



CATVISION

24<sup>th</sup> Annual Report  
2008-2009



**CATVISION PRODUCTS LIMITED**

*Leadership Through Quality...*

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## BOARD OF DIRECTORS

Raman Rajiv Misra	Independent Director
Dr. Sunil Anand	Independent Director
Sudhir Damodaran	Executive Director
S.A. Abbas	Managing Director

## AUDITORS

Gaur & Associates  
Chartered Accountants  
F-7/204, Aditya Complex,  
Preet Vihar Community Centre,  
Preet Vihar, Delhi - 110 092

## COMPANY SECRETARY

G.S. Butola

## BANKERS

Axis Bank Ltd.  
ICICI Bank Ltd.  
State Bank of Hyderabad  
Canara Bank  
Standard Chartered Bank - Dubai

## REGISTERED OFFICE

1515, Bhishampitamah Marg,  
Kotla Mubarakpur, Near South Extension,  
New Delhi - 110 003

## CORPORATE OFFICE

E-14 &15, Sector-8, Noida - 201 301 (U.P.)  
Ph. : (120) 3014100/01  
Fax : (120) 3914125  
E-mail : catvision@catvisionindia.com  
Website : www.catvisionindia.com

## OVERSEAS OFFICE

No. 105, Building No. 442, Juma Al. Majid  
AL Nahda, Sharjah - UAE

## PLANT

F-87, UPSIDC Industrial Area,  
Selaqui, Dehradun - 248 001 (Uttarakhand)  
Ph. : 0135-2699054/55

## REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.  
B-106, Sector-2, Noida, UP - 201 301  
Ph. : 0120-4015880  
E-mail : shares@rcmcdelhi.com

## NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Catvision Products Ltd. will be held on 30th September, 2009 at 10.00 a.m at Riverside Sports & Recreation Club, Club Avenue, Mayur Vihar, Phase- I, New Delhi-110091 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit and Loss Account of the company for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. Sunil Anand who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s Gaur & Associates, Chartered Accountants, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a 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, the following resolution, as a Special Resolution. :

**"RESOLVED THAT** pursuant to Section 19, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the company hereby approves the re-appointment of Mr. S. A. Abbas as the Managing Director of the company for further period of three years w.e.f. 1st October, 2009 on the remuneration, perquisites, other benefits and amenities as set out in the resolution and the terms and conditions, as set out hereunder, with further liberty to the Board of Directors, from time to time to alter and vary the said terms and conditions, in such a manner as may be agreed upon between the Board of Directors and Mr. S. A. Abbas in the best interest of the company but subject to the provisions contained in Schedule XIII to the Companies Act, 1956 or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time.

**Salary :** In the range of Rs. 1,30,000 to Rs. 1,75,000 per month with the authority to the Board ( which expression shall include a committee thereof) to revise his basic salary from time to time so long that it does not exceed Rs. 1,75,000 per month. The annual increment shall be based on and will take into account the company's performance.

**Perquisites:** In addition to the basic salary, he shall also be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 1,75,000 per month, subject to overall ceiling of remuneration stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

### Terminal Benefits:

- (i) **Company's contribution towards Provident Fund:** In accordance to the rules of the company to the extent that these, either singly or put together, are not taxable under the Income Tax Act;
- (ii) **Gratuity:** In accordance with the scheme as applicable to other senior management employees, at the rate not exceeding one-half month's salary for each completed year of service;
- (iii) Provision for use of the company's car for official duties and telephone at residence (including payment for local calls and long distance official calls); and
- (iv) Encashment of earned leave at the end of tenure.

These terminal benefits shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the company will, subject to applicable laws, pay remuneration by way of basic salary and perquisites and allowances as specified above.

**FURTHER RESLOVED THAT** Mr. S. A. Abbas shall not be subject to retirement by rotation during his tenure as Managing Director. However, in order to comply with the provisions of the Articles of Association of the Company and the Companies Act, 1956, he shall be liable to retire by rotation, if at any time the number of non-rotational Directors exceed one-third of the total number of Directors. If he is re-appointed as Director immediately on retirement by rotation, he shall continue to hold the office of Managing Director and the retirement by rotation and re-appointment shall not be deemed to constitute a break in his appointment as Managing Director."

**5. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 19, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the company hereby approves the re-appointment of Mr. Sudhir Damodaran, as the Executive Director of the company for further period of three years w.e.f. 1st October, 2009 on the remuneration, perquisites, other benefits and amenities as set out in the resolution and the terms and conditions, as set out hereunder, with further liberty to the Board of Directors, from time to time to alter and vary the said terms and conditions, in such a manner as may be agreed upon between the Board of Directors and Mr. Sudhir Damodaran in the best interest of the company but subject to the provisions contained in Schedule XIII to the Companies Act, 1956 or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time.

**Salary :** In the range of Rs. 1,30,000 to Rs. 1,75,000 per month with the authority to the Board (which expression shall include a committee thereof) to revise his basic salary from time to time so long that it does not exceed Rs. 1,75,000 per month. The annual increment shall be based on and will take into account the company's performance.

**Perquisites:** In addition to the basic salary, he shall also be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 1,75,000 per month, subject to overall ceiling of remuneration stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

**Terminal Benefits**

- (i) **Company's contribution towards Provident Fund:** In accordance to the rules of the company to the extent that these, either singly or put together, are not taxable under the Income Tax Act;
- (ii) **Gratuity:** In accordance with the scheme as applicable to other senior management employees, at the rate not exceeding one-half month's salary for each completed year of service;

- (iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls); and

- (iv) Encashment of earned leave at the end of tenure. These terminal benefits shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the company will, subject to applicable laws, pay remuneration by way of basic salary and allowances as specified above.

**FURTHER RESLOVED THAT** Mr. Sudhir Damodaran shall not be subject to retirement by rotation during his tenure as the Executive Director. However, in order to comply with the provisions of the Articles of Association of the Company and the Companies Act, 1956, he shall be liable to retire by rotation, if at any time the number of non-rotational Directors exceed one-third of the total number of Directors. If he is re-appointed as Director immediately on retirement by rotation, he shall continue to hold the office of the Executive Director and the retirement by rotation and re-appointment shall not be deemed to constitute a break in his appointment as Executive Director."

**6. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:**

**RESOLVED THAT** in accordance, with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (The SEBI Guidelines) or any statutory modification(s) or re-enactment of the Act, or SEBI Guidelines, the Articles of Association of the company and the Listing Agreement entered into by the company with the Stock Exchange 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 "Remuneration committee" or Employee Stock Option Committee" of the Board), to introduce and implement an Employee Stock Option Scheme (CPL-ESOP-2009 or 'the Scheme') and to grant, offer, issue and allot in one or more tranches at any time or to the benefit of employees of the company and Directors of the company, whether whole-time Directors or otherwise, as may be decided by the Board, options under **CPL-ESOP-2009** exercisable and 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 31st March, 2009 i.e 2,32,680 Equity Shares of Rs. 10/- each of the company ( or such other adjusted number of shares for any bonus, consolidation or other re-organization 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 SEBI Guidelines or any other applicable provisions as may be prevailing at that time.

## **FURTHER RESOLVED THAT:**

- a. the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme 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 the vesting period/schedule, exercise price/period, eligibility criteria, or to suspend, withdraw, terminate or revise the Scheme.
- b. the Non-Executive Directors of the company including independent Directors be granted up to a maximum of 25000 options in aggregate under the Scheme.
- c. the securities may be allotted in accordance with the Scheme either directly or through a trust which may be set up in permissible manner and that the scheme may also envisage for providing any financial assistance to the trust to enable to acquire, purchase or subscribe to the Securities of the company.
- d. any new Equity Shares to be issued and allotted upon exercise of options from time to time under CPL-ESOP-2009 shall rank pari passue, inter se in all respect with the then existing Equity Shares of the company.
- e. the Board be and is hereby authorized to take requisite steps for listing of the Securities allotted under CPL-ESOP-2009 on the Stock Exchange where the Securities of the company are listed ; and
- f. for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the company to do all such acts, deeds , matters, things, as may be necessary or expedited and settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Security 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."

By Order of the Board  
For **Catvision Products Ltd.**

Place : Noida  
Date : 31st July, 2009

**G. S. Butola**  
Company Secretary

## **Registered Office**

1515, Bhishampitamah Marg,  
Kotla Mubarkapur, Near South Extension  
New Delhi-110003

## **NOTES:**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the company. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of Annual General Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The share transfer books and register of members of the Company shall remain closed from 25th September to 30th September 2009 (both days inclusive).
4. Member/proxy holder must bring attendance slip to the meeting and hand it over at the entrance duly signed.
5. Members desiring any information with regard to accounts are requested to write to the Company so as to reach latest by 20th September 2009, to enable the management to give the information at the time of the meeting.
6. Members holding shares in identical order of names in more than one folio are requested to write to the company to enable consolidation of their holdings in one folio.
7. Members holding shares in physical form are requested to notify / send to the Registrar & Transfer Agent of the company M/s RCMC Share Registry Pvt. Ltd., B-106, Sector-2, Noida, UP- 201 301.
8. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business to be transacted at the Annual General Meeting under Items 4 to 6 is annexed hereto.
9. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors, recommended by the Board of Directors for appointment/ re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

## ANNEXURE TO THE NOTICE:

(Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956)

### ITEM NO. 4 & 5

The members of company in their meeting held on 30th September, 2004 approved the appointment of Mr. S.A. Abbas as Managing Director and Mr. Sudhir Damodaran as Executive Director for a period of 5 years with effect from 1st October, 2004 at an aggregate remuneration (salary, allowances and perquisites) of Rs. 20,00,000/- per annum to each of them. The remuneration was further revised to Rs. 30,00,000/- per annum by the members of the company at their meeting held on 8th January, 2008.

During the tenure of Mr. Abbas as the Managing Director and Mr. Damodaran as the Executive Director, the company has made considerable progress in all segments of its business and has achieved growth, goodwill and reputation for its business.

Your Board feels that the company must continue to avail the benefit of rich experience and expertise of Mr. S. A Abbas and Mr. Sudhir Damodaran, and accordingly your board has, subject to your approval, in the meeting held on 31st July, 2009 has re-appointed Mr. Abbas as the Managing Director and Mr. Damodaran as the Executive Director of the company for further period of three years with effect from 1st October, 2009 at a remuneration approved by the Remuneration Committee on 31st July, 2009.

As the re-appointment of Mr.S,A Abbas and Mr. Sudhir Damodaran is subject to the approval of Central government, information/statements pursuant to the Schedule XIII of the Companies Act, 1956 are given hereunder.

### I. GENERAL INFORMATION:

**Nature of Industry:** The Company is engaged in the manufacturing and dealing in CATV equipments, energy saving equipments, electronics security surveillance systems and equipments and providing related services.

**Date or expected date of commencement of commercial production:** It has been in its existing business since 1985.

**Financial Performance:** The financial performance the company for the year ended 31st March, 2009 is as follows:

	(Rs. in Lacs)
Gross Operating Revenue	2568.42
Profit Before Taxation	144.39
Provision for Taxation including	
FBT & Deferred Tax	75.35
Profit after Taxation	69.04

**Export Performance:** For the year ended 31st March, 2009 the performance of the company in export related activities is as under:

	(Rs. in Lacs)
FOB Value of Export	21.04
Overseas Merchant Trade Sale	799.75
Channel Marketing & Others	27.65

**Foreign Investments or Collaborator, if any:** The company does not have any foreign investment or collaboration but it has exclusive tie-ups with Incom of USA for energy saving equipment, Dedicated Micro Group of UK for security systems, Alcad of Spain for SMATV equipments and Philips of Singapore for hotel mode of televisions:

### II. INFORMATION ABOUT APPOINTEES:

#### a. Mr. S. A. Abbas:

i. **Background:** Mr. S. A. Abbas is B.Tech. from IIT, Kanpur and MBA from IIM, Calcutta. Mr. Abbas, prior to promoting Catvision, worked with Network Ltd. in its marketing department where he was closely associated with the sales and marketing of electronic typewriters and subscriber-use telecom equipment from 1980 to 1985. He left Network Ltd. in 1985 to promote Catvision Products Ltd. Since then he has been looking after the operations of Catvision and presently is the Managing Director of the company.

ii. **Past Remuneration:** The members of company in their meeting held on 30th September, 2004 approved the appointment of Mr. S. A. Abbas as the Managing Director for a period of 5 years with effect from 1st October, 2004 at an aggregate remuneration (salary, allowances and perquisites) of Rs. 20,00,000/- per annum. The remuneration was further revised to Rs. 30,00,000/- per annum by the members of the company at their meeting held on 8th January, 2008.

iii. **Recognition or awards:** Mr. Abbas is also an Executive Committee member of Consumer Electronics and Appliances Manufacturers Association (CEAMA) which takes up various issues relating to consumers electronics manufacturing units at various forums.

iv. **Job Profile and its suitability:** Mr. Abbas is professionally qualified technocrat having around 30 years of diversified experience including more than 25 years rich experience in Cable TV industry. In view of his rich experience and recognition, your Board feels that Mr. Abbas would be the most competent person to continue as the Managing Director of the company.

#### v. Remuneration Proposed:

1. **Basic Salary:** In the scale of Rs.1,30,000-1,75,000 per month. The annual increment will be on merit, pursuant to necessary recommendation and approvals.

2. **Perquisites:** In addition to the basic salary, Mr. Abbas shall be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 1,75,000 per month excluding the terminal benefits.

3. **Terminal Benefits :** Further, Mr. Abbas shall also be entitled for the following terminal benefits:

- (i) Company's contribution towards Provident Fund: In accordance to the rules of the Company to the extent that these, either singly or put together, are not taxable under the Income Tax Act;
- (ii) Gratuity: In accordance with the scheme as applicable to other senior management employees, at the rate not exceeding one-half month's salary for each completed year of service;
- (iii) Provision for use of the company's car for official duties and telephone at residence (including payment for local calls and long distance official calls); and
- (iv) Encashment of earned leave at the end-of tenure.

vi. **Comparative Remuneration profile with respect to industry size of the company, profile of the position and person:**

The remuneration proposed for the Managing Director is not comparable as the companies in the similar business are either private limited companies or unlisted companies:

b. **Mr. Sudhir Damodaran:**

i. **Background:** Mr. Damodaran is Science graduate from Bangalore University. He joined Micro Comp Ltd. (A HCL group company) in 1978 in its marketing department and rose to become the head of Western Region operation in a span of four years. In 1982 he joined Usha International Ltd. as Dy. Divisional Manager at Mumbai for Western Region. He left Usha International Ltd. in 1985 to promote Catvision.

Since then he has been looking after the operation of Catvision and presently is the Executive Director of the company.

ii. **Past Remuneration:** The members of company in their meeting held on 30th September, 2004 approved the appointment of Mr. Sudhir Damodaran as Executive Director of the company for a period of 5 years with effect from 1st October, 2004 at an aggregate remuneration (salary, allowances and perquisites) of Rs. 20,00,000/- per annum. The remuneration was further revised to Rs. 30,00,000/- per annum by the members of the company at their meeting held on 8th January, 2008.

iii. **Job Profile and its suitability:** Mr. Damodaran is a qualified graduate and has 30 years of diversified experience including more than 25 years of rich experience in Cable and hospitality industry. In view of his very rich experience and recognition, your board feels that Mr. Damodaran would be the most competent person to continue as the Executive Director of the company.

iv. **Remuneration Proposed:**

a. **Basic Salary :** In the scale of Rs. 1,30,000-1,75,000 per month. The annual increment will be on merit, pursuant to necessary recommendation and approvals.

b. **Perquisites:** In addition to the basic salary, Mr. Damodaran shall be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 1,75,000 per month excluding the terminal benefits.

c. **Terminal Benefits :** Further, Mr. Damodaran shall also be entitled for the following terminal benefits:

- (i) Company's contribution towards Provident Fund: In accordance to the rules of the Company to the extent that these, either singly or put together, are not taxable under the Income Tax Act;
- (ii) **Gratuity:** In accordance with the scheme as applicable to other senior management

employees, at the rate not exceeding one-half month's salary for each completed year of service;

(iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls); and

(iv) Encashment of earned leave at the end of tenure.

**v. Comparative Remuneration profile with respect to industry size of the company, profile of the position and person:**

The remuneration proposed for the Executive Director are not comparable as the companies in the similar business are either private limited companies or unlisted companies.

### III. OTHER INFORMATION :

**a. Reasons for loss or inadequate profits:** The company invested substantial amount on Cable TV Networks in Jamshedpur in anticipation that sooner or later cable industry will transform into a regulated industry. Unfortunately it could not happen. Even the regulations, such as mandatory Conditional Access System, could not be implemented. Due to this the operations of the Cable TV Networks could not take off at anticipated level resulting in the inadequacy in the profits. The company has to face stiff competition from the un-organized sector which always keeps a pressure on the margin and sub-optimal pricing of the products.

**b. Steps taken or proposed to be taken for improvement:** Gradually the company has hived off the loss making networks and the proceeds from such hive offs were used to reduce high interest bearing financial debts. In addition to this the company has been augmenting its product range by adding new products which has started yielding good results. In addition to this, continuous efforts are being made to contain the cost across all the heads and areas which shall have a further positive impact and such efforts will continue in the years to come.

**c. Expected increase in productivity and profits in measurable terms:** With the above steps the company's turnover has started going up and it expects to achieve the gross revenue of Rs. 30.50 crores in the year 2010 and Rs 35.00 crores in 2011.

The Board of Directors of the company at its meeting held on 31st July, 2009 has appointed Mr. S. A. Abbas as the Managing Director and Mr. Sudhir Damodaran as the Executive Director for a period

of three years with effect from 1st October, 2009 on the terms and conditions as approved by the Remuneration Committee of Directors and set out in the proposed resolution of the Convening Notice.

*Your Directors recommend the said Special Resolution at Item No. 4 & 5 for your approval.*

None of the Directors of the Company except Mr. S. A. Abbas and Mr. Sudhir Damodaran, are interested in the proposed resolutions

The given particulars of their appointment and remuneration as stated above, may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

### Item No. 6

Employee Stock Option have long been recognized as an effective instrument, to align the interest 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 the employees for their contribution, encourage value creation and value sharing with employees and to attract and retain best talent, your board has, at its meeting held on 31st July, 2009, subject to your approval, approved implementation of an Employees Stock Option Scheme, called CPL-ESOP-2009, for the benefit of present and future employees including executive/non-executive directors of the company and such other persons including employees/directors, now or in future, in accordance with the provision of prevailing regulations. Therefore, to promote the culture of the employee ownership, approval of the shareholders is being sought for issue of Stock Options to the employees of the company.

The following are the salient features of the Scheme, and various disclosures as required by Clause 6 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the (SEBI Guidelines):

**1. Total number of options to be granted:** Total number of options to be granted under the Scheme shall not exceed 5% of the issued, subscribed and paid-up equity share capital of the company as on 31st March, 2009 i.e 2,32,680 Equity Shares of Rs. 10/- each. It is also proposed to reserve maximum of 25000 options to be granted to the Directors (other than promoter Directors) of the company from time. In the event of any corporate action(s) viz. bonus, consolidation or the re-organizations of the capital structure of the company, number of options, share to be issued shall undergo fair, reasonable and appropriate adjustment pursuant to the SEBI Guidelines. Each option when exercised would be converted into One Equity Share of Rs. 10/- each fully paid up.

Any vested option(s) that lapse due to non-exercise or



unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

2. **Identification of classes of employees entitled to participate in the Employee Stock Option Scheme:** All employees of the company, including Executive and Non-Executive Directors, but excluding the promoters of the company, as may be decided by the remuneration committee from time to time, would be entitled to be granted stock options under the ESOP Scheme.

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

4. **Requirement of vesting, period vesting and maximum period vesting:** The option granted shall vest, not earlier than one and not later than five years from the date of grant of option 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/Remuneration Committee including but not limited to certain performance metrics (on the achievement of which the granted option would vest) and the proportion in which options granted would vest.

5. **Exercise Price or Pricing Formula:** The options would be granted at an exercise price equal 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.

6. **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 employee by a written application addressed to the designated officer of the company intimating his intention to exercise the option in such manner, and on execution of such documents, as may be prescribed by the Board / Remuneration Committee from time to time.

7. **Appraisal Process for determining the eligibility of employees for ESOP:** The company has a formal performance appraisal system established in line with emerging standards, wherein the performance of the 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 as may be determined by the Board/Remuneration Committee at its sole discretion. The Board/Remuneration Committee may at its sole discretion extend the benefits to a new entrant on such basis as it may deem fit.

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 in the aggregate less than 1% of the issued capital of the company at the time of grant of options.

9. **Disclosure and Accounting Policies:** The Company shall comply with disclosure and the accounting policies prescribed under SEBI Guidelines and/or the Accounting Standards.

10. **Method of Options Valuation:** To calculate the employee compensation cost, 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 recognized, if it had used the Fair Value of the options, shall be disclosed in the Directors' Report.

An 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 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per Clause 6(1) of the SEBI Guidelines.

The Board recommends the Special Resolution as set out in Item No. 60 for the approval of the members.

None of the Directors of the company are in any way concerned or interested in this resolution, except to the extent of any securities that may be offered to them under the Scheme.

By Order of the Board  
For Catvision Products Ltd.

Place : Noida  
Date : 31st July, 2009

G. S. Butola  
Company Secretary

**Registered Office**  
1515, Bhishampitamah Marg,  
Kotla Mubarkapur, Near South Extension  
New Delhi-110003

## DIRECTORS' REPORT

To: The Members,

Your Directors take pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts and Auditor's Report of your company for the Financial Year ended on 31st March, 2009.

### FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)

	Year Ended 31.03.09	Year Ended 31.03.08
Gross Operating Revenue	2568.42	1727.17
Profit before Interest, Depreciation and Taxation	223.23	129.66
Interest and Finance Charges	(30.16)	(17.04)
Depreciation	(48.68)	(47.85)
Profit before Tax	144.39	64.77
Provision for Tax-Current years	(16.36)	(6.67)
Provision for Fringe Benefit Tax	(5.39)	(5.17)
Provision for Deferred Tax	(53.60)	(10.74)
Profit after Tax	69.04	42.19

### OPERATIONAL HIGHLIGHTS:

Another eventful year comes to an end. We are glad to share with you the commendable performance of your company. During the year under review, the gross operating revenue of the your company registered an impressive growth of 48.71% and increased from Rs. 1727.17 lacs in the last financial year to Rs. 2568.42 lacs in the year ended 31st March, 2009. Net profit of the company increased by 63.65% from Rs. 42.19 lacs in the previous year to Rs 69.04 lacs in the current year.

### DIVIDEND:

In order to conserve the financial resources of the company to meet the need for additional working capital, your Directors are unable to recommend any dividend.

### CORPORATE REVIEW:

The division-wise performance of the company was as follows:

**CATV Products Division:** This division sells CATV products (products used in cable TV networks) through dealers to small cable operators and directly to MSOs (multiple system operators) and broadcasters. The division could record growth to all segments even in spite of an industry slowdown in the second half of the year. Competition from DTH has spurred cable operators to upgrade their networks in order to compete. This trend shall continue. However, real growth in this business still awaits government policy on regulation of the cable TV industry. Several recommendations from TRAI to the government are gathering dust. It is expected that a fresh term in parliament and a new I&B Minister will lead to some decision-making. This is a steady business of the company, expected to keep growing year after year.

**Hotel Systems & Services Division:** This business continues to grow well. The company signed several new contracts with leading 5-star hotels in the previous year for supply of both SMATV systems as well as satellite channels. Conservation of energy has been the major thrust area of all big hotels. Therefore, it came as no surprise that room energy management systems, introduced by your company last year in collaboration with Inncom of USA, have produced a good response in the market. Your company has successfully completed projects with the Oberoi and ITC group. With the kind of acceptability of these products, your company sees a big and brighter future for this business in India.

**CCTV Systems Division:** As reported earlier, the company added CCTV Systems targeting premium hotels and shopping malls. The company has successfully executed several orders with hotels and malls in the current year. The 26/11 terrorist attacks in Mumbai has highlighted the significance of good and comprehensive security in hotels. During a short span of time your company has established itself as a potential player in providing comprehensive security solutions to the hospitality industry and shopping malls. Your company sees good prospects for these products in the coming years.

In addition to the above business divisions, your company was operating its own cable TV network at Jamshēdpur under license from Tata Motors. This network continued to face threats from DTH. Due to continuous erosion in its subscriber base, your management decided to sub-let the operation of this network to an outside party. This will result in substantial savings in the revenue and resources of your company.

**R&D Facilities:** Your company is having a Research and Development Centre comprising of a team of highly qualified engineers who are working continuously on developing new products for your company. Besides the new products, the R&D team is persistently working on the up-gradation of the existing products by adding new features and improving manufacturing consistency and improvement of quality. It is a matter of pride to your company that its in-house R&D Centre has got the recognition from the Department of Scientific & Industrial Research, Ministry of Science & Technology.

**Quality Assurance:** Your company firmly believes that the most critical component for success in the competitive global market is the excellence in quality. To address future challenges and to ensure continuous improvement in performance your company has launched number of new initiatives. It has established an independent quality control department that keeps a close and consistent watch not only on the end products but also on all sphere of its activities. To further strengthen this, your company is moving towards seeking ISO certification and to achieve this your company has appointed a reputed consulting firm as its advisor.

## PUBLIC DEPOSITS:

During the year your company has not accepted any Deposits under Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rule, 1975 and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

## DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Dr. Sunil Anand is liable to retire and eligible for re-appointment in the forthcoming Annual General Meeting. Brief resume of Directors, including Director proposed to be re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Report on Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management and after enquiry, confirm:

- that in the preparation of the annual accounts, the applicable accounting standards with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of the profit of the company for the year ended on that date;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

## CORPORATE GOVERNANCE:

Your company believes that great companies are built on the foundation of good governance practices. Corporate Governance is all about the effective management of relationships among constituents of the system - shareholders, management, employees, customers, vendors, regulatory bodies and the community at large. Your company strongly believes that this relationship can be strengthened through corporate fairness, transparency and accountability. Your company places prime importance on reliable financial

information, integrity, transparency, empowerment and compliances with the law in letter and spirit.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges it has complied with the requirements of Corporate Governance as stipulated by SEBI. A separate section on Corporate Governance and a certificate from the auditors of the company regarding compliance of conditions of Corporate Governance form part of the Corporate Governance Report and are attached as Annexure to this report.

## DEPOSITORY SYSTEM:

Trading in Equity Shares of your company in the dematerialized form is compulsory for all shareholders with effect from 25th September 2000 in terms of the notification issued by the Securities and Exchange Board of India (SEBI). The Equity Shares of the company are available for dematerialization with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) under ISIN No. INE 660B01011. Currently 79.86% of the Equity Shares of the Company are in the demat form.

## STATUTORY DISCLOSURES:

None of the Directors of the Company are disqualified as per the provision of Section 274(1) (g) of the Companies Act, 1956. The Directors have made necessary disclosures as required under various provisions of the Act and Clauses of Listing Agreement. Statutory and other regulatory compliances have been made and disclosed before the Board from time to time.

## PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956:

- Your company enjoys cordial relations with its employees. Your Directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by every employee of your company in ensuring high levels of performance and growth during the year. The particulars of such employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is given as under:

**Employed throughout the year and were in receipt of the remuneration of not less than Rs 24,00,000 per annum :**

Name	: S. A. Abbas
Age	: 52 Years
Designation	: Managing Director
Gross Remuneration	: Rs. 2576601/-
Qualification	: B. Tech, MBA
Experience	: 28 Years
Date of Joining	: 28-06-1985
Previous Employment	: Network

**Note:** Remuneration includes Salary, Allowances, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance, Rent Free Accommodation and other Perquisites.

- ii) The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in the Annexure -A of this report.

#### **EMPLOYEES STOCK OPTION SCHEME:**

With a view to reward employees for their contribution, encourage value creation and value sharing with employees, attract and retain best talents, your Board has proposed, subject to your approval, introduction and implementation of an Employees Stock Option, for allotment of stock options equivalent to 5% of paid up equity share capital of the company to the employees/Directors of the company. Detailed proposal, seeking Members approval, in this regard, forms part of notice of ensuing Annual General Meeting.

#### **INSURANCE:**

The Company's plant, property, equipments and stocks are adequately insured against major risks. After taking into account all the relevant factors, including the risk benefit trade-off, the company has consciously decided not to take insurance cover for loss of profit under the Consequential Loss (Fire) Policy.

#### **AUDITORS:**

M/s Gaur & Associates, Chartered Accountants, auditors of the company, hold office until the conclusion of the ensuing

Annual General Meeting and are eligible for re-appointment. The company has received a letter from the auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1)(b) of the Companies Act, 1956 and there is not disqualified for such appointment within the meaning of Section 226 of the same Act.

#### **AUDITORS' REPORT:**

The Auditors' Report is self-explanatory and, therefore, does not call for any further comments.

#### **ACKNOWLEDGMENT:**

Your Directors would like to express their appreciation for the assistance and co-operation received from banks, central & state government departments. Your Directors are also grateful to the customers, vendors, suppliers and other related organisations for their continued support and co-operation. Lastly, your Directors also wish to place on record their deep sense of appreciation for the committed services by the employees of the company and are deeply grateful for the confidence and faith shown by the members of your company in them.

For and on behalf of the Board

**S. A. Abbas**  
Managing Director

Place : Noida  
Date : 31st July, 2009

**S. Damodaran**  
Executive Director

## ANNEXURE "A" TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY:

The company's cable TV networks require power for amplification of TV signals only. As such, the company's consumption of energy is minimal. Every endeavor is made to ensure optimal use of energy through improved techniques to make infrastructure more energy efficient.

The manufacturing operations at Dehra Dun plant are not energy intensive. However, significant measures are taken to reduce energy consumption by using energy efficient equipment. We constantly evaluate new technologies and invest to make our infrastructure more energy efficient.

As energy costs comprise a very small part of our total expense, the financial impact of these measures is not material.

### B. RESEARCH AND DEVELOPMENT:

Research & Development of new designs, frameworks, process and methodologies continue to be most importance to us. This allows us to enhance quality, productivity and customer satisfaction. Your company has successfully deployed a diverse team of experienced people to meet these challenges. Your company continues to upgrade existing technology on an on-going basis. This enables the company to up-grade existing products and introduce new products to meet changing market needs.

The R&D unit of your company is recognized by the Dept. of Science & Technology, Govt. of India. All the company's products have been developed by its R&D department. The concerned department on an ongoing basis carries the development work. The expenses and cost of assets are grouped under the respective head.

### C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Continuous efforts are made with an objective to achieve development of new products/application, improvement in productivity, reduction in product wastage etc. Your company strives to remain abreast of state-of-the-art systems and has used tested, proven and appropriate technology to suit the special needs of its customers. Technical help, especially in software design, was taken from consultants and component vendors. Several tangible and intangible benefits are derived.

### D. FOREIGN EXCHANGE EARNING AND OUTGO:

	As At 31.03.2009 (Rupees)	As At 31.03.2008 (Rupees)
<b>1. Foreign Exchange Inflow :</b>		
a) For Exports & Merchant Trading	<b>82,040,154</b>	27,622,694
b) For Services	<b>2,765,071</b>	2,829,976
<b>2. Foreign Exchange Outflow :</b>		
a) Materials	<b>103,460,970</b>	42,758,507
b) Travelling & other Expenses	<b>2,038,498</b>	1,084,359
c) Salary & other benefits	<b>1,177,219</b>	—
d) Rent	<b>498,258</b>	—

## REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance by incorporating Clause 49 in the Listing Agreement of the Stock Exchanges. Your company has complied in all matters and a report on the implementation of the Corporate Governance Code of the Listing Agreement by the company is furnished below:

### A. Philosophy on Corporate Governance:

A good corporate governance process aims to achieve the balance between shareholders' interest and corporate goals by- providing long term vision of its business and establishing systems that help the Board in understanding and monitoring risk at every stage of the corporate evolution process to enhance the trust and confidence of the stakeholders without compromising with laws and regulation.

Your company believes in and practices Good Corporate Governance. At Catvision we are committed to the adoption of the best governance practices and its adherence in the true spirit, at all times. The company's philosophy on Corporate Governance is aimed at strengthening confidence among shareholders, customers and employees and ensuring a long-term relationship of trust by maintaining transparency and disclosures. This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, customers and associates. The objective of the company is not only to meet the statutory requirements of the Code of Corporate Governance as prescribed under Clause 49 of the Listing Agreement, but to develop such systems and follow such practices and procedures as would make the management completely transparent and accountable in its interaction with employees, shareholders, lending institutions and its customers, thereby enhancing the shareholders' value and protecting the interest of the shareholders.

The Report on Corporate Governance is divided into four parts: Board of Directors, Committees of the Board of Directors; Shareholders Information and Other Disclosures.

### B. Board of Directors:

#### a. Composition of the Board of Directors:

The composition of the Board of Directors is governed by Companies Act, 1956 and the Listing Agreement. The Board of Directors, comprising of a combination of executive and non-executive Directors. The Board mix provides a combination of professionalism, knowledge, performance review, monitoring of plans and pursuance of policies and procedures. The business of the company is managed by the Board of Directors. As on 31st March,

2009, There are four directors on the Board with only two being Executive Directors. The directors are specialists in their respective fields and possess required technical and leadership skills. The responsibilities of the Board inter alia include formulation of policies, taking initiatives, performance review, monitoring of plans, pursuing of policies and procedures.

The Brief description of the Directors, along with the companies in which they hold directorship and the membership of the committees of the Board are given hereunder:

#### S. A. Abbas:

Mr. S. A. Abbas is B.Tech. From IIT, Kanpur and MBA from IIM, Calcutta. He is the Managing Director and one of the principal promoters of the company. He has built of team of professionals who have been given independent charge of various functions in the company. He is also a member of the Audit Committee and Shareholders/Investors Grievance Committee of the company. Under his dynamic leadership Catvision has become one of the leading name in the cable TV industry. He is also an Executive Committee member of Consumer Electronics and Appliances Manufactures Association (CEAMA).

#### Sudhir Damodaran:

Mr. Sudhir Damodaran, is a B.Sc. from Bangalore University. He is the Executive Director and one of the principal promoters of the company. He is the instrumental in building the marketing network and setting up the cable TV operation of the company. He is also a member of Remuneration Committee of the company.

#### Dr. Sunil Anand:

Dr. Sunil Anand is a professionally qualified MBBS and was inducted in the Board of Directors on 15th July, 2005 as an Independent Director. He has been in the business of medical equipment and is having a vast experience.

#### Raman Rajiv Misra:

Raman Rajiv Misra is an Economics Honors Graduate from Punjab University and was inducted in he Board of Directors 31st October, 2002 as an Independent Director. He has been in the business of International Trading.

#### b. Board Meeting:

Dates for the Board meetings in the ensuing year are decided in advance. During the period under review five Board Meetings were held. The dates on which these meeting held 30th April, 2008; 31st July, 2008; 31st October, 2008 and 31st January, 2009 The maximum time gap between any two meetings was not more than three calendar months. None of the Directors of the company was a member of more than ten committees

nor was the Chairman of more than five committees across all companies in which he is a Director. The

attendance record of all Directors at the Board Meetings and the last Annual General Meetings is as under:

Name of the Directors	Category	Attendance			No. of other Directorships and Committee Memberships / Chairmanships		
		No. of Board Meetings					
		Held	Attended	Last AGM	Director	Member	Chairman
S. A. Abbas	PD/ED	4	4	No.	1	1	1
Sudhir Damodaran	PD/ED	4	4	Yes	1	1	None
Dr. Sunil Anand	ID	4	4	Yes	1	3	None
Raman Rajiv Misra	ID	4	4	Yes	1	1	2

**Note:** PD - Promoter Director, ED - Executive Director, ID - Independent Director.

**c. Availability of information supplied to the Board:**

The Board of Directors has complete access to all information with the company. Inter-alia, the following information is provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting.

- Annual operating plans and budgets and any updates, capital budget and any updates;
- Quarterly results of the company and its operating divisions or business segments;
- Minutes of meeting of audit committee and other committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution problems;
- Any materially relevant default in financial obligations to and by the company or substantial non-payment for goods sold by the company;
- Any issue, which involves possible public or products liability, claims if substantial in nature, etc.;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Significant development in the human resources and industrial relations front;
- Sale of material nature, of investments, assets, which is not in the normal course of business;

- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, and
- Non-compliance of any regulatory requirements of statutory nature or listing requirements as well as shareholders services such as non-payment of dividend and delays in share transfer.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the Company to rectify instances of non-compliance.

**C. COMMITTEES OF THE BOARD OF DIRECTORS:**

Currently, the Board has three committees, the Audit Committee, the Remuneration Committee and the Share Transfer and Investors Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for committee members and it delegates powers to these committees.

**a. Audit Committee:**

The Board of Directors has constituted an Audit Committee, comprising of two independent Non-Executive Directors viz. Mr. Raman Rajiv Misra, Chairman (having financial and accounting knowledge), Dr. Sunil Anand and Mr. S. A. Abbas. The constitution and composition of the Audit Committee is in accordance with the provisions of Section 293(A) of the Companies Act, 1956, and the requirements of Clause 49 of the Listing Agreement with Stock Exchanges, except the appointment of Mr. S. A. Abbas who is an Executive Director.

The powers and role of the Committee encompass accounting matters, financial reporting and internal controls. The terms of reference of the Audit Committee are as contained in Clause 49 of the Listing Agreement with stock exchanges and Section 293(A) of the Companies Act 1956. During the year, the Committee has met four times. The statutory Auditors of the company were also invited to attend the Audit Committee meetings.

Attendance of each Member of the Audit Committee meetings held during the year:-

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Raman Rajiv Misra	Chairman	4	4
Mr. S. A. Abbas	Member	4	4
Dr. Sunil Anand	Member	4	4

The terms of reference specified by the Board to the Audit Committee are in conformity with Clause 49 of the Listing Agreement. The role of the Audit Committee includes the following:

- i. Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- iii. Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - any change in accounting policies and practice;
  - major accounting entries based on exercise of judgment by management
  - qualification in draft audit report;
  - the going concern assumption;
  - compliance with accounting standards;
  - compliance with Stock Exchanges and legal requirements concerning financial statements;
  - any related party transaction i.e., transactions of the company of material nature, with the senior management or their relatives, with shareholders with large holding in the company or their subsidiaries etc., that may have potential conflict with the interests of the company at large;
- iv. Reviewing, with the management, the quarterly financial Statements before submission to the Board for approval;
- v. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems;
- vi. Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official

heading the department, reporting structure, coverage and frequency of internal audit;

- vii. Reviewing reports of internal audit and discussion with internal auditors on any significant finding and follow up thereon;
- viii. Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- ix. Discussion with the external auditors, before the audit commence, on nature and scope of audit, as well as after conclusion of the audit to ascertain any areas of concern and review their comments contained in their management letter;
- x. Reviewing the company's Financial and Risk Management Policies;
- xi. Looking into the reasons for substantial defaults, if any, in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xii. Considering such other matters as may be required by the Board;
- xiii. Reviewing any other areas, which may be specified as the role of the Audit Committee under amendments, if any, from time to time, to the Listing Agreement, Companies Act and other Statutes.

Audit Committee meetings are also attended by the Managing Director, Vice-President- Finance and the representative of the statutory Auditors of the Company. The Company Secretary acts as Secretary of the Audit Committee.

## b. Remuneration Committee:

The company has constituted the independent Remuneration Committee with an objective of determining on behalf of the Board and Shareholder, the Company's policy on specific remuneration packages for the Managing Director and Executive Director including pension rights and compensation payment. As on 31st March, 2009, the Remuneration Committee comprises of Mr. Raman Rajiv Misra, Dr. Sunil Anand.



and Mr. Sudhir Damodaran. The Remuneration Committee is entrusted with responsibility of finalizing the remuneration of Managing Director and Executive Director and to assist the Board of Directors of the company on the following :

- Review of Human Resource policies and practices of the company and, in particular, policies regarding remuneration of Executive Directors and Senior Management.
- In principle approval of compensation philosophy.

- Induction of new people.

The company does not pay any remuneration to its Non-Executive Directors except sitting fees for attending the meetings of the Board and committees. The company pays a sitting fee to its Non-Executive Directors for attending each meeting of the Board Directors and Committee of Directors.

Attendance of each Member of the Remuneration Committee meetings held during the year:-

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Mr. Raman Rajiv Misra	Chairman	1	1
Dr. Sunil Anand	Member	1	1
Mr. Sudhir Damodaran.	Member	1	1

The details of the remuneration and sitting fees paid during the year ended 31<sup>st</sup> March, 2009 is as follows:

Name of the Member	Salary	Perquisites and Other Benefits	Sitting Fee	Total
Mr. S.A.Abbas	1248000	1319001	-	2567001
Mr Sudhir Damodaran	1248000	1108101	-	2356101
Dr. Sunil Anand	-	-	1700	1700
Mr Raman Rajiv Misra	-	-	1700	1700

**c) Share Transfer and Investors' Grievance Committee:**

The Board of Directors of the company has constituted a Share Transfer and Investors' Grievance Committee, comprising of Mr. Raman Rajiv Misra, Dr. Sunil Anand and Mr. S. A. Abbas. The Committee, inter-alia, oversees

and reviews all matters connected with securities transfer. The Committee also looks into redressal of shareholders' complaints. The Committee also oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement to provide the quality services to its valued investors.

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Raman Rajiv Misra	Chairman	4	4
Dr Sunil Anand	Member	4	4
Mr. S.A.Abbas	Member	4	4

The Board of Directors have delegated the power of approving the transfer of securities to the Transfer Committee which includes the Managing Director, the Company Secretary, the Vice President-Finance and the Compliance Officer. The Board has designated Mr. G. S Butola, Company Secretary, as the Compliance Officer of the company. All the complaints received and replied to the satisfaction of shareholders during the year under review. Outstanding complaints as on 31<sup>st</sup> March, 2009 were Nil.

Companies Act, 1956 and the Vice President Finance, heading the finance function do hereby certify to the Board that:

- The Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2009 have been reviewed and, to the best of their knowledge and belief, are true and present a true & fair view of the Company's affairs.
- To the best of their knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.

**D. CEO/CFO Certification:**

The Managing Director appointed in terms of the

3. They accept the responsibility for establishing and maintaining internal controls, evaluate the effectiveness, disclosing the deficiencies to the Auditors & the Audit Committee and take steps or proposed to take steps to rectify these deficiencies.
4. They indicate to the Auditors and the Audit Committee:
  - a. Significant changes in Internal Control Processes during the year;
  - b. Significant changes in Accounting Policies; and

- c. Instances of significant fraud of which they have become aware.

**E. SHAREHOLDER INFORMATION:**
**a) Annual General Meeting:**

The 24th Annual General meeting of the Company shall be held on 30th September, 2009 at 9.30 a.m. at 10.30 a.m at Riverside Sports & Recreation Club, Club Avenue, Mayur Vihar, Phase I, New Delhi-110091.

The last three General Meetings of the company were held as under:

Annual General Meeting	Days, Date and Time	Special Resolution Passed Thereat
Twenty Third	Tuesday, 30th September, 2008	None
Twenty Second	Saturday, 29th September, 2007	None
Twenty First	Friday, 29th September, 2006	Yes(1)

**b) Financial Calendar:**

For each calendar quarter, the financial results are reviewed and taken on record by the Board during the last week of the month subsequent to the quarter ending. The audited annual accounts as at 31<sup>st</sup> March, 2009 are approved by the Board, after a review thereof by the Audit Committee. The Annual General Meeting to consider such annual accounts is held in the second quarter of the financial year.

Pursuant to Clause 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the company, in the month of March, 2004, applied for voluntary delisting of its Equity Shares The Calcutta Stock Exchange Limited but the delisting approval from The Calcutta Stock Exchange Limited is still awaited. Company has been continuously following it with them.

**d) Stock Code:**

Trading Symbol at The Stock Exchange, Mumbai is 531158

The ISIN Number in NSDL & CDSL is INE 660B01011.

**c) Listing on Stock Exchanges:**

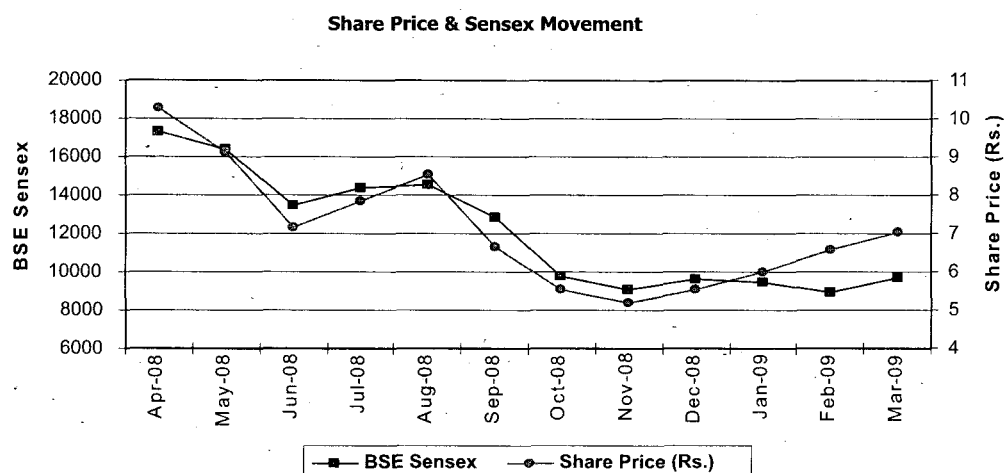
The Equity Shares of the Company are presently listed at The Stock Exchange, Mumbai. The annual fee for 2008-09 has been paid to the stock exchanges where the shares of the company are listed.

**e) Market Price Data relating to shares listed in India:**

The monthly high and low prices and volume of Equity Shares traded on The Stock Exchange, Mumbai during the period April, 2008 to 31st March, 2009 are as under:

Months	Month's High (Rs.)	Month's Low (Rs.)	Volume of Shares Traded (Nos.)
April- 2008	11.38	7.66	17025
May- 2008	11.37	8.85	2197
June- 2008	9.60	7.15	17566
July- 2008	8.39	7.00	6357
August- 2008	8.52	7.30	14979
September- 2008	9.23	6.67	34943
October- 2008	7.20	5.53	14931
November- 2008	6.07	5.21	5067
December- 2008	6.05	4.96	21730
January- 2009	6.10	4.93	22729
February- 2009	6.56	5.54	9648
March- 2009	7.27	5.29	9642

- f) Relative performance of the share price of the Company in comparison to the BSE Sensex :



**g) Share Transfer System:**

Application for transfer, transmission and transposition are received by the Company at its Registered Office or Head Office or at the office of its Registrar and Transfer Agent. As the shares of the Company are in dematerialized form, the transfer is duly processed by NSDL/CDSL in electronic form through the respective depository participant. Shares, which are in physical form, are processed by the Registrar & Share Transfer Agent on a regular basis and the certificates are dispatched

directly to the investors. The Share Transfer and Transactions Committee of the Board of Directors of the company is empowered to approve transfer transmission, etc. Such approvals are generally accorded on fixed dates, two times every month and, thereafter, transfers are registered and duly endorsed certificates are sent to the shareholders.

**h) Distribution of Shareholding:**

- i) The distribution of shareholding by size class as at 31<sup>st</sup> March, 2009 is as follows :

No. of Equity Shares Held	Folios		Shares	
	Numbers	% age	Numbers	% age
00000-5000	2565	81.02	558045	11.99
05001-10000	303	9.57	266785	5.74
10001-20000	134	4.23	206427	4.44
20001-30000	49	1.55	126268	2.71
30001-40000	15	0.47	53454	1.15
40001-50000	20	0.63	96560	2.07
50001-100000	37	1.17	276872	5.95
100001 and above	43	1.36	3069189	65.95
<b>Total</b>	<b>3166</b>	<b>100.00</b>	<b>4653600</b>	<b>100.00</b>

- ii) The Distribution of shareholding, by ownership, as at 31<sup>st</sup> March, 2009 is as follows:

Category	No. of Shares Held	Percentage of Shares
Financial Institution / Bank	16900	0.36
Bodies Corporate (Promoters)	171900	3.69
Promoters - Individual	1349049	28.99
General Public : - Individuals/Trust	1713556	36.83
- Bodies Corporates	1189883	25.57
- NRI	212312	4.56
<b>Total</b>	<b>4653600</b>	<b>100.00</b>

**i) Dematerialisation of Shares:**

Over 79.86% of Company's paid up Equity Share capital has been dematerialised up to 31<sup>st</sup> March 2009. Trading in Equity Shares of the company is permitted only in dematerialised form as per notification issued by Securities and Exchange Board of India (SEBI). In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip less trading, the Company has enlisted its shares with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

**j) Means of Communication:**

The Company has been disclosing its corporate financial results quarterly, half-yearly and annually. The quarterly and half-yearly un-audited financial results of the company were sent to all the stock exchanges where its Equity Shares are listed. The results are normally published in the main editions of The Financial Express, Veer Arjun, Business Standard etc. Annual results are sent to each shareholder. The detailed information about its products is displaced on its website [www.catvisionindia.com](http://www.catvisionindia.com).

No presentations were made to institutional investors and analysts during the year under review. The Management Discussion and Analysis forms part of the Directors' Report in the Annual Report.

**k) Other Information:**

- 1) Date of Incorporation : 28th June, 1985
- 2) Registration No. : L92111DL1985PL021374
- 3) Registered Office : 1515, First Floor,  
Bhishampitamah Marg,  
Kotla Mubarakpur,  
Near South Extension,  
New Delhi-11003
- 4) Location of Plants : E-14 & 15, Sector-8,  
Noida, Distt. Gautam  
Budh Nagar, U.P.  
F-87, Selaqui Industrial  
Area, Dehradun (Uttaranchal)
- 5) Head Office : E-14 & 15, Sector-8,  
Noida, Distt. Gautam  
Budh Nagar, U.P  
Ph. : 0120-3914100-101
- 6) Overseas Office : No.105, Building No.442  
Juma Al Majid, Al Nahda,  
Sharjah-UAE
- 7) Website : [www.catvisioninida.com](http://www.catvisioninida.com)
- 8) E-mail : [atvision@catvisionindia.com](mailto:atvision@catvisionindia.com)
- 9) Registrar & Share  
Transfer Agent : RCMC Share Registry  
Pvt. Ltd.  
B-106, Sector-2,  
Noida, UP- 201 301  
Ph. No. 0120-4015880  
E-mail :  
[shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com)

**l) Secretarial Audit:**

The Secretarial Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A Copy of the Audit Report is submitted to the Stock Exchange, Mumbai where the securities of the Company are listed.

**F. OTHER DISCLOSURES:**

**a) Appointment & Re-appointment of Director:**

Dr. Sunil Anand retires by rotation and being eligible, offers himself for re-appointment. His candidature for appointment will be proposed to shareholders at the Annual General Meeting in accordance with the provisions of the Companies Act, 1956.

**b) Management Discussion and Analysis Report:**

**Business Overview:** The financial year 2008-09 has been a year of growth for the company in spite of the economic crisis that has hit the large cable operators, broadcasters and the hospitality industry. During the year under review, the company has established itself as a major supplier to all segments of the cable TV industry, broadcasters and the hospitality industry.

**Industry Structure and Development:** The financial year under review witnessed one of the worst economic crises in recent times. The collapse of certain large global financial institutions in the second half of the 2008 had a devastating impact on the real economy with widening credit spread, liquidity crunch, steep fall in demand and falling margins. Panic ensued and credit stopped circulating. This economic downturn contributed to reduction in capital spending everywhere. Companies reduced their capital spending either by cancelling new projects or by postponing them. This had a negative impact on the general economy. Fortunately, India was less hit than other major economies.

**CATV Products:** In addition to cable TV there are now alternative technology platforms for delivery of television video to homes: DTH (Direct to Home), HITS and IPTV. There are service providers in India offering all 3, each at various stages of development. DTH has been around for 5 years now and has firmly established itself in cable dry areas and as a high-end digital alternative to cable. DTH now has 6 service providers with a combined subscriber base of about 10 million. There is only one HITS (Headend In The Sky) – a service that provides cable channels through satellite to last mile cable operators – provider as yet. A comprehensive policy is awaited before more players are attracted to this platform. IPTV is being offered by MTNL and BSNL but it still has to gain traction. With Airtel and Reliance entering the fray IPTV is bound to grow in future. Cable, with 80 million subscribers, still remains the dominant service for video

delivery. The next stage is digitization of cable services, a monumental task that needs huge investments and, therefore, regulatory support. This, alas, is very slow in coming. While DTH, HITS and IPTV have clear policy on digital rollout, cable is still floundering. It is expected the new government will take pro-active measures to support this industry and take advantage of the vast infrastructure for rapid rollout of broadband in the country.

While some operators are awaiting regulatory support before they commit to large investments in digital, others have gone ahead under the pressure of competition from DTH. This competition is expected to intensify in the coming years and, therefore, huge investments in digitization of cable are inevitable. Catvision plans to be a key player in supply of hardware and technical support services for digital cable.

**Hotel Systems & Services:** Owing to a booming economy and a global outlook the hospitality industry in India had witnessed a tremendous boon in recent years, so much so that the shortage in rooms sent room tariffs through the roof. This led to several new projects announced by existing players plus others from outside the industry, who sensed a great business opportunity. But with the economic crisis taking root last year, followed by 26/11 and, now, swine flu, the industry is facing a serious downturn. This has forced a lot of non-industry players to head for the exit. However, the long-term players are going ahead with the projects as originally planned, though there may be a few delays here and there.

The overall rating on the Indian hotels industry is bullish. The industry is adding about 60,000 quality rooms, currently in different stages of planning and development, which should be ready by 2012. With the USD 23 billion software services sector pushing the Indian economy skywards, more and more IT professionals are flocking to Indian metro cities. The hotel industry in India is set to grow at 15% a year. This figure will skyrocket in 2010, when Delhi hosts the Commonwealth Games. Already, more than 50 international budget hotel chains are moving into India to stake their turf. Therefore, with opportunities galore, the future 'Scenario of Indian Hotel Industry' looks rosy.

**CCTV:** The terrorist attack in Mumbai revealed the delicate balance that large international hotels have to maintain in order to serve as a public gathering place for sophisticated business clientele without sacrificing security. Hospitality is a service industry. Good service includes security. A hotel with the best service but poor security would expose guests to crime risks and compromise reputation and goodwill. Strengthening the security of such hotels and business places is going to open up a huge demand of perimeter intrusion devices, surveillance cameras, adequate lighting, intelligent video analytics, digital video recorders and similar other devices

– rather than low-end systems which were getting installed just to fulfill operator license conditions. Then there are other segments in this market, especially Government, which are set to experience enormous growth.

**Strengths & Opportunities:** Catvision has stuck to its core business strengths – strong customer relationships built over time in the cable TV and hospitality sectors plus the skills and understanding required to provide the latest and cost-effective solutions for its customers in the product and service segments it addresses. The migration to digital for delivery of video, voice and data has thrown up enormous opportunity. The challenge is to keep the focus on those areas where Catvision has long-term competitive advantage. This has been the company's credo since inception, sometimes at the cost of growth. With both industries expected to record rapid growth the company seems to be in the right place at the right time.

The company has got an in-house R&D lab, which has continuously developed new products and upgraded the features of existing products. The manufacturing facility at Dehra Dun is exempted from Excise Duty and enjoys the benefit of complete Income Tax exemption. To meet the requirement of high-end products the company has tie-ups with world-class manufacturers of such equipment.

**Threats & Challenges:** The current economic slowdown is a threat to all industries. The MSOs (multiple system operators) have postponed their up-gradation plans due to lack of funding. The slowdown in advertising has put a crimp in the expansion plans of broadcasters and entry plans of new players. Catvision is using this lull to expand into new markets, especially the middle east and Africa, and make itself even stronger to surge ahead of competitors once the downturn ends. This situation is not expected to last long. Already, one can see the end of the cycle and the beginnings of growth.

**Segment performance:** (Rupees)

	Current Year	Previous Year
Products	209,055,231	120,057,800
Services	47,314,835	50,905,295

## c. Risks and Concerns:

The major risks, which prevail in the industry, are uncertainty of Government policy, technological obsolescence and competition from the global players. The company is taking due care by adopting new technology and continuous in-house research and development. The company is also focusing on niche segments in the market to avoid head-on competition with global players.

**d. Internal Control Systems:**

The company has instituted adequate internal control procedures commensurate with the nature of its business and the size of its operations. An audit committee is in place. Internal audit is conducted at regular intervals and covers the key areas of operation. All significant audit observations and follow-up actions thereon are reported to the Audit Committee.

**e. Human Resources/Industrial Relations, including number of people employed:**

Your company's industrial relations continued to be harmonious during the year under review. Your company conducts regular in-house training programs for

employees at all levels. The focus is on maintaining employee motivation at a high level with stress on leadership development.

**f. Cautionary Statement:**

Estimation and expectation made in this Management Discussion and Analysis may differ from actual performance due to various factors. The important factors that could make a difference to your company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets, and changes in Government regulations, tax laws, other statutes and other incidental factors.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To: The members of  
**Catvision Products Limited**  
New Delhi

We have examined the compliance of the conditions of Corporate Governance by Catvision Products Limited for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management:

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as on 31st March 2009, there were no investor grievances remaining unattended/pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

for **GAUR & ASSOCIATES**  
Chartered Accountants

**R. K. Gaur**  
Partner

Place : Noida  
Date : 31st July, 2009

Membership No. 72146

## AUDITORS' REPORT

To,  
The Members of **Catvision Products Limited**  
New Delhi

We have audited the attached Balance Sheet of CATVISION PRODUCTS LIMITED, NEW DELHI as at 31st March, 2009 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003, (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate, and according to the information and explanations given to us during the course of the audit, we enclose in the annexure a statement on the matters specified in paragraphs 4&5, of the said Order to the extent applicable.
3. Further to our comments in the Annexure referred to in paragraph above, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books;

- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit and Loss Account and cash Flow Statement dealt with in this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
- e. On the basis of our review of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified from being appointed as Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
  - ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
  - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for **GAUR & ASSOCIATES**  
Chartered Accountants

**R. K. Gaur**  
Partner

Place : Noida  
Date : 31st July, 2009

Membership No. 72146

## ANNEXURE TO THE AUDITORS' REPORT

### (REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF CATVISION PRODUCTS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) Physical verification of the major fixed assets was conducted by the management during the year, which in our opinion, is reasonable, having regard to the size of the company and the nature of its assets and no material discrepancies were noticed in respect of those assets which were physically verified.
- (c) During the year, the company has sold some fixed assets. In our opinion the disposal of such fixed assets during the year does not affect the going concern status of the company.
- (ii) (a) The inventory of the company has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion the company is maintaining proper records of inventory. The discrepancies noticed on such physical verification as compared to the book records were not material having regard to the size and nature of the operations of the company and the same have been properly dealt with in the books of accounts.
- (iii) (a) The company has not granted any loans, secured or unsecured during the year to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The company has taken loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 30 lacs and the balances of loans taken from such parties were Nil as at 31st March 2009.
- (c) In our opinion and explanations given to us the rate of interest and other terms and conditions of such loan taken by the company are not prima facie prejudicial to the interest of the company.
- (d) The repayment of principal amount and payment of interest are made regularly.
- (e) There is no overdue amount which is more than rupees one lac overdue during the period.
- (iv) In our opinion according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars or arrangement referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices of the relevant time.
- (vi) The company has not accepted any deposits from the public to which the provisions of Section 58 (A) and 58 (AA) of the Companies Act, 1956 and the rules framed thereunder apply.
- (vii) In our opinion the company has an adequate internal audit system commensurate with the size of the company and nature of its business.
- (viii) To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under section 209 (I) (d) of the Companies Act, 1956 in respect of the company's products.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in accordance with the generally accepted auditing practices in India, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, cess and other statutory dues as applicable to it with the appropriate authorities.



(b) According to the Information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Sale Tax, wealth Tax, Customs Duty and Excise Duty outstanding, as at 31st March, 2009 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, following are the details of disputed statutory dues of Sales Tax which have not been paid to the concerned authorities:

The Asst. Trade Tax Commissioner, Noida has raised a demand of a penalty of Rs.27000/- against the company which it defended before the Hon'ble Trade Tax Tribunal, Ghaziabad, U.P. and the decision was awarded in the favour of the company. But the Commissioner Trade Tax, UP has moved against this order to the Hon'ble High Court, Allahabad.

(x) The company has neither accumulated losses in the current year nor in the immediately preceding financial year. It has neither incurred cash losses in the financial year under report nor in the immediately preceding financial year.

(xi) According to the records of the company examined by us and as per the information and explanations given to us and as per our opinion, the company has not defaulted in repayment of dues to financial institution or bank or to debenture holders as at the Balance Sheet date.

(xii) The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.

(xiii) In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.

(xiv) In our opinion the company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, in our opinion, the company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) (a) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.

(b) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment and vice versa.

(xvii) The company has not made preferential allotment to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.

(xviii) The company has not issued any debentures during the year.

(xix) The company has not raised any money by public issue during the year.

(xx) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

for **GAUR & ASSOCIATES**  
Chartered Accountants

**R. K. Gaur**  
Partner

Place : Noida  
Date : 31st July, 2009

Membership No. 72146

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As At 31.03.2009 (Rupees)	As At 31.03.2008 (Rupees)
<b>I. SOURCES OF FUNDS</b>			
<b>A) Shareholders' Funds :</b>			
Share Capital	1	46,536,000	46,536,000
Reserve & Surplus	2	35,386,715	28,332,592
<b>B) Loan Funds :</b>			
Secured Loans	3	27,257,473	20,001,220
<b>C) Deferred Tax Liability</b>		7,892,877	2,533,184
<b>TOTAL (A to C)</b>		<b>117,073,065</b>	<b>97,402,996</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>A) Fixed Assets :</b>	4		
Gross Block		97,443,496	90,061,126
Less: Depreciation		49,081,653	44,246,936
Net Block		48,361,843	45,814,190
Capital-work-in-progress		—	674,747
<b>Total</b>		<b>48,361,843</b>	<b>46,488,937</b>
<b>B) Investments :</b>	5	34,980	34,980
<b>C) Current Assets Loans and Advances :</b>			
Inventory	6	28,604,272	25,983,849
Receivables	7	34,889,478	35,105,274
Cash & Bank Balance	8	28,792,064	4,350,438
Loans & Advances	9	14,529,128	18,084,745
<b>Sub-total</b>		<b>106,814,942</b>	<b>83,524,306</b>
<b>Less: Current Liabilities and Provisions :</b>			
Current Liabilities	10	32,507,767	28,894,297
Provision	11	5,630,933	3,750,930
<b>Sub-Total</b>		<b>38,138,700</b>	<b>32,645,227</b>
<b>Net Current Asset</b>		<b>68,676,242</b>	<b>50,879,079</b>
<b>TOTAL (A to C)</b>		<b>117,073,065</b>	<b>97,402,996</b>
<b>Significant Accounting Policies and Notes to the Accounts 18</b>			

Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

for **GAUR & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board

**R. K. Gaur**  
Partner  
Membership No. 72146

**G. S. Butola**  
Company Secretary

**S. A Abbas** Managing Director  
**S. Damodaran** Executive Director

Place : Noida  
Date : 31st July, 2009

**V. Rawat**  
Vice President Finance

**Dr. Sunil Anand** Director  
**Raman Rajiv Misra** Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

	Schedule	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>I. INCOME</b>			
Gross Operating Revenue	12	255,841,324	170,575,882
Miscellaneous Income	13	1,000,241	2,140,711
<b>TOTAL</b>		<b>256,841,565</b>	<b>172,716,593</b>
<b>II. EXPENDITURE</b>			
Material and other Manufacturing Expenses	14	153,287,567	81,257,676
Employees Remuneration and Benefits	15	26,422,814	21,355,698
Administrative & Selling Expenses	16	54,807,421	57,137,077
Finance Cost	17	3,015,907	1,703,614
Depreciation		4,868,344	4,785,372
<b>TOTAL</b>		<b>242,402,053</b>	<b>166,239,437</b>
<b>III. PROFIT BEFORE TAX</b>		<b>14,439,512</b>	<b>6,477,156</b>
Provision for Taxation			
— Current Tax		(1,635,997)	(667,150)
— Fringe Benefits Tax		(539,425)	(517,055)
— Deferred Tax		(5,359,693)	(1,073,905)
<b>IV. PROFIT AFTER TAXATION</b>		<b>6,904,397</b>	<b>4,219,046</b>
Profit brought forward from previous year		11,719,592	9,670,603
Prior- Period Adjustments		—	(170,871)
<b>V. PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>18,623,989</b>	<b>13,718,778</b>
<b>VI. APPROPRIATIONS</b>			
Transfer to General Reserve		—	1,999,186
Surplus transferred to Balance Sheet		18,623,989	11,719,592
Basic/ Diluted Earning Per Share (Face value of Rs. 10/- each)		1.48	0.91
No. of Shares		4,653,600	4,653,600
<b>Significant Accounting Policies and Notes to the Accounts 18</b>			

Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

for **GAUR & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board

**R. K. Gaur**  
Partner  
Membership No. 72146

**G. S. Butola**  
Company Secretary

**S. A Abbas** Managing Director  
**S. Damodaran** Executive Director

Place : Noida  
Date : 31st July, 2009

**V. Rawat**  
Vice President Finance

**Dr. Sunil Anand** Director  
**Raman Rajiv Misra** Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2009**

	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	14,439,512	6,477,156
Adjustment for :		
Depreciation	4,868,344	4,785,372
Interest Expenses	3,015,907	1,703,614
(Profit) / Loss on sale of Fixed Assets	41,501	(1,560,160)
Interest earned & other Income	(1,000,241)	(580,551)
Exchange difference on translation of foreign operations	149,726	-
Operating Profit Before Working Capital Changes	21,514,749	10,825,431
Adjustment for changes in working capital		
Trade & other Receivables	215,796	(8,484,034)
Inventories	(2,620,423)	(3,336,053)
Loans & advances (Net of prior period adjustments)	3,555,619	(5,491,763)
Trade payable & provisions	4,502,256	4,131,812
	5,653,248	(13,180,038)
Cash generated from operations	27,167,997	(2,354,607)
Interest paid	(3,015,907)	(1,703,614)
Taxes paid	(1,184,205)	(937,990)
<b>Net cash from operational activities</b>	22,967,885	(4,996,211)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7,489,200)	(821,860)
(Addition) / Deletion in Capital Work in Progress	674,747	(674,747)
Sale of Fixed Assets	31,700	2,650,000
Interest & Miscellaneous Income Earned	1,000,241	580,551
<b>Net Cash Utilised in Investing Activities</b>	(5,782,512)	1,733,944
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Increase/ (Decrease) in Long Term Borrowing	(597,374)	(713,306)
Increase/ (Decrease) in Working Capital Borrowing	7,853,627	5,841,976
<b>Net Cash from Financial Activities</b>	7,256,253	5,128,670
<b>Net Increase / (Decrease) in Cash (A+B+C)</b>	24,441,626	1,866,403
Opening Cash and Cash Equivalents	4,350,438	2,484,035
Closing Cash and Cash Equivalents	28,792,064	4,350,438

**Note :**

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.
- Figures in brackets represent Cash outflows.

This is the Cash Flow Statement referred to in our report of even date.

for **GAUR & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board

**R. K. Gaur**  
Partner  
Membership No. 72146

**G. S. Butola**  
Company Secretary

**S. A Abbas** Managing Director  
**S. Damodaran** Executive Director

Place : Noida  
Date : 31st July, 2009

**V. Rawat**  
Vice President Finance

**Dr. Sunil Anand** Director  
**Raman Rajiv Misra** Director

**SCHDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

	As At 31.03.2009 (Rupees)	As At 31.03.2008 (Rupees)
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised</b> 6,500,000 Equity Shares of Rs. 10 each (Previous Year 6,500,000 Equity Shares of Rs. 10 each)	<b>65,000,000</b>	65,000,000
<b>Issued , Subscribed &amp; Paid- Up Capital</b> 4,653,600 Equity Shares of Rs.10 each (Previous Year 4,653,600 Equity Shares of Rs.10 each)	<b>46,536,000</b>	46,536,000
	<b>46,536,000</b>	46,536,000
<b>SCHEDULE 2 : RESERVE AND SURPLUS</b>		
Share Premium Reserve	<b>16,613,000</b>	16,613,000
Foreign Currency Translation Reserve	<b>149,726</b>	—
Profit and Loss Account	<b>18,623,989</b>	11,719,592
	<b>35,386,715</b>	28,332,592
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>From Banks</b>		
For Working Capital	<b>25,311,217</b>	17,457,590
<b>Miscellaneous</b>		
Under Hire Purchase Agreements	<b>1,946,256</b>	2,543,630
	<b>27,257,473</b>	20,001,220

**Notes :**

- a. **Working Capital Loans :** The Company has availed working capital facilities from Axis Bank Ltd, B2- B3, Sector-16, Noida, U.P. These working capital facilities are secured by first legal mortgage on land, building and plant & machinery situated at Noida, and Dehradun and hypothecation of Stock, Book Debts and personal guarantees of promoter Directors.
- b. **Hire Purchase Agreements :** Loan availed under Hire Purchase agreements are secured against hypothecation of vehicles and assets financed under respective Hire Purchase Agreements.

**SCHEDULE - 4 : FIXED ASSETS**

(Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01/04/2008	Additions	Deletions	As At 31/03/2009	As At 01/04/2008	For the period	Deletions	As At 31/03/2009	As At 31/03/2009	As At 31/03/2008
Land	1,056,904	—	—	1,056,904	—	—	—	—	1,056,904	1,056,904
Building	8,340,954	3,207,709	—	11,548,663	1,932,082	306,560	—	2,238,642	9,310,021	6,408,872
Plant & Machinery	12,219,883	1,276,569	—	13,496,452	6,493,578	614,559	—	7,108,137	6,388,315	5,726,305
Electrical Fittings	1,414,722	614,995	—	2,029,717	381,048	73,799	—	454,847	1,574,870	1,033,674
Office Equipments	2,891,951	539,293	106,830	3,324,414	842,445	148,001	33,627	956,819	2,367,595	2,049,506
Furniture & Fixtures	3,362,028	1,360,861	—	4,722,889	2,450,699	256,616	—	2,707,315	2,015,574	911,329
Computers	3,176,993	489,773	—	3,666,766	2,616,067	265,724	—	2,881,791	784,975	560,926
Vehicles	4,866,109	—	—	4,866,109	1,628,139	418,857	—	2,046,996	2,819,113	3,237,970
Cable TV Networks	52,731,582	—	—	52,731,582	27,902,878	2,784,228	—	30,687,106	22,044,476	24,828,704
<b>TOTAL</b>	<b>90,061,126</b>	<b>7,489,200</b>	<b>106,830</b>	<b>97,443,496</b>	<b>44,246,936</b>	<b>4,868,344</b>	<b>33,627</b>	<b>49,081,653</b>	<b>48,361,843</b>	<b>45,814,190</b>
Previous Year	91,535,741	821,860	2,296,475	90,061,126	40,668,199	4,785,372	1,206,635	44,246,936	45,814,190	50,867,542
Capital work- in- progress									—	674,747

	As At 31.03.2009 (Rupees)	As At 31.03.2008 (Rupees)
<b>SCHEDULE 5 : INVESTMENTS</b>		
<b>Long Term :</b>		
Non-Trade Investments :		
— Bombay Mercantile Co-op. Bank Ltd	4,980	4,980
Other Investments :		
— Fidelity India Mutual Fund- units	30,000	30,000
	<b>34,980</b>	<b>34,980</b>
<b>SCHEDULE 6 : INVENTORIES</b>		
(As taken, valued, and certified by the management)		
Finished Goods	8,531,986	6,690,357
Trade Goods	8,042,466	8,980,783
Raw Materials & Components	10,268,588	8,275,676
Stores and Spares	138,723	57,131
Semi- Finished Goods	1,622,509	1,979,902
	<b>28,604,272</b>	<b>25,983,849</b>
<b>SCHEDULE 7 : SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
— Debts outstanding for a period exceeding six months	11,423,749	6,930,217
— Other Debts	23,465,729	28,175,057
	<b>34,889,478</b>	<b>35,105,274</b>
<b>SCHEDULE 8 : CASH AND BANK BALANCES</b>		
Cash in hand	2,753	60,910
Balance with Scheduled Banks:		
— In Current Accounts	19,520,030	877,391
— In fixed Deposit Accounts	9,269,281	1,763,980
— Cheques in Hand	—	1,648,157
	<b>28,792,064</b>	<b>4,350,438</b>
<b>SCHEDULE 9 : LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Security Deposits	1,488,624	1,504,675
Advance recoverable in cash or in kind for the value to be received.	7,336,963	11,048,711
Prepaid Expenses	701,328	1,516,005
Advance tax including tax deducted at source	3,972,959	2,987,392
Balance of VAT with Sales Tax Department	23,990	181,069
Balance with Service Tax Department	2,129	44,162
Claim for Refunds of Additional Duty of Customs	909,516	288,045
Other current assets	93,619	514,686
	<b>14,529,128</b>	<b>18,084,745</b>
<b>SCHEDULE 10 : CURRENT LIABILITIES</b>		
Sundry Creditors	17,363,245	16,219,246
Other Liabilities	6,563,208	4,088,508
Advance from Customers	8,581,314	8,586,543
	<b>32,507,767</b>	<b>28,894,297</b>

	As At 31.03.2009 (Rupees)	As At 31.03.2008 (Rupees)
<b>SCHEDULE 11 : PROVISIONS</b>		
Taxation	1,635,997	667,150
Fringe Benefit Tax	539,425	517,055
Provision for Bills awaited	491,668	201,536
Employees Retirement Benefits	2,963,843	2,365,189
	<b>5,630,933</b>	<b>3,750,930</b>
<b>SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009</b>		
	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>SCHEDULE 12 : GROSS OPERATING REVENUE</b>		
Sales of Product	209,055,230	114,671,058
Servicing Income	36,704,803	44,892,005
Income from Cable TV Operation	10,081,291	11,012,819
	<b>255,841,324</b>	<b>170,575,882</b>
<b>SCHEDULE 13 : MISCELLANEOUS INCOME</b>		
Interest Earned [ Includes TDS Rs. 27399/- previous year Rs. 4364/-]	241,361	193,338
Profit on Sale of Fixed Assets ( Net of Losses)	—	1,560,160
Miscellaneous Income	758,880	387,213
	<b>1,000,241</b>	<b>2,140,711</b>
<b>SCHEDULE 14 : MATERIAL AND OTHER MANUFACTURING EXPENSES</b>		
<b>A. Material Cost :</b>		
Opening Stock	17,256,459	15,002,884
Add : Purchases	152,698,172	82,651,650
Less : Closing Stock	18,311,054	17,256,459
<b>Sub Total- A</b>	<b>151,643,577</b>	<b>80,398,075</b>
<b>B. (Increase) /Decrease in Stock</b>		
Opening Stocks	6,690,357	5,036,097
Finished Goods	1,979,902	2,591,150
Semi-Finished Goods		
(i)	<b>8,670,259</b>	<b>7,627,247</b>
Closing Stocks	8,531,986	6,690,357
Finished Goods	1,622,509	1,979,902
Semi-Finished Goods		
(ii)	<b>10,154,495</b>	<b>8,670,259</b>
<b>Sub Total-B (i) - (ii)</b>	<b>(1,484,236)</b>	<b>(1,043,012)</b>
<b>C. Other Manufacturing Expenses</b>		
Store and Spares Consumed	662,775	402,373
Power and Fuel	231,382	256,322
Conversion Charges	2,234,069	1,243,918
<b>Sub Total- C</b>	<b>3,128,226</b>	<b>1,902,613</b>
<b>Grand Total (A+B+C)</b>	<b>153,287,567</b>	<b>81,257,676</b>

	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>SCHEDULE 15 : EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary, Wages and Other Benefits	24,425,079	19,646,471
Staff Welfare Expenses	288,920	295,082
Contribution to Provident Fund and other Funds	1,708,815	1,414,145
	<b>26,422,814</b>	<b>21,355,698</b>
<b>SCHEDULE 16 : ADMINISTRATIVE AND SELLING EXPENSES</b>		
Insurance	319,762	240,481
Rent & Hire Charges	3,609,357	2,576,734
Travelling and Conveyance	7,176,425	6,573,737
Vehicles Running & Maintenance	421,496	456,223
Advertisement, Selling and Distribution	78,617	716,809
Loss on Sale of Assets	41,501	—
Freight & Handling Charges	2,030,975	551,008
Trade & Business Discount	187,266	440,062
Business Promotion	588,050	171,961
Postage and Telephone	1,903,470	1,955,390
Project Implementation Expenses	989,084	1,415,504
Sales Incentives	1,436,736	830,042
Miscellaneous Expenses	2,864,332	2,598,976
Meetings & Celebration	310,961	401,434
Security Services	340,801	395,341
Legal and Professional Charges	1,508,228	1,534,769
Software Charges to Broadcasters*	26,278,085	33,238,789
Fee and Subscription Expenses	228,007	141,203
Water and Electricity Expenses	881,172	863,622
Printing & Stationery	273,438	335,398
Foreign Currency Fluctuation	255,867	—
Auditors' Remuneration		
– Audit Fee	106,231	71,630
– Taxation Matters	16,545	36,510
– Management Consultancy	16,545	5,510
Repair & Maintenance:		
– Building	826,755	—
– Plant & Machinery	248,375	113,989
– Others	1,869,340	1,471,955
	<b>54,807,421</b>	<b>57,137,077</b>
* Excluding Service Tax		
<b>SCHEDULE 17 : INTEREST &amp; FINANCIAL CHARGES</b>		
<b>Interest on :</b>		
– Working Capital	998,594	949,841
– Other Loans	361,449	395,395
Bank Charges	1,655,864	358,378
	<b>3,015,907</b>	<b>1,703,614</b>



## SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

(Forming part of the Accounts for the year ended 31st March, 2009).

### A. NATURE OF OPERATION :

The company offers wide range of CATV products to cable operators and broadcasters, CATV/ SMATV and energy saving equipments to hotels and security solutions to hotels, shopping malls and big commercial centers.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### 1. ACCOUNTING CONVENTIONS:

The financial statements of the company are prepared under historical cost convention and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India, except where otherwise stated.

#### 2. REVENUE RECOGNITION:

- Domestic sales are recognised when the risk and rewards of the ownership are passed on the customer which is generally as dispatch of goods. Sales are net of sales tax and sales return.
- Export sales are recognised at the time of handing over of export consignment to authorities for clearance.
- Income from services is recognized proportionally over the period of service.
- Interest is recognized to the extent of actual credit by the bank.
- Income from maintenance contract are recognized pro-rata over the period of contract.

#### 3. FIXED ASSETS AND DEPRECIATION:

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure for addition, improvement and renewal are capitalized and expenditure for repairs and maintenance are charged to Profit and Loss Account. Depreciation is charged pro-rata on straight-line method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 on all fixed assets other than land and capital work in progress. Depreciation on the additions made to fixed assets due to up-gradation is provided at the rate applied to the existing assets.

#### 4. INVENTORY VALUATION:

- Raw materials, components, stores and packing materials are valued at cost. Cost for this purpose is calculated, on a weighted average method.
- Semi-finished goods is valued at estimated cost.
- Finished goods are valued at cost or market value whichever is less.
- The cost of Semi-finished goods and finished goods include cost of conversion and other cost incurred in bringing the inventories to their present condition and location.

#### 5. FOREIGN CURRENCY TRANSACTIONS:

##### I. INDIA OPERATIONS :

- Initial Recognition :** Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency exchange rate prevailing on the date of the transaction.
- Exchange Differences:** Monetary assets and liabilities related to foreign currency remaining unsettled at the end of the year are translated at the exchange rate prevailing on the date on which transaction is recorded. Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.
- Forward Exchange Contract:** In respect of forward exchange contracts entered into by the company, the difference between the contracted rate and the rate at date of transaction is recognized as gain or loss over the period of contract except for difference in respect of liabilities incurred for acquiring fixed assets from a country outside India in which case such difference is adjusted in the carrying amount of the respective fixed assets. Exchange difference on such contracts are recognized in the statement of Profit and Loss in the year in which

the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

## II. FOREIGN BRANCH OFFICE OPERATIONS :

- a) The assets and liabilities, both monetary and non-monetary, of the foreign operation are translated at the exchange rate prevailing on the balance sheet date.
- b) Income and expense items of the foreign operation are translated by applying quarterly average exchange rates; and
- c) All resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

## 6. FEE FOR TECHNICAL SERVICES:

Fee for technical services are charged to the profit and loss account over the period of the agreement for technical services.

## 7. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

- a. **Defined Contribution Plan :** The company has defined contribution plan for post employment benefits in the form of provident fund for all employees which are administered by Regional Provident Fund Commissioner. Provident fund is classified as defined contribution plan as the company has no further obligation beyond making the contribution. The company's contribution to defined contribution plans are charged to Profit and Loss Account as and when incurred.
- b. **Defined benefits plan :** The company has defined benefit plan for post employment benefits in the form of Gratuity. Liability for defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary.
- c. Other employee benefits like leave travel assistance, medical reimbursement are accounted for on accrual basis.

## 8. PROVISIONS :

- a. The company does not make provision for doubtful debts and follows the practice of writing off bad debts as and when determined.
- b. A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not disclosed to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

## 9. PROVISION FOR TAXATION:

Tax expense comprises both current and deferred taxes. Current Income Tax and Fringe Benefit Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Income Tax reflects the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. However as a matter of prudence deferred tax assets have been recognized only to the extent there is a deferred tax liability.

## 10. LEASED ASSETS:

The company leased some equipments to M/S Bright Star Hotels Pvt. Ltd. under finance lease agreement. The particulars of the lease are as under:

Value of Assets	7,18,932.00
Margin paid by the Lessee	2,00,000.00
Lease Value	5,18,932.00
Lease Tenure	48 month
Monthly Lease Rent	Rs. 22755.00 per month
Depreciation Eligibility	Lessee

## 11. EARNIG PER SHARE (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the year attributable to equity shareholder and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilative potential equity shares.

## 12. ALLOCATION OF OVERHEADS AMONG THE UNITS/SEGMENT:

- Expenses related to the operation of cable TV Network has been directly appropriated against the revenue of cable TV Operation only.
- Expenses related to the services being provided by the company has been directly appropriated against the revenue of such services.
- Direct Expenses related to the manufacturing unit has been directly accounted for in the respective unit and common overheads have been allocated between units/branches in the ratio of the sales of products of the respective units/branches.

## 13. IMPAIRMENT:

At the each balance sheet date, the management reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets has suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price of an asset and value in use determined by discounting the estimated future cash flow expected from continuing use assets to their present value.

## 14. INVESTMENT:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

## C. NOTES TO THE ACCOUNTS

### 1. Contingent Liabilities :

	As At 31.03.2009 (Rupees)	As At 31.03.2008 (Rupees)
i) Unexpired Bank Guarantee	70,000	766,756
ii) Claim against the company not acknowledged as debits	5,850,053	5,850,053
iii) Unexpired Letter of Credits	11,036,432	16,416,299
iv) Estimated amount of capital contracts remaining to be executed and not provided for.	—	1,250,000

**Note:** Based on the favorable decisions in similar cases/legal opinions taken by the company/discussions with its legal advisors etc. the company believes that it has good cases in respect of the item no. (ii) and hence no provision against this is considered necessary.

### 2. Employees Benefits:

- The company has adopted the revised Accounting Standard (AS) 15, 'Accounting for Retirement Benefits' issued by the Institute of Chartered Accountants of India w.e.f. 1st April 2007.
- Contribution to Provident Fund :** Amount of Rs. 1536928/- (Previous year Rs. 1258484/- ) is recognised as an expense and included in Employees Remuneration and benefits (Refer Schedule 15) in the Profit & Loss Account for the year ended 31st March, 2009.

- c) **Gratuity** : The following table sets out the status of the Defined Benefits Plan as at 31st March 2009 which is based on the report submitted by an Independent Actuary :

	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>Amount recognised in Balance Sheet</b>		
Present value of the obligation at the end of the year	2,963,843	2,365,189
Fair value of plan assets	—	—
Net Liability recognised in Balance Sheet	2,963,843	2,365,189
<b>Expenses recognised in Profit &amp; Loss Account</b>		
Current Service Cost	386,044	350,542
Interest Cost	165,110	165,278
Net actuarial (gain) / loss recognised	191,731	(25,538)
Expenses recognised in Profit & Loss Account	742,885	490,282
<b>Changes in Defined Benefit Obligation</b>		
Present Value of obligation at the beginning of the year	2,365,189	2,040,464
Interest Cost	165,110	165,278
Current Service Cost	386,044	350,542
Benefits Paid	(144,231)	(165,557)
Actuarial (gain) / loss on obligation	191,731	(25,538)
Present Value of obligation at the end of the year	2,963,843	2,365,189
<b>Actuarial (Gain) / Loss recognised</b>		
Actuarial (Gain) / Loss on obligation	191,731	(25,538)
Actuarial (Gain) / Loss on plan assets	—	—
Total Actuarial (Gain) / Loss	191,731	(25,538)
Actuarial (Gain) / Loss recognised	191,731	(25,538)
Outstanding Actuarial (Gain) / Loss at the end of the year	—	—
<b>Assumptions used in accounting for gratuity plan</b>		
Discount Rate (p.a.)	7.00%	8.10%
Salary Escalation Rate	5.00%	10.00%
Average outstanding service of employees upto retirement	24 Years	23 Years

3. The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with the company, the balance due Micro Small Medium Enterprises as defined under the MSMED Act, 2006 is Nil. Further no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Some of the customers and suppliers accounts are pending confirmation/reconciliation and the same have been taken as the balances appearing in the books. Any differences arising on account of such reconciliation, which are not likely to be material, will be accounted for as and when these reconciliations are completed.

**4. Related Party Disclosure :**

As per Accounting Standard (AS- 18) issued by the Institute of Chartered Accountants of India, information in terms of the said Standard, are disclosed below :

- The company does not have any related party relationship, where control exists.
- Related Parties with whom transactions have taken place during the year ended 31st March, 2009 :

**a) Key Managerial Personnel :**

Mr. S. A. Abbas  
Mr. Sudhir Damodaran

**b) Relatives of Key Managerial Personnel :**

Mrs. Hina Abbas  
Mrs. A. C. Damodaran

iii. Transactions with Related parties during the year ended 31st March, 2009 :

	Key Managerial Personnel	Relatives of Key Managerial Personnel
Interest	133,699	—
Remuneration	4,932,702	1,359,000
Rent	—	114,000

5. In the opinion of the Board of Directors, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.

6. Earning Per Share (EPS) :

	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
i. Profit after provision of Tax	6,904,397	4,219,046
ii. Weighted Average No. of Equity Shares of Rs. 10 each	4,653,600	4,653,600
iii. Nominal Value of Equity Shares	10	10
iv. Basic and diluted Earning Per Share (EPS)	1.48	0.91

7. Deferred Tax :

Deferred tax has been provided in accordance with Accounting Standard- 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The computation of Deferred Tax Assets/ Deferred Tax Liabilities as on 31st March, 2009 is as follows:

	Deferred Tax Liability as at 31.03.2009 (Rupees)	Deferred Tax Liability as at 31.03.2008 (Rupees)
<b>Deferred Tax Liability arising on account of timing difference:</b>		
Difference between Book & Tax Depreciation	8,515,463	9,112,538
<b>Sub Total - (A)</b>	8,515,463	9,112,538
<b>Deferred Tax Assets arising on account of timing difference:</b>		
Unabsorbed Depreciation	622,586	6,579,354
<b>Sub Total - (B)</b>	622,586	6,579,354
<b>Net Deferred Tax Liability (A-B)</b>	7,892,877	2,533,184

8. Managerial Remuneration :

	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>i) Managing Director and other whole time Directors:</b>		
a) Salary	2,496,000	1,800,000
b) Contribution to Provident Fund	299,520	216,000
c) Allowances and Perquisites	2,137,182	2,014,705
	4,932,702	4,030,705
<b>ii) Non- whole time Directors:</b>		
Sitting fee	3,400	3,200
	3,400	3,200

**Notes:** The above figures do not include provision for gratuity as separate actuarial valuation is not available for whole time directors.

## 9. Segment Reporting Policies:

- a) **Primary Segment:** Based on the guiding principle given in the Accounting Standard - 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company has identified two business segments as primary segments. The reportable business segments are "Products" and "Operations & Services". These segments have been identified considering the nature of the products and the internal financial reporting systems. Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the enterprise as whole and are not allocable to segments on a reasonable basis, have been included under Unallocable Revenue and Expenses. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocable Assets/Liabilities.

(Rupees)

PARTICULARS	Products		Operations & Services		TOTAL	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
<b>1. REVENUE :</b>						
Segment Revenue	209,055,230	120,057,800	47,314,835	50,905,295	256,370,065	170,963,095
Total Revenue	209,055,230	120,057,800	47,314,835	50,905,295	256,370,066	170,963,095
<b>2. RESULT :</b>						
Segment Result	19,665,919	10,121,550	5,479,410	5,942,900	25,145,329	16,064,450
Less: Unallocable Expenses						
Interest					1,101,720	927,441
Other Unallocable Expenses					10,075,596	10,842,644
Add: Unallocable Income					471,500	2,182,791
Less: Provision for Tax including FBT & Deferred Tax					7,535,115	2,258,110
Net Profit after Tax	19,665,919	10,121,550	5,479,410	5,942,900	6,904,397	4,219,046
<b>3. OTHER INFORMATION :</b>						
Segment Assets	82,690,974	74,515,621	26,397,005	33,616,219	109,087,979	108,131,840
Unallocable Corporate Assets					46,123,786	21,916,383
Total Assets	82,690,974	74,515,621	26,397,005	33,616,219	155,211,765	130,048,223
Segment Liabilities	23,709,271	18,574,655	7,543,767	8,759,370	31,253,038	27,334,025
Unallocable Corporate Liabilities					42,036,012	27,845,606
Total Liabilities	23,709,271	18,574,655	7,543,767	8,759,370	73,289,050	55,179,631
Capital Expenditure						
Depreciation	935,465	895,793	2,820,721	2,918,504	3,756,186	3,814,297
Unallocable Depreciation					1,112,158	971,075

## b) Secondary Segment :

The following is the distribution of company's consolidated revenue by geographic market, regardless of where the goods were produced / procured.

	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
<b>Geographic Segment :</b>		
Revenue from Domestic Market	176,434,662	142,694,247
Revenue from Overseas Market	79,935,404	28,268,848
	<b>256,370,066</b>	<b>170,963,095</b>

**10. Additional information pursuant to the provisions of Paragraph 3, 4B, 4C, & 4D of Part-II of Schedule VI to the Companies Act, 1956 :**

**A) PARTICULARS IN RESPECT OF TURNOVER (GROSS) :**

(Qty of sales are net of Sales Returns, Goods given as free samples etc.)

Class of goods	Year Ended 31.03.2009			Year Ended 31.03.2008		
	Unit	Qty.	Amount	Unit	Qty.	Amount
Modulators	Nos	6,357	16,819,811	Nos	5,815	14,087,564
Amplifiers	Nos	29,734	23,242,708	Nos	23,886	17,870,472
Power Supplies	Nos	1,334	1,258,125	Nos	814	933,391
Optical Node & Transmitters	Nos	6,714	29,527,147	Nos	3,780	14,359,850
Tap-Off/ Splitters	Nos	127,343	4,502,045	Nos	131,666	4,448,893
Digital Satellite Receiver & Set						
Top Boxes	Nos	8,574	23,180,406	Nos	6,984	10,899,270
Dish Antenna & other equipments	Nos	43,569	21,012,238	Nos	236	2,369,833
CATV, ITV & MATV. Systems & Equipments	Lots	—	7,959,904	Lots	—	29,217,421
Cables	Mtrs	140,041	4,046,014	Mtrs	118,957	4,474,624
CCTV Camras & Monitoring Equipments	Nos	10,147	8,460,496	Nos	168	4,754,047
Energy Control System & Equipments	Nos	17,147	49,458,021	Nos	—	5,126,226
Other Miscellaneous Items	Nos	127,655	19,588,315	Nos	3,185	6,129,467
<b>Total</b>			<b>209,055,230</b>			<b>114,671,058</b>

**B) PARTICULARS IN RESPECT OF RAW MATERIAL & PACKING MATERIAL CONSUMED :**

(For production and products got manufactured from Vendors)

Integrated Circuits (Ics)	Nos.	20,154	14,695,631	Nos.	97,845	10,214,523
Transistors	Nos.	65,498	564,196	Nos.	104,205	579,574
Transformers	Nos.	40,778	4,778,514	Nos.	30,770	3,267,336
Crystals	Nos.	4,537	46,788	Nos.	6,536	70,302
Printed Circuit Boards (PCBs)	Nos.	119,039	2,502,061	Nos.	89,413	2,802,048
Diodes	Nos.	351,201	316,233	Nos.	282,611	325,446
Attenuators	Nos.	73,219	708,185	Nos.	49,959	416,124
Housings	Nos.	173,804	5,757,073	Nos.	175,286	4,659,653
Connectors	Nos.	379,163	672,703	Nos.	90,086	184,926
SMPS	Nos.	746	176,389	Nos.	1,260	106,715
Others	Lots	—	9,745,359	Lots	—	6,404,530
Packing material	Lots	—	2,153,890	Lots	—	1,723,455
<b>Total</b>			<b>42,117,022</b>			<b>30,754,632</b>

**C) PARTICULARS IN RESPECT OF OPENING & CLOSING STOCK OF FINISHED GOODS :**

Class of goods	As At 31.03.2009			As At 31.03.2008		
	Unit	Qty.	Amount	Unit	Qty.	Amount
<b>Opening stock</b>						
Modulators	Nos	801	795,110	Nos	864	961,254
Amplifiers	Nos	4,129	2,109,511	Nos	2,913	1,815,952
VCD Players	Nos	—	—	Nos	9	12,733
Power Supplies	Nos	87	57,756	Nos	159	129,253
Optical Node & Transmitters	Nos	1,160	2,291,053	Nos	624	1,067,555
Tap-Off/ Splitters	Nos	17,983	421,705	Nos	23,919	665,766
Digital Satellite Receiver & Set						
Top Boxes	Nos	1,819	932,697	Nos	158	242,019
Dish Antenna & other equipments	Lots	20	82,525	Lots	—	141,565
<b>Total</b>			<b>6,690,357</b>			<b>5,036,097</b>

Class of goods	As At 31.03.2009			As At 31.03.2008		
	Unit	Qty.	Amount	Unit	Qty.	Amount
<b>Closing Stock:</b>						
Modulators	Nos	950	1,181,739	Nos	801	795,110
Amplifiers	Nos	5,588	2,914,096	Nos	4,129	2,109,511
Power Supplies	Nos	404	177,997	Nos	87	57,756
Optical Node & Transmitters	Nos	1,690	3,317,272	Nos	1,160	2,291,052
Tap-Off/ Splitters	Nos	28,863	726,283	Nos	17,983	421,706
Digital Satellite Receiver & Set Top Boxes	Nos	129	132,258	Nos	1,819	932,697
Dish Antenna & other equipments	Lots	20	82,341	Lots	20	82,525
<b>Total</b>			<b>8,531,986</b>			<b>6,690,357</b>

**D) PARTICULARS OF PURCHASE AND STOCKS IN RESPECT OF TRADED GOODS :**

Segment	Unit	Purchase during the year 2008-2009		Opening Stock As At 01.04.2008		Closing Stock As At 31.03.2009	
		Quantity	Amount	Quantity	Amount	Quantity	Amount
Modulators	Nos	3,117	5,579,403	330	485,313	504	950,452
Amplifiers	Nos	209	181,489	215	344,274	166	151,844
Power Supplies	Nos	136	36,691	9	18,727	19	21,422
Optical Node & Transmitters	Nos	531	2,871,015	349	754,813	234	1,255,114
Tap-Off/ Splitters	Nos	734	84,894	8,303	305,244	6,607	198,533
Digital Satellite Receiver & Set Top Boxes	Nos	7,478	16,972,131	353	360,399	947	1,383,219
Dish Antenna & other equipments	Lots	44,073	18,639,541	137	60,710	641	343,527
CATV, ITV & MATV							
Systems & Equipments	Lots	—	6,241,955	—	9,500	—	9,500
Cables	Mtrs	146,239	3,303,214	1,805	17,821	8,003	190,611
CCTV Camras & Monitoring Equipments	Nos	10,671	6,602,652	4,040	190,696	4,564	480,932
Energy Control System & Equipments	Nos	17,147	35,474,641	—	—	—	—
Other Miscellaneous Items	Nos	131,864	13,620,780	6,442	6,433,286	10,651	3,057,312
<b>Total</b>		<b>362,199</b>	<b>109,608,406</b>	<b>21,983</b>	<b>8,980,783</b>	<b>32,336</b>	<b>8,042,466</b>

**E) PARTICULARS IN RESPECT OF LICENSED CAPACITY, INSTALLED CAPACITY AND GOODS RECEIVED FROM JOB WORK VENDORS & OTHERS :**

Class of goods	Year Ended 31.03.2009		Year Ended 31.03.2008	
	Unit	Quantity	Unit	Quantity
<b>A. Licensed Capacity</b>	<b>NA</b>		<b>NA</b>	
<b>B. Installed Capacity</b>	<b>NA</b>		<b>NA</b>	
<b>C. Production</b>				
Modulators	Nos	3,563	Nos	4,973
Amplifiers	Nos	30,935	Nos	22,400
Power Supplies	Nos	1,525	Nos	741
Optical Nodes & Transmitters	Nos	6,598	Nos	4,060
Tap-Off/ Splitters	Nos	135,793	Nos	11,507
Digital Receiver & Set Top Boxes	Nos	—	Nos	2,012



**F) CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS AND PERCENTAGE OF EACH TO CONSUMPTION :**

	Year Ended 31.03.2009		Year Ended 31.03.2008	
	% of Total Consumption	Value (Rupees)	% of Total Consumption	Value (Rupees)
Imported	21%	9,001,343	29%	8,944,342
Indigenous	79%	33,115,679	71%	21,810,290
<b>Total</b>	<b>100%</b>	<b>42,117,022</b>	<b>100%</b>	<b>30,754,632</b>

**G) CIF VALUE OF IMPORTS :**

	2008-2009 (Rupees)	2007-2008 (Rupees)
Raw Materials & Traded Goods	103,460,970	42,758,507

**H) EXPENDITURE IN FOREIGN CURRENCY :**

	2008-2009 (Rupees)	2007-2008 (Rupees)
Travelling & Other Administrative Expenses	2,038,498	1,084,359
Salary & Other Benefits	1,177,219	—
Rent	498,258	—
<b>Total</b>	<b>3,713,975</b>	<b>1,084,359</b>

**I) EARNING IN FOREIGN CURRENCY**

	2008-2009 (Rupees)	2007-2008 (Rupees)
FOB Value of Exports	2,104,750	445,734
Overseas Merchant Trade Sale	79,935,404	27,176,960
Channel Marketing & others	2,765,071	2,829,976
<b>Total</b>	<b>84,805,225</b>	<b>30,452,670</b>

13. Figures of the previous year have been regrouped/ reclassified wherever necessary.

14. The figures have been rounded off to the nearest Rupee.

for **GAUR & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board

**R. K. Gaur**  
Partner  
Membership No. 72146

**G. S. Butola**  
Company Secretary

**S. A Abbas** Managing Director

**S. Damodaran** Executive Director

Place : Noida  
Date : 31st July, 2009

**V. Rawat**  
Vice President Finance

**Dr. Sunil Anand** Director

**Raman Rajiv Misra** Director

**Additional information as required under Part IV of Schedule VI to the Companies Act, 1956**  
**BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No. 21374 State Code 55  
 Balance Sheet Date 31st March, 2009

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)**

Public Issue N I L Right Issue N I L  
 Bonus Issue N I L Private Placement N I L

**III. POSITION OF MOBLISATION & DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)**

Total Liabilities 1 1 7 0 7 3 Total Assets 1 1 7 0 7 3  
**Sources of Funds**  
 Paid up Capital 4 6 5 3 6 Reserves and Surplus 3 5 3 8 7  
 Secured Loans 2 7 2 5 7 Deferred Tax Liability 7 8 9 3  
**Application of Funds**  
 Net Fixed Assets 4 8 3 6 2 Investments 3 5  
 Net Current Assets 6 8 6 7 6 Misc. Expenditure N I L

**IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)**

Turnover 2 5 6 8 4 1 Total Expenditure 2 4 2 4 0 1  
 Profit before tax 1 4 4 4 0 Profit after tax 6 9 0 4  
 Earning Per share  
 (Weighted Average) 1 . 4 8

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)**

Product Description	Item Code No. (ITC Code)
Modulator	854389
Amplifier	85438909
Optical Node	85291002
Cable TV Operation	N.A.

for **GAUR & ASSOCIATES**  
 Chartered Accountants

For and on behalf of the Board

**R. K. Gaur**  
 Partner  
 Membership No. 72146

**G. S. Butola**  
 Company Secretary

**S. A Abbas** Managing Director

**S. Damodaran** Executive Director

**Dr. Sunil Anand** Director

**Raman Rajiv Misra** Director

Place: Noida  
 Date : 31st July, 2009

**V. Rawat**  
 Vice President Finance

# CATVISION PRODUCTS LIMITED

Regd. Office : 1515, Bhishampitamah Marg, Kotla Mubarakpur, New Delhi - 110 003

## PROXY FORM ANNUAL GENERAL MEETING

I/We.....  
of.....in the district of.....being member/  
members of the above named company, hereby appoint.....  
.....of.....in district of.....  
.....or failing him.....of.....  
.....as my/our proxy to attend and vote for me/us on my/our behalf at the  
Annual General Meeting of the Company to be held on Wednesday the 30th September, 2009  
Signed this.....day of.....2009

Folio/Client ID No. : .....

DP ID No. : .....

Signature : .....

Address : .....

100 Paise  
Revenue  
Stamp

Note : The proxy form duly signed across the Revenue Stamp of 100 Paise should reach the company's Registered Office at least 48 hours before the time of the meeting.

# CATVISION PRODUCTS LIMITED

Regd. Office : 1515, Bhishampitamah Marg, Kotla Mubarakpur, New Delhi - 110 003

## ATTENDANCE SLIP

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the company at "Riverside Sports & Recreation Club", Club Avenue, Mayur Vihar, Phase-I Extn., New Delhi - 110 091, at 10.00 A.M. on Wednesday, the 30th September, 2009

Full Name of the Shareholder :  
(in block letters)

Signature

Folio/Client ID No. : .....

DP ID No. : .....

Full Name of Proxy  
(in block letters)

Signature

**Note :** Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

**CATVISION**

**CATVISION PRODUCTS LIMITED**

E-14 & 15, Sector-8, Noida - 201 301

Tel. : +91-120-3914100 / 01, Fax : +91-120-3914125

E-mail : [catvision@catvisionindia.com](mailto:catvision@catvisionindia.com)

Web : [www.catvisionindia.com](http://www.catvisionindia.com)