wadhwa was appointed as Chief Executive Officer of the Company w.e.f. April 29, 2013. He was Whole-time Director of the Company from June 1, 2013 till September 24, 2013, however he continues to serve the Company as Chief Executive Officer. Prior to joining the Company, Mr. Wadhwa was Managing Director & CEO of Timex Group India Limited, for its Business Operations in India and SAARC Countries.

2. **Past remuneration:**

Organisation	Designation	During the Financial year	Annual Total Cost to the Company (Rs. in million)
Timex Group India Limited	Managing Director	2011-12	10.50
		2012-13	14.96
Siti Cable Network Ltd.	Chief Executive Officer	April 29, 2013 – May 31, 2013	1.67
Siti Cable Network Ltd.	Whole-time Director	June 1, 2013 – September 24, 2013	6.04
Siti Cable Network Ltd.	Chief Executive Officer	September 25, 2013 to March 31, 2014	9.77

3. **Recognition and awards:** Mr.V.D. Wadhwa has been awarded with two of the most Prestigious Awards – “Movers of Times Award” and “The Man of the Year Award” by the Trade Post Journal of India at the opening ceremony of Indian International Watch Clock Fair ‘Samay Bharti 2012’.
4. **Job profile and his suitability:** Mr.V.D.Wadhwa is responsible for implementation of corporate strategy, brand equity planning, to accelerate the growth/profitability, to improve system/process and to introduce world class best practices, to strengthen the Corporate Governance, to introduce pay for performance criteria and other management matters which are approved by the Board.

Mr. Wadhwa has rich experience of managing the business organisation at top level, which would help the Company in successful implementation of Digital Addressable System (DAS) in operational areas of the Company; smooth transformation from “Business-to-Business (B2B)” to “Business-to-Consumer (B2C)” successful implementation of system and process across organisation.

5. **Remuneration proposed:** The terms of remuneration are detailed in Explanatory Statement item No. 5
6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Company	Turnover (Rs. in Million)	Person and Profile	Designation	Total Remuneration (Rs. in Million)
DEN Networks Ltd.	7268.16	# Mr. Sameer Manchanda Chairman	Chairman & Managing Director	20.32
Hathway Cable & Datacom Ltd.	6679.53	# *Mr.K.Jayaraman	Managing Director & CEO	16.49
Hathway Cable & Datacom Ltd.	9881.40	@Mr.Jagdish Kumar G.Pillai	Managing Director & CEO	21.12

# As per Annual Report 2012-13

\* Till 20th December, 2012.

@ As per Annual Report 2013-14

Considering Mr.Wadhwa’s vast experience and keeping in view the similar or senior level personnel in other companies in similar Industry, the Nomination & Remuneration Committee of the Board had recommended the remuneration proposed to be paid to Mr. Wadhwa as Executive Director of the Company.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Wadhwa has no pecuniary relationship with the Company, except to the extent of remuneration as proposed to be paid to him. Further, he has no relationship with any of the managerial personnel of the Company.

## III. OTHER INFORMATION

1. **Reasons of loss or inadequate profits:** The Cable Television sector, in which the Company is operating was largely suffering from the under declaration of the Subscriber base and low ARPU there from.

Now, with the implementation of Digital Addressable System (DAS) in India in phased manner, the concern of under declaration has largely been addressed in phase I and II notified areas where DAS has already implemented and is expected to be addressed in remaining part of the country (i.e. phase III and IV notified areas where DAS will be implemented w.e.f. 31.12.2014), resulting thereby that the Company would be able to generate much higher revenue largely from Subscription revenue. Your company has already become Cash EBITDA +ve Company during this year.

In order to implement the digitization, the Company has procured and deployed substantial no of set top boxes across the country, which has resulted into periodical amortisation as charge to profitability statement which has lead to inadequate profits. While the Company has already rolled out digitization in phases, which was passing through transition phase last year, the Company is expected to yield better revenue and profitable growth.

**2. Steps taken or proposed to be taken for improvement:**

- (i) The Company has taken steps for expansion of its Business Operations in Southern India, Northern India and Central India besides the market of its strong presence in Eastern India Region.
- (ii) ARPU (Average Revenue Per User) of the Company will accelerate due to Digitization and strategic expansion in growth markets.
- (iii) The Company is preparing strategies for:
  - (a) increasing its reach/digital market share;
  - (b) Emerging as strong player in areas covered under Digital Addressable System (DAS) Phase III & IV, on case to case strategic basis
- (iv) The Company is rolling out its Value Added Services (VAS) plans across the country in phased manner. Broadband services are intended to be rolled out on advance DOCSIS 3 technology in Delhi and NCR in Q2-2015, besides having Broadband subscriber base in Eastern Region.

**3. Expected increase in productivity and profits in measurable terms:**

- (i) EBITDA margin is expected/projected to grow further with the stabilization of Digitization in phase I and II markets since better and higher revenue is planned to recover from value chain;
- (ii) Rationalization of expenses;
- (iii) Standardization of process and systems to shift in focus from individual centric approach to system driven approach;
- (iv) Additional incremental profit would be generated by rolling out of Value Added Services (VAS).

**IV. DISCLOSURES:** The Remuneration package of the managerial personnel has been provided in the Notice and the Company shall make appropriate disclosures as required under Schedule V of the Companies Act, 2013 in the Corporate Governance Report forming part of the Directors' Report of the Company every year.

**By Order of the Board of Directors  
For Siti Cable Network Limited**

**Suresh Kumar  
Company Secretary**

**Place :** Mumbai  
**Date :** 12th August, 2014.

**Register Office**  
Continental Building,  
135, Dr. Annie Besant Road,  
Worli, Mumbai – 400018

## INSTRUCTIONS FOR VOTING

**Kindly note that a Member can opt for only one mode for voting either Physical Ballot or E-Voting. If you opt for E-Voting, then please do not vote by Physical Ballot and vice versa. In case Member(s) cast their vote via both modes i.e. Physical Ballot as well as E-Voting, then voting done through a valid Physical Postal Ballot Form shall prevail and E-Voting of that member shall be treated as invalid.**

### VOTING THROUGH POSTAL BALLOT

Members are requested to refer to the instructions printed behind the Postal Ballot Form for exercising their vote in physical form.

### E-VOTING –

In compliance with Clause 35B of the Listing Agreement entered into with the Stock Exchanges and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its Members, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-Voting is optional. The procedure and instructions for the same are as follows:

- (i) The voting period begins on Thursday, the 11th day of September, 2014 at 9.00 a.m. and end on Friday, the 10th day of October, 2014 at 6.00 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 (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• 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 folio number in the PAN field.</li><li>• 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.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for SITI CABLE NETWORK LIMITED, on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xix) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).





## SITI CABLE NETWORK LIMITED

Registered Office: Continental Building, 135,  
Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Tel: +91-22 - 24831234 Fax: +91- 22 - 24955974

CIN: L64200MH2006PLC160733 Website: [www.siticable.com](http://www.siticable.com)

### POSTAL BALLOT FORM

(to be returned to the Scrutinizer appointed by the Company)

Serial no : .....

1. **Name of Shareholder (s)** :  
(Including joint holders, if any)  
(In block letters)

2. **Registered Address of the sole/  
First named shareholder**

3. **Registered Folio No./\*DPID No. :  
& Client No.**  
(\*Applicable to investors holding  
Shares in dematerialized form)

4. **No. of Shares held** :

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot/ E- voting by conveying my/our assent or dissent to the said resolution by placing a tick mark(✓) in the appropriate box below:

	Resolutions	No. of shares held	I/we assent to the Resolution (FOR)	I/we dissent to the Resolution (AGAINST)
1.	Ordinary Resolution for Increase of Authorised Share Capital of the Company and consequence change in Clause V(a) of the Memorandum of Association of the Company relating to share capital under Section 61 of the Companies Act, 2013.			
2.	Special Resolution for raising of funds by issuance of Equity Shares or Securities Convertible into Equity Shares under Section 62(1)(c) of the Companies Act, 2013.			
3.	Special Resolution for authorising the Board of Directors for creation of charges/mortgages in respect of borrowings under Section 180(1)(a) of the Companies Act, 2013.			
4.	Special Resolution for authorising the Board of Directors for making Loan and Investments by the Company under Section 186 of the Companies Act, 2013.			
5.	Special Resolution for Appointment of and payment of remuneration to Mr. V.D. Wadhwa as Executive Director of the Company.			

Place: Mumbai

Date: August 12, 2014

(Signature of the Shareholder)

**Note:** Please read the instructions printed overleaf carefully before exercising the vote

## **INSTRUCTIONS**

1. Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, assent or dissent of the members in respect of the Resolutions contained in the Postal Ballot Notice is being sought through Postal Ballot process.
2. A member desiring to exercise his/her vote by postal ballot, may send duly completed form to the Scrutinizer at the Registered Office of the Company at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018. The envelopes containing the Postal Ballot should reach the Scrutinizer not later than 6.00 p.m. on Friday, the 10th day of October, 2014. The Postal Ballot Form received after this date and time will be strictly treated as if reply from the Member has not been received.
3. A Member has to convey his/her assent/dissent in the Postal Ballot Form only. Assent/Dissent to the proposed resolution may be recorded by placing tick mark (✓) in the appropriate column. Postal Ballot Form bearing (✓) mark in both the column will render the form invalid. The assent/dissent received in any other form shall not be considered valid.
4. The Postal Ballot Form should be completed and signed by the Member. An unsigned Postal Ballot Form will be rejected.
5. In case of joint holding, the Postal Ballot Form should be completed and signed (as per the specimen signature registered with the Company /Depository) by the first named Member and in the absence of such Member, by the next named joint holder. A Member may sign the Postal Ballot Form through an attorney; in such case certified true copy of Power of Attorney should be attached to the Postal Ballot Form. There will be only one Postal Ballot Form for every folio/Client ID, irrespective of the number of joint Member(s).
6. In case of shares held by Companies, Trust, Societies etc., a duly completed Postal Ballot Forms should be signed by its authorised signatories. In such cases the duly completed Postal Ballot Forms should also be accompanied by a certified true copy of the Boards resolution/ Authority together with the specimen signature(s) of the duly authorised signatory(ies).
7. A member neither needs to use all his/her votes nor needs to cast all his/her votes in the same way.
8. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected. The Scrutinizers' decision on the validity of Postal Ballot Form will be final.
9. Voting right shall be reckoned on the paid up value of shares registered in the name(s) of member(s) as on Friday, the 29th day of August, 2014.
10. The right of voting by Postal Ballot shall not be exercised by a proxy.
11. A member may request for duplicate Postal Ballot Form, if so required, through an email at [csandlegal@siticable.com](mailto:csandlegal@siticable.com). However, the duly completed duplicate Postal Ballot Form should reach the scrutinizer not later than 6.00 p.m. on Friday, the 10th day of October, 2014.
12. Members are requested not to send any other paper along with the Postal Ballot Form as all Postal Ballot(s) will be sent to the Scrutinizer. If any extraneous paper is found, the same would be destroyed by the Scrutinizer.
13. The result along with Scrutinizer Report of the Postal Ballot shall be placed on the Website of the Company, if assented by requisite majority, on Tuesday, the 14th day of October, 2014.
14. E-VOTING : The Company is pleased to provide E-Voting as an alternative for the Members of the Company to enable them to cast their votes electronically instead of through Physical Postal Ballot. E-Voting is optional. In case a member has voted through E-Voting facility, he does not need to send a physical Postal Ballot Form. In case a Member votes through E-Voting facility as well as sends his vote through Physical vote, vote casted through physical Postal Ballot shall only be considered and the voting through E-Voting shall not be considered by the Scrutinizer. Members are requested to refer to the Postal Ballot Notice and notes thereto, for detailed instructions with respect to electronically voting.