

## NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of Siti Cable Network Limited will be held at “Ravindra Natya Mandir”, Near Siddhivinayak Temple, Sayani Marg, Prabhadevi, Mumbai – 400 025, on Tuesday, the 12th day of August, 2014 at 4:00 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, 2014 including the Balance Sheet as at March 31, 2014, 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 re-appointment.
3. To re-appoint M/s. Walker Chandiok & Co., Chartered Accountants, New Delhi, having Firm Registration No. 001076N, as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of next Annual General Meeting at remuneration to be determined by the Board of Directors of the Company.

### 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 Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr.B.K.Syngal (DIN 00002395), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period upto March 31, 2017.”

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

“**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr.Vinod Kumar Bakshi (DIN 00771934), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period upto March 31, 2017.”

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

“**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr.Sureshkumar Agarwal (DIN 00773957), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period upto March 31, 2017.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section Sections 387, 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, corresponding to Sections 196 and 197, Schedule V and other applicable provisions 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. Anil Kumar Malhotra be and is hereby appointed as the Manager of the Company, subject to the superintendence, control and direction of the Board of Directors from time to time, for a period of one year commencing from October 23, 2013, on the terms and conditions including remunerations as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**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 Act or make any amendments thereto 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.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** in supersession of the Ordinary Resolution adopted at the Extra Ordinary General Meeting held on December 29, 2006 pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called “the Board”) which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereafter constituted to exercise its powers including powers conferred by this resolution and with the power to delegate such authority to any person or person(s), to borrow moneys, from time to time, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount so borrowed and remaining outstanding at any point of time, apart from temporary loan obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹1500 crores (Rupees

One Thousand and Five Hundred Crores) at any point of time.”

**For Siti Cable Network Limited**

Place: Delhi  
Date : May 28, 2014

**Suresh Kumar**  
Company Secretary

**Registered Office:**

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

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf. A 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 shareholder.
2. 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.
3. 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.
4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for appointment/re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 6, 2014 to Tuesday, August 12, 2014 (both days inclusive).
6. 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.

7. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
  8. Members holding equity shares in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar and Share Transfer Agent, Sharepro Services (India) Private Limited, 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.
  9. 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.
  10. All documents referred to, in the accompanying notice and explanatory statement, are open for inspection at the registered office of the Company on all working days, during regular business hours and upto date of this meeting.
  11. Recognising the spirit of the Green Initiative in Corporate Governance Initiated by the Ministry of Corporate Affairs, the Company, proposes to send the Annual Report and other documents/notices to shareholders to the email address with the respective Depository Participant or with the Company, to ensure that documents from the Company reach their preferred email address.
  12. **E-voting:** In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 8th Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- The E-voting period for all items of business contained in this Notice shall commence from Wednesday the 6 August, 2014 at 9.00 a.m. and will end on Friday, the 8 August, 2014 at 6.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialised form as on the cutoff date of July 11, 2014, 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.
- The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on July 11, 2014.
13. The Company shall appoint an Independent Professional as Scrutiniser to conduct the E-voting in a fair and transparent manner. The Scrutiniser shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witness, who are not in employment of the Company and after scrutinising such votes received shall make a Scrutiniser's report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
  14. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutiniser's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
  15. The instructions and process for e-voting are as under:
    - ◆ Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - ◆ Now click on 'Shareholders' tab to cast your votes
    - ◆ Now, select the 'Electronic Voting Sequence Number (EVSN)' along with 'Siti Cable Network Limited' from the drop down menu and click on 'SUBMIT'
    - ◆ 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 should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
    - ◆ If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your

existing password is to be used. If you are a first time user follow the steps given below.

- ◆ Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)
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.

- \* 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 last 8 digits of the demat account/folio number in the PAN field. In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.

- # 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 held by you as on the cut off date in the Dividend Bank details field.

- ◆ After entering these details appropriately, click on 'SUBMIT'
- ◆ Equity Shareholders holding Equity shares in Physical form will then reach directly to the EVSN selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution 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.

- ◆ Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
- ◆ Click on the relevant EVSN on which you choose to vote.
- ◆ On the voting page, you will see Description of Resolution(s) and option for voting Yes/No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution & 'NO' implies that you dissent to the resolution
- ◆ Click on the Resolution file link if you wish to view the entire Notice.
- ◆ 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.
- ◆ Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- ◆ You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page
- ◆ If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.
- ◆ Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account(s) 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. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF

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

- ◆ In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to CDSL on [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Investor relations officer of the Company on [csandlegal@siticable.com](mailto:csandlegal@siticable.com)

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4 to 6

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. B.K.Syngal, Mr.Vinod Kumar Bakshi and Mr.Sureshkumar Agarwal as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Remuneration and Nomination Committee has recommended the appointment of these directors as Independent Directors for a period up to March 31, 2017.

Mr. B.K.Syngal, Mr.Vinod Kumar Bakshi and Mr.Sureshkumar Agarwal, Non-Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A brief profile of the Independent Directors to be appointed is given in Corporate Governance Report forming part of Directors' Report of the Company.

Mr. B.K.Syngal, Mr.Vinod Kumar Bakshi and Mr.Sureshkumar Agarwal, respectively, are concerned or interested in the Resolutions mentioned at Item Nos.4 to 6 of the accompanying Notice relating to their own appointment. None of the other

Directors, key managerial personnel or their relatives, are concerned or interested in these items of business.

The Board recommends the resolution set forth in Item Nos.4 to 6 for the approval of the members.

### Item No. 7

Mr.Anil Kumar Malhotra was appointed as Manager of the Company in terms of Section Sections 387, 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, corresponding to Sections 196 and 197, Schedule V and other applicable provisions of the Companies Act, 2013, w.e.f. October 23, 2013 in the Board Meeting held on October 23, 2013 based on the approval granted by the Nomination and Remuneration Committee (earlier know as "Remuneration Committee") in its meeting held on October 23, 2013.

The terms of appointment of Mr.Malhotra as Manager of the Company are as follows:-

- (i) **Period of Appointment:** The appointment of Mr.Malhotra is for a period of one year with effect from October 23, 2013.
- (ii) **Remuneration :**
  - (a) The Board of Directors of the Company is empowered to fix the remuneration payable to Mr. Malhotra in the slab of ₹ 80,00,000 to ₹1,00,00,000 per annum, with the basic salary in the scale of ₹26,00,000 to 30,00,000 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.
  - (c) Within the overall range of remuneration mentioned in para (ii)(a) above, he 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 as is in effect from time to time, as an employee in continuation of his employment with the Company.
- (iii) Performance of Mr. Malhotra 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. Malhotra, 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.
- (v) **Termination:** the appointee or the Company shall be entitled to terminate this service agreement/arrangement by giving three (3) months notice in writing or payment of Salary (i.e. Basic Pay plus Special Allowances) in lieu thereof.

Memorandum of Interest or Concern: Except for Mr. Malhotra, no other Director of the Company is in any way interested / concerned in the appointment of Mr. Malhotra as a Manager 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. 7 for your approval by passing Special Resolution.

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

#### Item No. 8

The Members of the Company at their Extra Ordinary General Meeting held on December 29, 2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, the Company accorded consent to the Board of Directors borrowings over and above the aggregate of the paid up share capital and free reserves of the Company provided that

the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of ₹1500 crores (Rupees One Thousand Five Hundred Crores Only).

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the members accorded by way of Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.8 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of the members of the Company is being sought to borrow money up to ₹1500 crores (Rupees One Thousand Five Hundred Crores Only).

No Director, key managerial personnel or their relatives are interested or concerned in the resolution.

The Board recommends the Special Resolution set forth in Item no.8 for the approval of the members.

**For Siti Cable Network Limited**

Place: Delhi  
Date : May 28, 2014

**Suresh Kumar**  
Company Secretary

#### Registered Office:

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

## Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule XIII of the Companies Act, 1956 corresponding to Part II of Schedule V of the Companies Act, 2013, for payment of Remuneration to Manager in excess of limits specified in case of 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 or expected 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:**

(₹ millions)

Particulars	Financial Year		
	2013-14	2012-13	2011-12
Sales	6,972.37	4,696.36	3,428.17
Total Income	7,103.41	4,836.65	3,642.60
Gross Profit	1,259.35	869.62	192.00
Before Interest, Depreciation & Tax			
Interest(Net)	1,191.13	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
Before Exceptional Items			
Equity Share Capital	521.35	452.85	452.85

- Export performance and net foreign exchange collaborations:** The earning in Foreign Exchange during the financial year 2013-14 was ₹ 16.54 million (₹ 15.81 million during the financial year 2012-13).
- Foreign investments or collaborators, if any:** There is no foreign investment of the Company. The Company

is listed on BSE Limited and National Stock Exchange of India Limited and as on March 31, 2014, the foreign holdings in the Company were 21.76%. There are no foreign collaborations.

### II. INFORMATION ABOUT THE APPOINTEE:

- Background details:** Mr. Malhotra holds a Post Graduate Degree in Solid State (Physics) from University of Garhwal and has a keen interest in emerging technologies and new researches.

Mr. Malhotra has about 26 years of rich experience in Distribution, Technology & Operations. He had executed a few turnkey projects in hotels in North India and has been a successful entrepreneur before starting his career with Shyam Communications. Before joining SITI Cable, he was working with Broadband Pacenet (I) Pvt. Ltd. as Executive Vice President (North India) and was responsible for Cable, Broadband & DTH business for North India. He has worked with IMCL (Indusind Media and communications Ltd) for more than Ten years and was President (North India).

- Past remuneration:**

Organisation	Designation	During the Financial year	Annual Total Cost to the Company (₹ in million)
Broadband Pacenet India(P) Ltd.	Vice President	1st April, 2011 – 6th Sept, 2011	3.03
Siti Cable Network Ltd.	Chief Operating Officer	7th Sept, 2011 - 31st Mar, 2012	3.95
Siti Cable Network Ltd.	Chief Operating Officer	1st April, 2012 - 31st Mar, 2013	7.36
Siti Cable Network Ltd.	Chief Operating Officer	1st April, 2013 – 22nd Oct, 2013	4.79

3. **Recognition and awards:** Nil

4. **Job profile and his suitability:** Mr.Anil Kumar Malhotra is responsible for business operations of the Company situated in Northern & Western India, implementation of corporate strategy, acceleration of growth/profitability, improvement of system/process.

Mr.Anil Kumar Malhotra has rich experience of managing the business organisation at senior level, which would help the Company in successful implementation of Digital Addressable System (DAS) in operational areas of the Company.

5. **Remuneration proposed:** The terms of remuneration are detailed in Explanatory Statement item No.8

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):**

As per published Annual Reports of 2012 -13:

Company	Turnover (₹ in Million)	Person and Profile	Designation	Total Remuneration (₹ 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.	6679.53	Mr.Jagdish Kumar G.Pillai**	Managing Director & CEO	5.12

\* Till 20th December, 2012.

\*\* w.e.f 21st December, 2012.

Considering Mr.Malhotra's vast experience and keeping in view the similar or senior level personnel in other companies in similar Industry, Remuneration Committee, consisting of three Non-Executive Independent Directors, after elaborate discussion, has approved the proposed remuneration.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr.Malhotra 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.

implemented and is expected to be addressed in remaining part of the country (i.e. phase 3 and 4 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.

### 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 1 and 2 notified areas where DAS has already

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 is 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 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 3 & 4, 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 /NCR in Q2 2015, besides having BB 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 1 and 2 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 XIII of the Companies Act, 1956 corresponding to Schedule V of the Companies Act, 2013 in the Corporate Governance Report forming part of the Directors' Report of the Company every