



**HATHWAY BHAWANI
CABLETEL & DATACOM LIMITED**

27th

**Annual Report
2010-2011**

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CABLE INTERNET
MEGA BYTES IN MINI SECONDS

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

27th Annual Report : 2010-2011

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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

BOARD OF DIRECTORS

Mr. K. Jayaraman
Mr. Kuldeep Puri
Mr. Milind Karnik
Mr. Dilip Worah
Mr. L. K. Kannan
Mr. Krishna Parolia

Chairman
Managing Director

AUDITORS

G.M. Kapadia & Co.
Chartered Accountants
Reg. No. 104767W

REGISTERED OFFICE

"Rahejas", 4th Floor, Corner of Main Avenue &
V.P. Road, Santacruz (West), Mumbai - 400 054
Tel No: (022) 26001306 Fax No: (022) 26001307
www.hbhawani.com

BANKERS

Bank of Maharashtra
Axis Bank Limited

ADMINISTRATIVE OFFICE

Sanjona Complex, 5th Floor, Hemu Kalani Marg,
Plot No. 11-A, Sindhi Society, Chembur, Mumbai - 400 071
Tel No: (022) 61534400 Fax No: (022) 61534455

REGISTRAR & TRANSFER AGENT

M/s. Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East), Mumbai - 400 072
Tel.: (022) 28470652 Fax: (022) 28525207
Email: bigshare@bom7.vsnl.net.in

DETAILS OF DEMATERIALISATION OF SHARES

Company's ISIN number for Dematerialisation is INE525B01016
with National Securities Depository Limited (NSDL) &
Central Depository Services Limited (CDSL)

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Seventh Annual General Meeting of the Company will be held on Friday, 30th day of Spetember, 2011, at 4.00 p.m. at Sanjona Complex, 5th Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Milind Karnik, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Krishna Parolia, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration. M/s. G. M Kapadia & Co., Chartered Accountants (Reg. No. 104767W) the retiring auditors, are eligible for re-appointment.

REGISTERED OFFICE:

'Rahejas', 4th Floor, Corner of
Main Avenue &
V. P. Road, Santacruz (W),
Mumbai - 400 054

BY ORDER OF THE BOARD

Place: Mumbai
Date: 12th August 2011

K. JAYARAMAN
Chairman

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (Forty Eight hours) before the time fixed for holding the meeting.
3. The Register of the Members and the Share Transfer Books of the Company will remain closed from 26th September 2011 to 30th September 2011 (Both days inclusive).
4. The profiles of the Directors proposed to be re-appointed are annexed to this Notice pursuant to Clause 49 of the Listing Agreement.

Additional information pursuant to Clause 49 of the Listing Agreement

PROFILES OF DIRECTORS

1. **Name** : **Mr. Milind Karnik**
Father's name : Late Mr. Dattatraya Karnik
Date of Birth : 2nd December, 1960
Qualification & Experience :

Mr. Milind Karnik, is member of the Institute of the Chartered Accountants of India, the Institute of the Company Secretaries of India and the Institute of Cost & Work Accountants of India. He also holds the Bachelors Degree in General Laws. At the beginning of his career in 1984-85, he worked with leading audit firms such as M/s. R. S. Mama & Co. and A. F. Ferguson, as Senior Auditor and Assistant Audit Manager, respectively. In October 1985, he joined the Financial Management Information System Department with Hoechst India Limited. In 1987, he was deputed as Cost Controller of Agrochemicals Division. Later in the beginning of 1988, he joined the Citicorp Group and had worked in various capacities beginning with the Assistant Financial Controller & Company Secretary with Citicorp Overseas Software Limited, Company Secretary with Citicorp Information Technology Industries Limited and Chief Financial Officer & Company Secretary with Citicorp Securities and Investments Limited.

Thereafter, in July, 1996, he joined as the Chief Financial Officer & Company Secretary with Birla Marlin Securities Limited. Later in June 1997, he joined with Caspian Broking (India) Limited as the Financial Controller & Company Secretary. Since December 1998, he is working with Hathway Cable & Datacom Limited and currently he is designated as President – Finance & Company Secretary of Hathway Cable & Datacom Limited.

He was appointed as a Director on the Board of the Company on 6th May 1999.

2. **Name** : **Mr. Krishna Parolia**
Father's name : Mr. Ramji Lal
Date of Birth : 28th January, 1960

Qualification & Experience:

Mr. Krishna Parolia, has done his B.Tech. in Chemical. He is running his own enterprise in Chemical Industry which is in manufacturing of all kinds of surface coating and diluents and is also engaged in trading of various kinds of petrochemicals, solvents and chemicals. He is also a member of Laghu Udyog Bharati, an all India apex association for small scale entrepreneurs, which has its presence all across the country.

He was appointed as a Director on the Board of the Company on 30th December, 2005.

DIRECTORS' REPORT

Dear Members,

Your Directors take the pleasure of presenting the Twenty Seventh Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended March 31, 2011.

Financial Highlights

The Financial Results of the Company for the year ended March 31, 2011 are given below:

(Rs. In Lacs)

Particulars	2010-2011 (standalone)	2009-2010 (standalone)
Operating & Other Income	1379.38	1230.04
Gross Operating Profit before interest, depreciation, amortisation & taxes	120.54	79.72
Interest	3.65	7.79
Depreciation/Amortisation	74.92	77.75
Deferred Taxes	(8.16)	(9.84)
Net Profit / (Loss)	50.12	4.01
Profit/Loss carried to balance sheet after adjustments	(466.71)	(506.82)

Business Operations

During the year under review, the total income of your Company increased to Rs 1379.38 Lacs as compared to last year's income of Rs. 1230.04 Lacs. There is an increase in Gross operating Profit by 51.20% at Rs. 120.54 Lacs as compared to Rs. 79.72 Lacs.

The company is adhering to its policy of focused growth and as a result of which the total subscription income vis a vis the gross operating profit of the company had increased.

Consolidated Financial Statements

Pursuant to Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS – 23 on the Accounting for Investments in Associates and Accounting Standard AS – 27 on Accounting on Joint Ventures, issued by The Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements are provided in this Annual Report.

Dividend

In view of the insufficient profits and the accumulated losses, your Directors express their inability to declare any dividend for the year under review. Several measures are being taken towards increasing the revenue and cost control and more particularly to reduce the administration and other costs and to improve the profitability.

Business Prospects & Management Discussion and Analysis Report

During the year under review, your Company has undertaken various steps to expand its Cable TV and ISP business. Your Company has also undertaken concrete steps to increase the average revenue per subscriber.

A new Subsidiary Company was incorporated in the month of October 2010 for expansion of Company Business in the areas of Mumbra, Viz, Hathway Bhawani NDS Network Private Limited.

The performance of your Company covering various aspects of the business operations for the year ended March 31, 2011 and prospects for the Company's business in the future has been dealt with at length in a separate section titled "Management Discussion and Analysis Report" forming part of the Corporate Governance Report.

Corporate Governance

As stipulated by Clause 49 of the Listing Agreement, a report on Corporate Governance is given herewith and forms part of this report. A Certificate from Rathi & Associates, Practicing Company Secretaries of your Company regarding compliance of the conditions of Corporate Governance as required under the aforesaid Clause, is also forms part of this report.

Personnel

There are no employees who are falling within the ambit of the provision of Section 217(2 A) of the Companies Act, 1956, who are drawing a remuneration of Rs.5,00,000/- per month, if employed for part of the year or Rs.60,00,000/- per annum if employed through out the year.

Directors

Mr. Milind Karnik and Mr. Krishna Parolia, Directors of your Company are retiring at the ensuing General Meeting and have offered themselves for reappointment.

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To enable the Company to obtain their continued valuable direction, guidance and assistance in the conduct of the affairs of your Company, the Board recommends their reappointment.

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956, an Audit Committee has been set up which presently comprises of 3 members, namely Mr. Milind Karnik, Mr. Dilip Worah and Mr. L. K. Kannan, Directors of the Company. Mr. Dilip Worah is the Chairman of the Committee. The terms of reference of the said committee is in accordance with the requirements of the provision of the said Section 292A and the Listing Agreement.

Subsidiary Companies

Pursuant to the Circular No. 51/12/2007- CL-III dated February 8, 2011, the Board of Directors of the Company have consented in their meeting held on August 12, 2011 that the Company will not attach the balance sheet of the subsidiary companies and has complied with the conditions stated in the afore-stated circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies. The consolidated financial statements presented by the Company include financial results of its subsidiary companies.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The requirement of disclosures in terms of Section 217(1)(e) of the Companies Act, 1956, pertaining to the conservation of energy and technology absorption is not applicable to the Company due to the very nature of the industry in which it operates.

During the period under review, your Company has neither earned any foreign exchange earning nor incurred any expenses in the foreign exchange.

Directors' Responsibilities Statement

Your Directors in compliance with Section 217(2AA) of the Companies Act, 1956 confirms that in the preparation of the Annual Accounts for the year ended March 31, 2011:

- (a) the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Company has 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

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the state of affairs of the Company as on March 31, 2011 and the profit of the Company for the year;

- (c) proper and sufficient care has been taken 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;
- (d) the Annual Accounts of the Company has been prepared on a going concern basis.

Auditors

M/s. G. M. Kapadia & Co, Chartered Accountants who have been appointed as the Statutory Auditors of the Company at the last Annual General Meeting, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommends their re-appointment.

Comments on Auditors' Report

In relation to the matters dealt with by the Auditors in the Audit Report we state with respect to the observation in annesure (i) (b) regarding physical verification of distribution equipments your directors clarify that these will be physically verified. In respect of the Cable TV and Internet Acces Devices, the Company has reconciled the book stock with physical stock and there was no significant difference, which though not dealt with in the books of accounts does not have any material impact.

Acknowledgements

Your Directors takes this opportunity to place on record a sincere appreciation and thanks to its stakeholders including subscribers, shareholders, bankers and employees for their excellent and valuable contribution and support towards progress of the organisation.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Dated: 12th August 2011

K. JAYARAMAN
Chairman

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Corporate Governance**

Corporate Governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximizing long-term shareholders' value. Corporate Governance is beyond the realm of law. It stems from the management's mindset and cannot be regulated by legislation alone. Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others.

The Company continues to focus on good Corporate Governance, in line with local and global standards. Its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the report containing the details of governance systems and processes at Hathway Bhawani Cabletel & Datacom Limited is as under:

2. Board of Directors**a) Composition of the Board of Directors**

The Board of Directors ("Board") of the Company has an optimum combination of executive, non-executive and independent directors, who have in depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management. The Board comprises of One Executive Director and Five Non-Executive Directors. The Chairman of the Board is a Non-executive Director and one third of the Board comprises of independent Directors. The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Relation ship with other Directors	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships #	
					Chairman	Member
Mr. K. Jayaraman	None	Chairman	Non-Executive & Non Independent	1	Nil	1

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Mr. Kuldeep Puri	None	Managing Director	Executive & Non Independent	1	Nil	Nil
Mr. Milind Karnik	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil
Mr. Dilip Worah	None	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. L. K. Kannan	None	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Krishna Parolia	None	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. T. Rajaram***	None	Alternate Director to Mr. K. Jayaraman	Non-Executive & Non Independent	Nil	Nil	Nil

* Directorships in Private and Foreign Companies, if any, are excluded.

** Memberships of only Audit Committee and Shareholders' Grievance Committee have been considered.

*** Mr. T. Rajaram was resigned as an as Alternate Director to Mr. K. Jayaraman w.e.f September 20, 2010.

b) Re-appointment of Directors:

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Milind Karnik and Mr. Krishna Parolia shall retire by rotation at the forthcoming Annual General Meeting.

The Board has recommended the re-appointment of Mr. Milind Karnik and Mr. Krishna Parolia as Directors to the shareholders. The detailed resume of the aforesaid proposed appointees is provided in the notice of the Annual General Meeting.

c) Board Meetings and Annual General Meeting:

During the financial year 2010-2011, 4 Board Meetings were held on May 27, 2010, August 14, 2010, November 12, 2010 and February 12, 2011. The last Annual General Meeting of the Company was held on 30th September 2010. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows.

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. K. Jayaraman	2	Yes
Mr. Kuldeep Puri	4	Yes
Mr. Milind Karnik	3	Yes

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Mr. Dilip Worah	4	No
Mr. L. K. Kannan	4	Yes
Mr. Krishna Parolia	0	No
Mr T. Rajaram	5	N.A.

d) Code of Conduct

The Board has laid down a code of conduct for all Board members and Senior Management of the Company.

The Company has obtained the confirmation of the Compliance with the Code from all its Board members and Senior Management Personnel. As required by Clause 49 of the Listing Agreement, the declaration on compliance of the Company's code of conduct signed by Managing Director forms a part of this Annual Report.

3. Audit Committee

a) Constitution of Audit Committee:

The Committee comprises three Non-executive Directors majority of whom are independent directors. All members of the Committee are financially literate. The Chairman of the Committee is a member of the Institute of Chartered Accountants of India.

b) Composition of Audit Committee and Number of Meetings Attended:

During the Financial year 2010-11, four Audit Committee Meetings were held on May 27, 2010, August 14, 2010, November 12, 2010 and January 15, 2011. The composition of the Audit Committee and the number of meeting attended members of the audit committee were as under:

Committee Members Attending the Meeting	Designation	No. of Meetings Attended
Mr. Dilip Worah	Chairman	4
Mr. Milind Karnik	Member	3
Mr. L. K. Kannan	Member	4

The Composition of the Audit committee is complied with the requirements of Clause 49 of Listing Agreement and section 292A of the Companies Act, 1956.

c) Attendees:

The Audit Committee invites such executives, as it considers appropriate to be present at its meetings. The Manager – Accounts attends such meetings. The Statutory Auditors are also invited to these meetings.

d) The Terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee as defined by the Board are as under:

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- iv) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- viii) Reviewing the adequacy of internal audit function, if any, 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.
 - ix) Discussion with internal auditors on any significant findings and follow up there on.
 - x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - xi) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.
- e) Powers of the Audit Committee:

The Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Remuneration Committee

- a) Constitution of Remuneration Committee:

The Remuneration Committee comprises of four members. All the members are Non-Executive Directors.

Committee Members Attending the Meeting	Designation
Mr. K. Jayaraman	Chairman
Mr. Dilip Worah	Member
Mr. L. K. Kannan	Member
Mr. Krishna Parolia	Member

b) Composition of Remuneration Committee and the number of meetings attended:

A meeting of the remuneration committee was held on August 14th, 2010 during the Financial Year 2010-2011.

c) Terms of reference:

The Committee has the mandate to review and recommend compensation payable to the Executive Directors and Senior Management of the Company. It shall also administer the Company's Stock Option plans, if any, including the review and grant of the stock options to eligible employees under plans. The Committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year.

d) Remuneration Policy:i) Management Staff:

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.

ii) Directors:a) Sitting Fees

The Company pays sitting fees to Directors of the Company. The sitting fees paid is within the limits prescribed under the Companies Act, 1956.

Name of the Non-Executive Director	Sitting Fees Paid (Amt. in Rs.)
Mr. Dilip Worah	16,000
Mr. L. K. Kannan	16,000
Mr. Krishna Parolia	-
Mr. Milind Karnik	6,000
Mr. Kuldeep Puri	4,000
Mr. K .Jayaraman	4,000
Total	46,000

b) Executive Directors:

Mr. Kuldeep Puri, Managing Director, is the only Executive Director in the Company. The tenure of Mr. Kuldeep Puri is for a period of 3 years with effect from 1st June 2010. The remuneration of the Executive Director for the period commencing from June 1, 2010 to May 31, 2013, has been approved by the Remuneration Committee of the Board of Directors, the Board of Directors and the Shareholders in the General Meeting.

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Details of remuneration paid to Executive Directors during year ended March 31, 2011 are given below:

Name of the Executive Director	Designation	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Kuldeep Puri	Managing Director	10,20,000	-	10,20,000

5. Shareholders'/ Investors' Grievance Committee

a) Constitution and Composition of Shareholders' Grievance Committee:

The Shareholders'/Investors' Grievance Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and to take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Milind Karnik, a Non-Executive Director. No meeting of shareholders/ investors' grievance committee was held during the financial year 2010-2011. Mr. Milind Karnik and Mr. K. Jayaraman are the members of the Committee.

b) Mr. Kuldeep Puri, Managing Director, is the Compliance officer of the Company.

c) During the year 2010-2011, the Company has received no investor complaints. There were no complaints pending as at end of the year.

d) Share Transfers in Physical Mode:

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee of the Company meets as often as required. There were no physical transfers during the year under review.

6. General Body Meetings

i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Year	Date	Venue	Time
2008	30.09.2008	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4:00 p.m.
2009	30.09.2009	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4:00 p.m.
2010	30.09.2010	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4:00 p.m.

- ii) There were no Special Resolutions passed during previous three Annual General Meetings.
- iii) During the year 2010-2011, the Company has not passed any resolution by way of Postal Ballot.
- iv) Resolutions if any passed by Postal Ballot shall be in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Procedure for Passing of Postal Ballot) Rules, 2001

7. Means of Communication

- (i) The quarterly results of the Company are generally published in *Apla Mahanayak (Marathi Newspaper)* and *Business Standard (English Newspaper)*. The Company proposes that all quarterly, half-yearly and full year financial results be published at least in 2 newspapers. The quarterly results are further submitted to the Bombay Stock Exchange Limited immediately after the conclusion of the respective meetings.
- (ii) No presentations were made to institutional investors or to the analysts during the year under review.
- iii) The Management Discussion and Analysis Report forms a part of this Annual Report.

8. General Shareholder Information

- | | |
|--|---|
| a. <i>Date, time and venue of Annual General Meeting of Shareholders</i> | 30 th September, 2011 at 4:00 p.m.
at Sanjona Complex, 5 th Floor,
Hemu Kalani Marg, Plot 11-A,
Sindhi Society, Chembur, Mumbai – 400 071. |
| b. <i>Dates of book closures</i> | 26th September, 2011 to 30th September 2011 (Both days inclusive) |
| c. <i>Dividend Payment</i> | Not Applicable |
| d. <i>Financial Calendar</i> | The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter as per the listing agreement. |
| e. <i>Listing on stock exchanges</i> | Bombay Stock Exchange Limited |

- f. *Listing fees* Paid to Bombay Stock Exchange Limited
- g. *Registered office* "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai- 400 054. Tel: (022) 26001306 Fax: (022) 26001307
- h. *Registrar and Share Transfer agents* **Bigshare Services Private Ltd.** E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel.: (022) 28470652/28470653 Fax: (022) 28525207 Email: bigshare@bom7.vsnl.net.in
- i. *Plant Locations* The Company does not have any manufacturing activities.
- j. *Stock Market price data* *Monthly high and low at Bombay Stock Exchange Limited, for financial year ended March 31, 2011:*

Month	High (Rs.)	Low (Rs.)
April, 2010	11.10	8.95
May, 2010	9.99	7.77
June, 2010	8.67	7.53
July, 2010	10.33	8.21
August, 2010	13.39	9.18
September, 2010	12.07	9.41
October, 2010	10.94	9.07
November, 2010	11.99	8.51
December, 2010	11.12	8.57
January, 2011	11.80	9.46
February, 2011	10.99	8.36
March, 2011	10.40	8.32

k. a) Distribution of Shareholding as on March 31, 2011:

Range in Rupees	No. of Shareholders	% of Shareholders	Amount (in Rs.)	% of Total
1 - 5,000	2,162	95.03	15,49,140	19.36
5,001 - 10,000	58	2.55	4,35,243	5.45
10,001 - 20,000	21	0.92	3,15,325	3.94
20,001 - 30,000	12	0.53	3,03,501	3.79
30,001 - 40,000	9	0.40	3,17,724	3.97
40,001 - 50,000	4	0.17	1,99,812	2.50
50,001 - 1,00,000	4	0.18	3,34,419	4.18
1,00,001 & above	5	0.22	45,44,836	56.81
Total	2,275	100.00	80,00,000	100.00

b) Category wise Distribution Schedule as on March 31, 2011

Sr. No.	Category	No. of Shares held	%
1.	Promoter and Promoter Group	44,87,567	55.85
2.	Private Bodies Corporate	304,489	3.80
3.	Indian Public	2,841,732	35.52
4.	NRIs/OCBs	6,420	0.0803
5.	Clearing Members	2725	0.03
	Total	80,00,000	100.00

l. Dematerialisation of shares and liquidity

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE 525B01016. As on 31st March 2011, 7,855,579 Equity Shares representing 98.19% had been dematerialized.

m. Address for correspondence

For general Correspondence "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai – 400 054. Tel: (022) 26001306 Fax: (022) 26001307

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

For matters related to Share transfers Dematerialisation, etc.

Bigshare Services Private Ltd.E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel.: (022) 28470652/28470653 Fax: (022) 28525207 Email: bigshare@bom7.vsnl.net.in

n Stock Exchange Code:- 509073

9. Green Initiative in the Corporate Governance:

Ministry of Corporate Affairs (MCA) vide Circular bearing Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively has taken steps towards “Green Initiative”, by allowing paperless compliances by serving documents through electronic mode (e-mail) by companies to its shareholders. As an enlightened corporate citizen, going forward we propose to send all future shareholders’ communications like Notices, Company’s Annual Report etc. through electronic mode. This will also ensure prompt receipt of communication; avoid loss in postal transit and saving of huge cost incurred in printing and postage.

We are sure that you would welcome the “Green Initiative” taken by MCA and your Company’s desire to participate in the same. We therefore request you to kindly provide your e-mail address to our Registrar, Link Intime India Private Limited.

As directed by MCA vide its above circulars, the Company would also make available these documents on the Company’s website viz. <http://www.itlindia.com> for perusal and download by the shareholders. .

10. Other Disclosures

- a. The Company has arrangement with Hathway Cable & Datacom Limited, for revenue sharing for its Internet through Cable Division. The Company also had transactions with Hathway Cable & Datacom Limited for advertisement revenue, purchased of assets and purchase of Set-Top-Boxes. The details of related party transactions are given at Point No. 10 of Part B of Schedule N, being Notes forming part of Accounts. The transactions with other related parties are as per the table given below.

Sr. No.	Name	Nature of Relationship	Amount (in Rs)	Nature of Payment
1.	Mr. Kuldeep Puri	Managing Director– Key Management Personnel	12,03,270	Salary, Perquisites & Reimbursements
2.	Mr. Kulbhushan Puri as Karta of M/s Kulbhushan Puri HUF	Relative of Managing Director	13,22,681	Consultancy fees & Reimbursements

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

There have been no related party transactions for the year ended March 31, 2010, which have potential conflict with the interests of the Company at large.

- b. Shareholding of the Non-executive Directors as on 31st March 2011:

Sr. No.	Name of the Director	No. of Shares held
1	Mr. K. Jayaraman	Nil
2	Mr. Milind Karnik	50,000
3	Mr. Dilip Worah	Nil
4	Mr. L. K. Kannan	Nil
5	Mr. Krishna Parolia	Nil
6	Mr. T. Rajaram	Nil

- c. The Company has complied with the requirements of regulatory authorities on capital markets and no penalty / stricture was imposed on the Company during the last three years.
- d. The Company has complied with the non-mandatory requirements relating to remuneration Committee. The financial statements of the Company are unqualified.
- e. The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under the code of the Corporate Governance.

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Kuldeep Puri
Managing Director

Place: Mumbai
12th August 2011

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERALL REVIEW

India is one of the fastest growing and largest television markets in the world. The increasing rate of urbanization, penetration of television with the help of technology and the rising levels of income of people of India have facilitated the growth of this Industry. The Company was also successful in its dedicated and result oriented efforts to maintain its market share and income from operations as in last year. The profit after taxation of the Company was Rs. 50.13 Lacs as compared to previous year profit of Rs 4.02 Lacs.

OPPORTUNITIES, THREATS AND BUSINESS OUTLOOK

Renewed economic dynamism and multi-platform competition have paced the usage of pay-TV and broadband in Asia Pacific. Now home networks are bringing content to a new range of devices, including mobile devices and digital video recorders (DVRs), as well as to multiple TV sets. With the rise of Direct to Home (DTH) operators, HITS and IPTV in the Indian Market, satellite TV is having major impact on their market share. In view of the above, your Company has already launched the Digital Cable TV Services in its network through installing the Set Top Boxes(STB's) on voluntary basis and is doing well in countering the threat of DTH through STB's.

Further, Telecom Regulatory Authority of India has issued recommendations on implementation of digital addressable Cable TV in India in phased manner all over India by December 2014.

RISKS AND CONCERNS

Looking at the competition in the DTH space and the rapid technological changes in the industry, your Company may be required to constantly upgrade its infrastructure, which will entail substantial capital expenditure. Further, the Government may regulate the CATV rates.

However, the Company is fully geared up to take on any technological change in the industry. The Company is taking various steps for reducing operating cost and other expenses by:

- a) Improving efficiency through innovative solutions
- b) Curtailing overheads by exercising strict control and regular review mechanism.

- c) Stringent control procedures for fast recoveries.
- d) Retiring off expensive loans.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has proper and adequate internal control system under which management reports on key performance indicators and variance analysis are made. Regular Management committee meetings are held where these reports and variance analysis are discussed and action plan initiated with proper follow up. Operational Reports are tabled at Board Meetings after being discussed in Audit Committee meetings.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company operates in a single segment viz. CATV. The reason being CATV & ISP services are provided by using same, common infrastructure. CATV Business comprises of receiving, distributing and transmitting satellite channel programs and ISP Business comprises providing internet services through Cable. Considering the recent business developments and changes that have taken place over the years concerning returns and risks involved in these two activities, the entire business has been considered as one primary segment as per the provisions of Accounting Standard 17. The Company operates within the geographical limits of India and accordingly secondary segments have not been considered.

HUMAN RESOURCES

An Orientation has been given to the personnel policy with emphasis on performance Employee strength was increased at various levels with reallocation of responsibilities for better utilization of resources.

Measures are continuing to facilitate higher levels of output and productivity. Managerial Effectiveness is being improved by appropriate development and training programs, better co-ordination and improvement in communications.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS**

(Rs In Lacs)

Particulars	Year 2010-2011		Year 2009-2010	
	Amount	% of Total Income	Amount	% of Total Income
INCOME				
Income from Operations	1375.92	99.75	1224.80	99.57
Other Income	3.46	0.25	5.25	0.43
TOTAL	1379.38	100.00	1230.05	100.00
EXPENDITURE				
Operational Expenses	956.74	69.36	881.16	71.64
Staff Cost	132.33	9.59	104.53	8.50
Administration and General Expenses	169.76	12.31	164.63	13.38
Finance Charges	3.66	0.27	7.79	0.63
Depreciation / Amortization	74.92	5.43	77.76	6.32
TOTAL	1337.42	96.96	1235.87	100.47
Profit/(Loss) Before Taxation and Exceptional items	41.97	3.04	(5.82)	(0.47)
Provision for Diminution of Investments	0.00	0.00	0.00	
Profit / (Loss) Before Taxation	41.97	3.04	(5.82)	(0.47)
Provision for Taxation				
Deferred Tax	8.16	0.59	9.84	0.80
Income Tax (MAT)	-	-	-	-
Profit / (Loss) After Taxation	50.13	3.63	4.02	0.33

CAUTIONARY STATEMENT

The Statement in the Management Discussion and Analysis report can not be construed as holding out any forecasts, projections, expectations, invitations, offers etc. within the meeting of applicable securities, laws and regulations. This Report basically seeks to furnish information, as laid down within the different headings to meet the listing agreement requirements.

CORPORATE GOVERNANCE CERTIFICATE

To the members of

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

1. We have examined the compliance of conditions of Corporate Governance by HATHWAY BHAWANI CABLETEL & DATACOM LIMITED ("the Company"), for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RATHI & ASSOCIATES,
COMPANY SECRETARIES**

Date: 12th August, 2011

Place: Mumbai

HIMANSHU KAMDAR

Partner

FCS No. 5171

C.P. No.3030

**AUDITOR'S REPORT TO THE MEMBERS OF
HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

1. We have audited the attached Balance Sheet of **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 misstatement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - v. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act on the said date;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Act in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011, and
 - b. In the case of the Profit & Loss Account, of the profits of the Company for the year ended on that date.
 - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For G. M. KAPADIA & CO.
Chartered Accountants
(Firm Registration No. 104767W)

(VIRENTHAKKAR)
Partner
(Membership No. 49417)

Mumbai
Dated : 12th August 2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained records of fixed assets, other than distribution equipments, showing particulars, including quantitative details and location. As explained to us, nature of some of the distribution equipments (like cabling and other line equipments) is such that maintaining location-wise details is impractical. *The management had planned to maintain maps to identify, quantity and location of such equipments. However, updation/ preparation of maps relating to addition/ replacement is still under process.*
- (b) According to the information and explanations given to us, fixed assets, other than distribution equipments including Cable TV/ Internet Access Devices with the subscribers, were physically verified during the year as per the programme of verification which, in our opinion, is reasonable. Material discrepancies arising on such physical verification have been properly dealt within the books of accounts. *However, in absence of physical verification, discrepancies in distribution equipments have not been ascertained and not dealt within the books of accounts.*
- (c) During the year, Company has not disposed of any substantial / major part of fixed assets.
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management.
- (b) The procedures of physical verification, in our opinion, are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the sub-clauses (a) to (g) of the clause 4 (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. *In our opinion, the internal control system in respect of certain areas of sale of services needs to be further strengthened.* The Company has initiated necessary steps to strengthen the procedures and controls over documentation in certain areas so as to make it commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions for the year that need to be entered into the register maintained under section 301 of the Act have been so entered.

- (b) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time to the extent the same are available with the Company and / or in accordance with the approvals obtained from the Central Government, wherever applicable.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
- (vii) The Company has an internal audit system. However there is scope for increasing the coverage so as to commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Act in respect of certain service activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues wherever applicable and there are no amounts in arrears as at 31st March , 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues payable by the Company on account of any dispute in case of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess as on 31st March 2011. Hence the question of depositing such dues on account of any dispute does not arise.
- (x) The accumulated losses at the end of the financial year are in excess of fifty percent of the net worth of the Company. The Company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment of dues to financial institution or bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

- (xiii) In our opinion, the company is not a nidhi / mutual fund / society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the Company.
- (xiv) According to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments. All shares, debentures and other investments have been held by the Company in its own name except certain government securities which are held in the name of the officials of the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, no term loans have been taken during the year and the term loans taken in earlier years were applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and overall examination of the Cash Flow Statement and Balance Sheet of the Company, we report that the Company has not raised any funds on short-term basis
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The Company has not issued any debentures hence the question of whether securities or charge have been created does not arise.
- (xx) The Company has not raised any money by public issues during the year covered by our report.
- (xxi) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For G. M. KAPADIA & CO.
Chartered Accountants
(Firm Registration No. 104767W)**

**(VIREN THAKKAR)
Partner
(Membership No. 49417)**

**Mumbai
Dated : 12th August 2011**

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	31-Mar-11		31-Mar-10
		Rupees	Rupees	Rupees
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	A	80,000,000		80,000,000
Reserves and Surplus	B	15,000,000		15,000,000
			95,000,000	95,000,000
Loan Funds				
Secured Loans	C		2,842,023	8,822,047
			3,681,527	4,497,434
Deferred Tax Liability (Net of Assets) (Refer Note no. B(12) of Schedule "N")				
			101,523,550	108,319,481
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	D	124,073,697		120,818,312
Less: Accumulated Depreciation & Amortisation		76,235,690		68,830,461
Net Block		47,838,007		51,987,851
Capital Work-in-Progress		490,450		1,084,863
			48,328,457	53,072,714
Investments				
Net Current Assets,				
<u>Current Assets, Loans & Advances</u>				
Inventories	F	517,797		523,551
Sundry Debtors		31,148,291		37,892,582
Cash and Bank balances		4,532,363		11,185,669
Loans & Advances		13,878,926		11,760,161
		50,077,377		61,361,963
<u>Less: Current Liabilities & Provisions</u>				
Current Liabilities	G	50,217,471		55,560,652
Provisions		1,358,886		1,369,575
		51,576,357		56,930,227
Net Current Assets			(1,498,980)	4,431,736
Profit & Loss Account Debit Balance			46,670,916	50,682,031
Significant Accounting Policies and Notes Forming Part of Accounts	N		101,523,550	108,319,481
As Per Our Report Of Even Date For G. M. Kapadia & Co. Chartered Accountants		For and on behalf of the Board		
VIREN THAKKAR (Partner)	KULDEEP PURI Managing Director	K. JAYARAMAN (Chairman)		
	MILIND KARNIK (Director)			
Mumbai Dated : 12 th August 2011		Mumbai Dated : 12 th August 2011		

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-11 Rupees	2009-10 Rupees
INCOME			
Income from Operations	H	137,591,912	122,480,122
Other Income	I	346,358	524,518
		137,938,270	123,004,640
EXPENDITURE			
Operational Expenses	J	95,674,539	88,116,467
Staff Cost	K	13,233,826	10,452,795
Administration and General Expenses	L	16,975,796	16,462,855
		125,884,161	115,032,117
PROFIT BEFORE INTEREST AND FINANCE CHARGES, DEPRECIATION, AMORTISATION AND TAXATION			
		12,054,109	7,972,523
Interest and Finance Charges	M	365,701	779,301
Depreciation		6,126,457	6,410,249
Amortisation		1,365,324	1,365,324
Profit / (Loss) before Taxation		4,196,626	(582,351)
Less : Provision For Taxation			
Current Tax		-	-
Deferred Tax		(815,907)	(984,101)
Profit / (Loss) After Taxation		5,012,533	401,750
Balance b/f from Previous year		(50,682,032)	(52,162,527)
MAT Provision for earlier year		(1,026,289)	-
Short Provision of Taxes for earlier year		(500,000)	(241,962)
Prior Period Adjustments (Net)		524,872	1,320,707
Balance carried to Balance Sheet		(46,670,916)	(50,682,032)
Earning Per Share (Refer Note No. B (11) of Schedule "N")		0.50	0.19
Significant Accounting Policies and Notes Forming Part of Accounts			
	N		
As Per Our Report Of Even Date For G. M. Kapadia & Co. Chartered Accountants		For and on behalf of the Board	
VIREN THAKKAR (Partner)	KULDEEP PURI Managing Director	K. JAYARAMAN (Chairman)	
	MILIND KARNIK (Director)		
Mumbai Dated : 12 th August 2011		Mumbai Dated : 12 th August 2011	

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10	
	Rs.	Rs.	Rs.	Rs.
1 CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT / (LOSS) AFTER TAX PRIOR PERIOD		3,195,209		496,395
ADJUSTEMENTS				
A Adjustment for :				
1 Non Cash Charges				
Depreciation \ Amortisation	7,491,781		7,775,573	
Provision towards Loss on Shortage of Fixed Assets	1,000,000			
Irrecoverable amount w/off (Net)	9,021,116		68,113	
Provision for Bad Debts	2,767,203		7,225,000	
Sundry balance written back	(69)		(225,755)	
(Profit) / loss on sale of Fixed Assets net	287,088		159,619	
2 Item Considered Separately				
<i>Income from Investment</i>				
Interest Income	(47,534)		(254,036)	
Interest Expense	365,701	20,885,286	779,301	15,527,815
Operating Profit Before Change in Working Capital		24,080,495		16,024,209
B Change in Working Capital				
(Increase) / Decrease in Inventories	5,754		(254,442)	
(Increase) / Decrease in Debtors	(5,044,028)		(7,806,181)	
(Increase) / Decrease in Loans & Advances	(2,763,766)		(2,330,108)	
Increase / (Decrease) in Taxes	645,000		385,816	
Increase / (Decrease) in Current Liabilities	(5,353,801)	(12,510,840)	2,429,367	(7,575,548)
Net Cash from Operation Activities		11,569,655		8,448,661
2 CASH FLOW FROM INVESTING ACTIVITIES:				
Interest received	47,534		254,036	
Proceeds for sale of Fixed assets	82,250		245,741	
Purchase of Fixed Assets	(4,116,862)		(7,807,534)	
Purchase of Investments	(7,905,157)		-	
Proceeds on Sale of Investment	15,000		-	
Net cash Realised from Investing Activities		(11,877,235)		(7,307,757)
3 CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Fresh Capital				
Loan Taken during the year	-		9,469,950	
Loan repaid during the year	(5,980,024)		(5,471,337)	
Interest charges	(365,701)		(779,301)	
Net cash Realised from Financing Activities		(6,345,725)		3,219,312
Net increase in Cash and Cash equivalent		(6,653,306)		4,360,216
Cash & Cash equivalents at the beginning of year		11,185,669		6,825,453
Cash & Cash equivalents at the end of year		4,532,363		11,185,669

Note:

- Above Statement has been prepared by using Indirect method as per AS-3 on Cash Flow Statements.
- Cash and Cash equivalents represent "Cash Balance in hand and Balances with Schedule Banks". Cash & Cash equivalents at the beginning of the year and at the end of the year also includes Fixed Deposits pledged as securities. Refer Schedule F for details.

As Per Our Report Of Even Date
For **G. M. Kapadia & Co.**
Chartered Accountants

VIREN THAKKAR
(Partner)

KULDEEP PURI
Managing Director

MILIND KARNIK
(Director)

Mumbai
Dated : 12th August 2011

For and on behalf of the Board

K. JAYARAMAN
(Chairman)

Mumbai
Dated : 12th August 2011

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE A	31-Mar-11 Rupees	31-Mar-10 Rupees
<u>SHARE CAPITAL</u>		
Authorised Capital 10,000,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Issued, Subscribed and Paid up Capital 8,000,000 (8,000,000) Equity Shares of Rs.10/- each, fully paid up (Out of the above 4,080,000 (4,080,000) Equity Shares are being Directly and Indirectly held by the Holding company, Hathway Cable & Datacom Limited)	80,000,000	80,000,000
	80,000,000	80,000,000
SCHEDULE B	31-Mar-11 Rupees	31-Mar-10 Rupees
<u>RESERVES & SURPLUS</u>		
Share Premium Balance as per last balance sheet	15,000,000	15,000,000
	15,000,000	15,000,000
SCHEDULE C	31-Mar-11 Rupees	31-Mar-10 Rupees
<u>SECURED LOANS</u>		
Loan - From Bank		
Cash Credit - Bank of Maharashtra (Secured against Hypothecation of Book Debts, Headend Equipments, & Fixed Deposit Receipt of Rs. 27.89 Lakhs)	2,494,665	4,000,000
Term Loan - Bank of Maharashtra (Secured against director FDR & Interest O/S. on term loan)	-	4,000,000
Car Loan From HDFC Bank (Secured against Hypothecation of Vehicles)	347,358	822,047
	2,842,023	8,822,047

SCHEDULE TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

(In Rupees)

	← Gross Block (at Cost) →				← Depreciation / Amortization →				← Net Block →		
	As at 01.4.2010	Additions during the year	Deductions during the year	As at 31.03.2011	As at 01.4.2010	Additions during the year	Deductions during the year	As at 31.03.2011	As at 31.03.2011	As at 31.3.2010	
SCHEDULE D											
FIXED ASSETS											
INTANGIBLE ASSETS											
Cable Television Franchise	26,706,420	0	0	26,706,420	13,752,147	1,335,324	0	15,087,471	11,618,949	12,954,273	
Goodwill	150,000	0	0	150,000	48,337	30,000	0	78,337	71,663	101,663	
Computers Software	472,258	11,852	0	484,110	140,493	94,572	0	235,065	249,045	331,765	
	27,328,678	11,852	0	27,340,530	13,940,977	1,459,896	0	15,400,873	11,939,657	13,387,701	
TANGIBLE ASSETS											
Distribution Equipments	63,508,335	3,587,546	586,262	66,509,619	34,612,486	4,761,997	404,524	38,969,959	27,539,659	28,895,849	
Headend Equipments	18,049,361	770,673	602,862	18,217,172	12,342,545	1,323,084	431,516	13,234,113	4,983,059	5,706,816	
Furniture & Fixtures	4,523,975	26,884	0	4,550,859	3,171,814	244,968	0	3,416,782	1,134,077	1,352,161	
Office Equipments	590,961	42,700	15,750	617,911	231,106	55,261	7,104	279,263	338,648	359,855	
Electrical Fittings	307,774	0	0	307,774	150,208	21,917	0	172,125	135,649	157,566	
Structural Fittings	108,275	0	0	108,275	108,275	0	0	108,275	0	0	
Airconditioners	549,212	68,900	0	618,112	346,624	29,610	0	376,234	241,878	202,588	
Pagers & Mobiles	396,569	13,300	0	409,869	280,949	23,685	0	304,634	105,235	115,620	
Computers	2,670,027	177,024	211,350	2,635,701	2,145,948	226,117	205,916	2,166,149	469,552	524,079	
Vehicles	2,785,144	12,400	39,668	2,757,876	1,499,531	345,245	37,494	1,807,282	950,594	1,285,613	
	93,489,633	4,699,426	1,455,892	96,733,167	54,889,486	7,031,885	1,086,554	60,834,817	35,898,350	38,600,147	
Total	120,818,311	4,711,278	1,455,892	124,073,697	68,830,463	8,491,781	1,086,554	76,235,690	47,838,007	51,987,848	
Capital Work-in-Progress									490,450	1,084,863	
Previous Year	115,518,824	7,361,876	2,062,388	120,818,311	62,711,917	7,775,572	1,657,028	68,830,461	51,987,848	52,232,329	

Note

Rang of remaining period of ammortisation of intangible asset is as below

Cable Television Franchise	1 to 20 year
Goodwill	1 to 5 year
Computers Software	1 to 15 year

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE E	31-Mar-11		31-Mar-10
	Rupees	Rupees	Rupees
INVESTMENTS			
Investments in Govt. - Securities			
National Saving Certificates		118,000	133,000
Investments in Equity Shares (Unquoted)			
Hathway Bhawani NDS Network Pvt.Ltd.		7,905,157	-
15810 (Nil) Equity Shares of Rs.500/-each fully paid up		8,023,157	133,000
SCHEDULE F			
CURRENT ASSETS, LOAN & ADVANCES			
CURRENT ASSETS			
Inventories		517,797	523,551
SUNDRY DEBTORS			
(Unsecured but Considered Good, to the extent not provided for)			
- Outstanding for more than 6 Months	13,929,221		29,545,494
- Others	29,816,374		28,375,153
	43,745,595		57,920,647
Less: Provision for bad and doubtful debts	12,597,304		20,028,065
		31,148,291	37,892,582
CASH AND BANK BALANCES			
Cash on hand	209,775		121,310
Balance with Scheduled Banks			
- In Current Accounts	1,023,502		7,699,746
- Cheques on Hand	-		98,014
- In Fixed Deposit Account *	3,299,086		3,266,599
(As security Rs. 510,577 - Against Outstanding Bank Guarantees, Rs. 2,788,509/- against cash credit limit with Bank of Maharashtra)		4,532,363	11,185,669
LOANS AND ADVANCES			
Sundry Deposits	2,645,272		2,612,524
Advances recoverable in cash or kind for value to be received			
Prepaid Expenses	147,795		134,262
Direct Taxes Paid (Net to Provision)	4,786,267		4,141,267
Sundry Advances	543,891		1,944,897
Advances to other Cable Ventures	1,000,000		-
Advances for Network Acquisitions	1,820,800		-
Service Tax Claimable	683,983		1,013,896
CENVAT Receivable	1,718,361		1,592,274
Staff Advances	71,597		66,368
Staff Loan	22,387		27,467
Other Receivables	438,573		227,206
	11,233,653		9,147,637
		13,878,926	11,760,161
		50,077,377	61,361,963

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

SCHEDULE G	31-Mar-11		31-Mar-10
	Rupees	Rupees	Rupees
<u>CURRENT LIABILITIES & PROVISIONS</u>			
<u>CURRENT LIABILITIES</u>			
Sundry Creditors for Capital Goods	2,141,819		845,164
Sundry Creditors for Expenses and Trade Liabilities	28,069,427		28,930,883
Income received in Advance	6,820,460		5,221,387
Outstanding Liabilities for expenses	3,954,015		3,863,019
Service Tax accrued but not due	4,176,684		5,788,322
Security Deposits Received	4,620,720		4,447,007
Other Liabilities	434,346		6,464,870
		50,217,471	55,560,652
<u>PROVISIONS</u>			
Provision for Retirement Benefits		1,358,886	1,369,575
		51,576,357	56,930,227

SCHEDULES TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE H	2010-11		2009-10
		Rupees	Rupees
INCOME FROM OPERATIONS			
Subscription Income		133,419,547	118,991,373
Advertisement Income		2,100,000	2,297,665
Rental Income on Equipments		694,484	298,232
Consultancy Income		540,023	-
Other Operational Income		1,053,580	942,399
Sale of Devices		4,384,755	1,384,229
Less : Cost of Goods sold			
Opening Stock	523,551		269,109
Add : Purchases	4,594,723		1,688,218
	5,118,274		1,957,327
Less : Closing Stock	517,797		523,551
		4,600,477	1,433,776
		(215,722)	(49,547)
		137,591,912	122,480,122

SCHEDULE I	2010-11		2009-10
		Rupees	Rupees
OTHER INCOME			
Interest on Fixed Deposits (Tax deducted at source Rs.3,503/- (Previous year Rs.17,170)		253,641	254,036
Interest on Loans		5,260	-
Amount No Longer Payable Written Back		69	225,755
Miscellaneous Income		87,388	44,727
		346,358	524,518

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**SCHEDULES TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2011**

SCHEDULE J	2010-11		2009-10
	Rupees	Rupees	Rupees
OPERATIONAL EXPENSES			
Bandwidth & Lease Line Cost		9,014,664	12,032,382
Consultancy Charges		1,497,500	1,345,632
Commission		181,190	195,816
Feed Charges		1,447,073	1,498,735
Other Operating Expenses		2,752,022	3,497,339
Pay Channel Cost		67,356,674	60,673,620
Repairs & Mainenance - Machinery		153,569	117,658
Rent		1,274,010	1,089,613
Software & Programming Cost		175,210	347,722
Transport Charges		34,308	24,837
Bad Debts	22,863,821		3,167,348
Less : Transferred from Provision for Bad & Doubtful Debts	13,842,705		3,099,235
Provision for Bad and Doubtful Debts		9,021,116	68,113
		2,767,203	7,225,000
		95,674,539	88,116,467

SCHEDULE K	2010-11 Rupees	2009-10 Rupees
STAFF COST		
Salary & Bonus	11,755,968	9,227,973
Contribution to Funds	744,195	528,549
Other Staff Cost	393,210	406,425
Staff Welfare	340,453	289,848
	13,233,826	10,452,795

SCHEDULES TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE L	2010-11 Rupees	2009-10 Rupees
<u>ADMINISTRATION AND GENERAL EXPENSES</u>		
Advertisement & Promotion expenses	248,458	169,162
Business Promotion expenses	427,234	332,881
Communication Charges	575,601	604,015
Conveyance	1,722,710	1,312,407
Donation	3,002	11,003
Electricity Charges	1,551,599	1,597,293
Insurance Others	72,914	81,313
Legal & Professional charges	240,819	584,339
Shortage of Fixed Assets	1,000,000	-
Loss on Sale of Asset (Net)	279,514	159,619
Miscellaneous Expenses	307,901	340,318
Office Expenses	986,497	2,071,920
Printing & Stationery	573,946	581,536
Rates & Taxes	3,994,268	4,230,324
Rent - Office	2,029,800	1,941,852
Repairs & Maintenance - Others	1,110,434	920,441
Service Charges	1,615,100	1,338,432
Auditors Remuneration:		
- Audit Fees	140,000	120,000
- Tax Audit Fees	30,000	30,000
- Vat Audit Fees	20,000	20,000
Managerial Remuneration		
Sitting Fees	46,000	16,000
	16,975,796	16,462,855

SCHEDULE M	2010-11 Rupees	2009-10 Rupees
<u>Interest and Finance Charges</u>		
Interest and Finance Charges	323,663	700,462
Bank Charge	42,038	78,839
	365,701	779,301

Significant Accounting Policies and Notes Forming Part of Accounts for the Year ended 31st March 2011.**SCHEDULE N****A. SIGNIFICANT ACCOUNTING POLICIES****1) METHOD OF ACCOUNTING**

These financial statements are prepared on accrual basis of accounting, following historical cost convention, in accordance with the provisions of the Companies Act, 1956 ('the Act'), accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences on account of revision of estimates actual outcome and existing estimates are recognised prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

3) FIXED ASSETS**a) Intangible Assets**

Intangible assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. Internally generated brands, customer lists and items similar in substance are not capitalized. Intangible assets are stated at cost less accumulated amortization less impairment.

Intangible assets include Cable Television Franchisee and Goodwill. The aggregate consideration paid to acquire Subscribers connected to a network along with Network assets and all the rights attached thereto are disclosed under the head Cable Television Franchisee. In cases where value for assets acquired along with Subscribers connected to the network are separately ascertained, the assets are capitalised under the relevant heads. The consideration paid for non-compete as per the underlying agreements are included in Goodwill.

b) Tangible Assets

- The fixed assets are stated at cost less accumulated depreciation and impairment if any. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses. The indirect expenditure incurred during pre-commencement period is allocated proportionately over the cost of the relevant assets.
- Cable Modems and Routers lying on hand at the year-end are included in Capital Work in

Progress. On installation, such devices are capitalized or treated as sale based on scheme opted by the customers.

- Nature of some of the items included in Capital Work in Progress is such that the same may be used for repairs and maintenance.

4) DEPRECIATION \AMORTISATION

- a) The intangible assets are amortized on a straight line basis over their expected useful lives as follows:
 - (i) Cable Television Franchise is amortized over a period of twenty years.
 - (ii) Non Compete Fees included in Goodwill is amortized over the non-compete period or Five years in the event of absence of specific tenor in the relevant agreement.
 - (iii) Goodwill arising on transfer of business of subsidiaries is fully amortized in the same year.
 - (iv) Goodwill other than mentioned above is amortized over the specific tenor in the relevant agreement or ten years in the event of specific tenor in the relevant agreement.
- b) Depreciation on fixed assets is computed on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956, other than Structural Fitting which have been depreciated according to the rental agreement for the period of three years.

5) INVESTMENTS

a. Long-Term Investments

Long-term investments in shares are stated at cost. The provision for diminution in value of such investments is made if such diminution is considered other than temporary.

b. Current Investments

Current investments are recorded at lower of cost or fair value.

6) INVENTORIES

Inventories comprise of Spare and maintenance items and Stock of STB (Set Top Boxes) which are valued at lower of cost or net realizable value.

7) BORROWING COST

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other Borrowing costs are recognized as an expense in the period in which they are incurred.

8) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

- a) A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimation.
- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

- i. a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent Assets are neither recognised, nor disclosed.

9) EMPLOYEE BENEFITS

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

10) LEASES

Rentals in respect of agreements in the nature of operating leases as defined in Accounting Standard 19 on "Leases" are treated as revenue.

11) REVENUE RECOGNITION:

Income from Operations is recognized on accrual basis based on agreements / arrangements with the concerned parties.

Revenue from sale of prepaid Internet Service plans is recognized on time proportion basis, in those cases where such plans are active at the year end. In all other cases, entire revenue is recognized in the year of sale.

Subscription Income from Cable TV Operators is accrued monthly based on number of connections declared by the said operators to the Company. In cases where revision of number of connections and rate is under negotiations at the time of recognition of revenue, the Company recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed at the year-end and provision for doubtful debts is made wherever ultimate realization is considered uncertain.

Interest income is recognized on accrual basis.

12) TAXATION

- a) Provision for Current Tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961
- b) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable income. Other deferred tax assets are recognized only to the extent that there is a reasonable certainty of realisation in future.
- c) Provision for Fringe Benefit Tax is made in accordance with the Income Tax Act, 1961.

13) IMPAIRMENT

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired, If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

B. Notes on Accounts

- 1) Additional Information as required under Part II of Schedule VI of the Companies Act, 1956, have been given to the extent applicable to the Company.

	<u>Current Year</u> <u>Rs.</u>	<u>Previous Year</u> <u>Rs.</u>
CIF Value of Imports	Nil	2,877,944
Expenditure in foreign currency	Nil	Nil
Earning in foreign currency	Nil	Nil

- 2) Director's Remuneration:

	<u>Current Year</u> <u>Rs.</u>	<u>Previous Year</u> <u>Rs.</u>
Remuneration to Managing Director	1,020,000	1,020,000
Reimbursement of Expenses	237,891	183,270

- 3) Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro & Small Enterprises. The Company is in the process of compiling relevant information from its supplier about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

- 4) Debtors, Creditors, Loans & advances and deposits are taken as appearing in the books and are subject to confirmation. In the opinion of the management, the Debtors and Loans & advances have a realisable value in the ordinary course of business not less than the amount at which they are stated in the Balance Sheet and wherever necessary, adequate provision have been made.

5) Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for aggregate to Rs.Nil (P.Y.Rs.Nil).

6) CONTINGENT LIABILITIES

- (a) Claims against the Company not acknowledged, as debts are Rs.2,100,000/- (Previous Year Rs. 2,100,000/-).

- (b) Outstanding Bank Guarantees Rs.1,200,000 /- (Previous Year Rs. 1,228,090/-).

7) EMPLOYEE BENEFITS

a) Defined Benefit Plans:

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table provides the disclosures in accordance with Revised AS 15.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation and plan assets:

Category	As at 31 st March 2011 [Gratuity (Rs.)]	As at 31 st March 2010 [Gratuity (Rs.)]
1 Change in benefit obligations:		
Projected benefit obligations at beginning of the year	692,852	676,209
Current Service Cost	110,462	125,852
Interest Cost	64,970	62,225
Benefits Paid	(38,077)	(12,046)
Actuarial (Gain) / (Loss)	(6,412)	(203,500)
Past Service Cost	-	44,112
Projected benefit obligations at end of the year	823,795	692,852
2 Change in plan assets:		
Contributions by Employer	38,077	12,046
Benefits Paid	(38,077)	(12,046)
3 Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligations at the end of the year	823,795	692,852
Liability / (Asset) recognised in the Balance Sheet	823,795	692,852
4 Cost for the year		
Current Service Cost	110,462	125,852
Interest Cost	64,970	62,225
Actuarial (Gain) / (Loss)	(6,412)	(203,500)
Net Cost recognised in the Profit and Loss Account	169,020	28,689
5 Assumptions		
Interest rate for discount	8.30%	8.30%
Estimated rate of return on plan assets	0%	0%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
Salary Escalation	3% - 7%	3% - 7%

b) Defined Contribution Plans:

"Contribution to provident and other funds" is recognised as an expense in Schedule L of the Profit and Loss Account.

8) SEGMENTAL REPORTING

The Company is a Multi System Operator providing Cable Television Network Services, Internet Services and allied services which is considered as the only reportable segment. The Company's operations are based in India.

9) RELATED PARTY DISCLOSURES

- I. Enterprise where control exists:
 - a. Hathway Cable & Datacom Ltd.
- II. Other related parties with whom the Company had transactions.
 - a) Mr. Kuldeep Puri Managing Director- Key Management Personnel
 - b) Mr. Kulbhushan Puri as Karta Relative of Managing Director
of M/s Kulbhushan Puri HUF

(Rupees)

Description	Enterprises where Control exists	Key Management Personnel	Relatives of Key Management Personnel
1. Remuneration paid Mr.Kuldeep Puri	Nil (Nil)	1,020,000 (1,020,000)	Nil (Nil)
2. Consultancy paid Mr. Kulbhushan Puri	Nil (Nil)	Nil (Nil)	1,080,000 (1,080,000)
3. Professional Fees paid	Nil (Nil)	Nil (Nil)	Nil (Nil)
4. Reimbursementof expenses paid Mr.KuldeepPuri Mr.Kulbhushan Puri	Nil (Nil)	237,891 (183,270)	427,435 (242,254)
5. Purchaseofassets/STB Hathway Cable & Datacom Ltd.	4,693,333 (1,805,333)	Nil (Nil)	Nil (Nil)
6. Othertransactions/Lease Rent CMTS Hathway Cable & Datacom Ltd.	178,517 (293,960)	Nil (Nil)	Nil (Nil)
7. Advertisement revenue/Carriage fees Hathway Cable & Datacom Ltd.	9,978,766 (1,077,877)	Nil (Nil)	Nil (Nil)
Inputer charge earned/consultancy charges earned Hathway Bhawani NDS Network Pvt.Ltd.	1,498,894 (Nil)	Nil (Nil)	Nil (Nil)
Sale of assets/STB Hathway Bhawani NDS Network Pvt.Ltd.	1,648,000 (Nil)	Nil (Nil)	Nil (Nil)
8. ISPAccess Expenses Hathway Cable & Datacom Ltd.	8,782,432 (12,089,188)	Nil (Nil)	Nil (Nil)
9. Outstanding balance: -Sundry Debtors Hathway Bhawani NDS Network Pvt.Ltd.	635848 (Nil)	Nil (Nil)	Nil (Nil)
SundryCreditors Hathway Cable & Datacom Ltd.	7,551,364 (9,993,631)	Nil (Nil)	Nil (Nil)
Outstanding liability for expenses Mr.Kuldeep Puri	Nil (Nil)	71,733 (60,975)	
Mr.Kulbhushan Puri	Nil (Nil)		81,000 (81,000)

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

10) LEASES

The Company has leasing arrangements in terms of Accounting Standard 19 on "Leases" as applicable. These leasing arrangements, which are not non-cancelable generally, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. The amount of such lease rentals debited to the Profit & Loss Account for the year is Rs. 3,303,810 (Previous Year Rs. 3,250,532).

11) EARNING PER SHARE

Particulars	Current Year	Previous Year
Profit \ (Loss) after tax (including prior period adjustment and adjustment for short provision of earlier years) – (Rs.)	4,011,116	1,480,496
No. of ordinary shares (No.'s)	8,000,000	8,000,000
Nominal value of ordinary shares (Rs.)	10.00	10.00
Basic Earnings per share (Rs.)	0.50	0.19

12) DEFERRED TAX LIABILITY (NET OF ASSETS)

	Deferred Tax Liabilities / Assets as at 31.3.2011	Deferred Tax Liabilities / Assets as at 31.3.2010
<u>Deferred Tax Liabilities</u>		
a) Difference between book and tax depreciation	4,338,690	5,157,899
b) Other deferred tax liabilities	Nil	Nil
	<u>4,338,690</u>	<u>5,157,899</u>
<u>Deferred Tax Assets</u>		
a) Provision for Gratuity	254,553	214,091
b) Disallowance under section 43B	163,343	209,107
c) Income earned during the pre- commencement period	<u>237,267</u>	<u>237,267</u>
	<u>657,163</u>	<u>660,465</u>
Deferred Tax Liability (Net of Assets)	<u>3,681,527</u>	<u>4,497,434</u>

In the absence of virtual certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has not recognized deferred tax assets on unabsorbed depreciation and business losses.

13) INTANGIBLE ASSETS

Based on factors such as past experience, industry trends, value added services and quality of services provided by the Company, trends in other countries, various changes proposed in the regulations governing the industry, future business plans, estimated residual value etc., the Company is of the opinion that the useful life of the Cable Television Franchise acquired by the company will exceed twenty years. Accordingly, the same has been amortised over a period of twenty years from date of acquisition.

14) PRIOR PERIOD ADJUSTMENTS (NET)

Particulars of income or expenditure of prior period credited or debited to the Profit & Loss Account is as under:

Particulars	Current Year	Previous Year
		(In Rs)
<u>Income</u>		
a) Income of earlier years credited to Profit and Loss Account	1,669,907	3,882,573
b) Reversal of income of earlier years debited to the Profit and Loss Account	<u>(384,066)</u>	<u>(1,707,737)</u>
	<u>1,285,841</u>	<u>2,174,836</u>
<u>Expenses</u>		
a) Expenses of earlier years debited to the Profit and Loss Account	(969,288)	(1,330,285)
b) Reversal of Expense earlier years Credited to the Profit and Loss Account	<u>208,319</u>	<u>476,157</u>
	<u>(760,969)</u>	<u>(854,128)</u>
Prior Period Adjustments (Net)	<u>524,872</u>	<u>1,320,708</u>

15) TURNOVER, CLOSING AND OPENING STOCK

Quantitative Details of Cable Television and Internet Access Devices

Particulars	Current Year		Previous Year	
	Units	Amount	Units	Amount
Opening Stock	589	523551	387	269,109
Add: Purchases	8811	4,714,459	2050	1,834,440
Less: Sales	8084	(4,384,755)	1675	(1,384,229)
Less: Distribution	151	(119,734)	173	(146,222)
Closing Stocks	1165	517,797	589	523,551

16) Supplementary statutory information required to be given pursuant to Clause 32 of the listing agreement. Nil.

17) Previous year figures are rearranged and regrouped, wherever considered necessary.

As Per Our Report Of Even Date

For and on behalf of the Board

For G. M. Kapadia & Co.
Chartered Accountants

VIREN THAKKAR
(Partner)
Membership No. 49417

KULDEEP PURI
Managing Director

K. JAYARAMAN
(Chairman)

MILIND KARNIK
(Director)

Mumbai
Dated : 12th August 2011

Mumbai
Dated : 12th August 2011

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No	:	11-34514 of 1984
Balance Sheet Date	:	31-3-2011

II CAPITAL RAISED DURING THE YEAR (Rupees in thousands)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rupees in thousands)

Total Liabilities	:	101,524
Total Assets	:	101,524

SOURCES OF FUNDS (Rupees in thousands)

Paid-up Capital	:	80,000
Share Application Money	:	Nil
Reserves and Surplus	:	15,000
Secured Loans	:	2,842
Unsecured Loans	:	Nil
Deferred Tax Liability (Net of Assets)	:	3,682

APPLICATION OF FUNDS (Rupees in thousands)

Net Fixed Assets	:	48,329
Investments	:	8,023
Net Current assets	:	(1,499)
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	46,671

IV PERFORMANCE OF THE COMPANY (Rupees in thousands)

Turnover	:	137,938
Total expenditure	:	133,741
Profit/(Loss) Before Tax	:	4,197
Profit/(Loss) After Tax	:	5,013
Prior Period Income / (Income)	:	525
Short provision of Taxes for earlier year	:	(500)
Mat Provision for earlier	:	(1,026)
Earnings Per Share in Rs. (Basic & Diluted)	:	0.50
Dividend rate %	:	Nil

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

Item Code No. (ITC Code)	:	N.A.
Product Description	:	N.A.

K. Jayaraman
(Chairman)

Place : Mumbai
Date : 12th August 2011

Kuldeep Puri
(Managing Director)

Milind Karnik
(Director)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr. No.	PARTICULARS	Hathway Bhawani NDS Network Pvt. Ltd.
	Note	
1	Information Furnished for the Financial Year Ended	31-Mar-11
2	Date from which it becomes subsidiary	13.10.2010
3	Shares of the subsidiary held by the holding company i.e. Hathway Bhawani Cabletel & Datacom Ltd on 31st March 2011 a) Number of Shares held b) Fully paid Shares Each of the face value of Rs. c) Extent of Effective Holding	15,810 10 51%
4	Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in HBCDL A/c a) For the Financial Year of the Subsidiary aforesaid b) For the Previous financial years of the subsidiary since it becomes Subsidiary	Nil Not Applicable
5	Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in HBCDL A/c a) For the Financial Year of the Subsidiary aforesaid b) For the Previous financial years of the subsidiary since it becomes Subsidiary	(347,189) Not Applicable
6	Changes in the interest of HBCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and 31 st March 2011	Not Applicable
7	Material Changes between end of the Financial Year of the subsidiary Company and 31 st March 2011 a) Fixed Asset b) Investment c) Monies Lent By Subsidiary Co. d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability	Not Applicable Not Applicable Not Applicable Not Applicable

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HATHWAY BHAWANI CABLETEL & DATACOM LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at 31st March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information of each of the components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of the subsidiary whose audited financial statement reflect total assets of Rs. 16,357,271 as on 31st March, 2011 and total revenues of Rs. 7,467,001 and net cash inflows of Rs. 1,030,784 for the year ended 31st March, 2011; and
This financial statement has been audited by other auditor whose report have been furnished to us for the purpose of consolidation and our opinion, in so far as it relates to the amounts included in respect of such subsidiary is based solely on the report of other auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements.
5. Based on our audit as aforesaid and on consideration of separate audit report of other auditor on the separate financial statement and on the other financial information of the component and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profits of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For G. M. KAPADIA & CO.
Chartered Accountants
(Firm Registration No. 104767W)
(VIRENTHAKKAR)

Mumbai Partner
Dated: 12th August 2011

(Membership No. 49417)

CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH, 2011

	Schedule	31-Mar-11		31-Mar-10
		Rupees	Rupees	Rupees
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	A	80,000,000		80,000,000
Reserves and Surplus	B	15,000,000		15,000,000
			95,000,000	95,000,000
Loan Funds				
Secured Loans	C		2,842,023	8,822,047
Minority Interest			7,764,966	-
			3,681,527	4,497,434
Deferred Tax Liability (Net of Assets) (Refer Note no. (AX) of Schedule "O")				
			109,288,516	108,319,481
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	D	139,630,981		120,818,312
Less: Accumulated Depreciation & Amortisation		77,778,625		68,830,461
Net Block		61,852,356		51,987,851
Capital Work-in-Progress		525,015		1,084,863
			62,377,376	53,072,714
			118,000	133,000
Investments				
Net Current Assets,				
<u>Current Assets, Loans & Advances</u>				
Inventories	F	626,297		523,551
Sundry Debtors		32,312,859		37,892,582
Cash and Bank balances		5,563,147		11,185,669
Loans & Advances		13,883,427		11,760,161
		52,385,730		61,361,963
<u>Less: Current Liabilities & Provisions</u>				
Current Liabilities	G	51,705,876		55,560,652
Provisions		1,358,886		1,369,575
		53,064,762		56,930,227
Net Current Assets			(679,033)	4,431,736
Miscellaneous Expenditure	H		283,945	
Profit & Loss Account Debit Balance			47,188,228	50,682,031
Significant Accounting Policies and Notes Forming Part of Accounts	O		109,288,516	108,319,481

As Per Our Report Of Even Date
For G. M. Kapadia & Co.
Chartered Accountants

For and on behalf of the Board

VIREN THAKKAR
(Partner)

KULDEEP PURI
Managing Director

K. JAYARAMAN
(Chairman)

MILIND KARNIK
(Director)

Mumbai
Dated : 12th August 2011

Mumbai
Dated : 12th August 2011

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH,2011

	Schedule	2010-11 Rupees	2009-10 Rupees
INCOME			
Income from Operations	I	141,960,710	122,480,122
Other Income	J	346,358	524,518
		142,307,069	123,004,640
EXPENDITURE			
Operational Expenses	K	96,991,208	88,116,467
Staff Cost	L	13,788,858	10,452,795
Administration and General Expenses	M	18,245,393	16,462,855
		129,025,459	115,032,117
PROFIT BEFORE INTEREST AND FINANCE CHARGES, DEPRECIATION, AMORTISATION AND TAXATION			
		13,281,610	7,972,523
Interest and Finance Charges	N	365,907	779,301
Depreciation		6,154,684	6,410,249
Amortisation		2,880,032	1,365,324
Miscellaneous Expense written Off		31,550	-
Profit / (Loss) before Taxation		3,849,437	(582,351)
Less : Provision For Taxation			
Current Tax		-	-
Deferred Tax		(815,907)	(984,101)
Profit / (Loss) After Taxation		4,665,344	401,750
Balance b/f from Previous year		(50,682,032)	(52,162,527)
MAT Provision for earlier year		(1,026,289)	-
Short Provision of Taxes for earlier year		(500,000)	(241,962)
Prior Period Adjustments (Net)		524,872	1,320,707
Minority Interest		(170,123)	-
Balance carried to Balance Sheet		(47,188,228)	(50,682,032)
Earning Per Share (Refer Note No. B (7) of Schedule "O")		0.44	0.19
Significant Accounting Policies and Notes Forming Part of Accounts	O		
As Per Our Report Of Even Date For G. M. Kapadia & Co. Chartered Accountants		For and on behalf of the Board	
VIREN THAKKAR (Partner)	KULDEEP PURI Managing Director	K. JAYARAMAN (Chairman)	
	MILIND KARNIK (Director)		
Mumbai Dated : 12 th August 2011		Mumbai Dated : 12 th August 2011	

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH,2011

	2010-11		2009-10	
	Rs.	Rs.	Rs.	Rs.
1 CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT/(LOSS) AFTER TAX PRIOR PERIOD		2,677,897		496,395
ADJUSTEMENTS				
A Adjustment for :				
1 Non Cash Charges				
Depreciation \ Amortisation	9,066,266		7,775,573	
Provision towards Loss on Shortage of Fixed Assets	1,000,000		-	
Irrecoverable amount w/off (Net)	9,021,116		68,113	
Provision for Bad Debts	2,767,203		7,225,000	
Sundry balance written back	(69)		(225,755)	
(Profit) / loss on sale of Fixed Assets net	287,088		159,619	
2 Item Considered Separately				
Income from Investment				
Interest Income	(47,534)		(254,036)	
Interest Expense	365,907	22,459,975	779,301	15,527,815
Operating Profit Before Change in Working Capital		25,137,872		16,024,209
B Change in Working Capital				
(Increase) / Decrease in Inventories	(102,746)		(254,442)	
(Increase) / Decrease in Miscelleanous expenditure	(283,945)		-	
(Increase) / Decrease in Debtors	(6,208,596)		(7,806,181)	
(Increase) / Decrease in Loans & Advances	(2,768,266)		(2,330,108)	
Increase / (Decrease) in Taxes	645,000		385,816	
Increase / (Decrease) in Current Liabilities	3,899,727	(4,818,825)	2,429,367	(7,575,548)
Net Cash from Operation Activities		20,319,046		8,448,661
2 CASH FLOW FROM INVESTING ACTIVITIES:				
Interest received	47,534		254,036	
Proceeds for sale of Fixed assets	82,250		245,741	
Purchase of Fixed Assets	(19,708,714)		(7,807,534)	
(Increase) / Decrease in Miscellaneous Expenses	(31,550)		-	
Proceeds on Sale of Investment	14,843		-	
Net cash Realised from Investing Activities		(19,595,637)		(7,307,757)
3 CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Fresh Capital				
Loan Taken during the year			9,469,950	
Loan repaid during the year	(5,980,024)		(5,471,337)	
Interest charges	(365,907)		(779,301)	
Net cash Realised from Financing Activities		(6,345,931)		3,219,312
Net increase in Cash and Cash equivalent		(5,622,522)		4,360,216
Cash & Cash equivalents at the beginning of year		11,185,669		6,825,453
Cash & Cash equivalents at the end of year		5,563,147		11,185,669

Note:

- Above Statement has been prepared by using Indirect method as per AS-3 on Cash Flow Statements.
- Cash and Cash equivalents represent "Cash Balance in hand and Balances with Schedule Banks". Cash & Cash equivalents at the beginning of the year and at the end of the year also includes Fixed Deposits pledged as securities. Refer Schedule F for details.

As Per Our Report Of Even Date
For **G. M. Kapadia & Co.**
Chartered Accountants

VIREN THAKKAR
(Partner)

KULDEEP PURI
Managing Director

MILIND KARNIK
(Director)

Mumbai
Dated : 12th August 2011

For and on behalf of the Board

K. JAYARAMAN
(Chairman)

Mumbai
Dated : 12th August 2011

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2011**

SCHEDULE A	31-Mar-11 Rupees	31-Mar-10 Rupees
<u>SHARE CAPITAL</u>		
Authorised Capital 10,000,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Issued, Subscribed and Paid up Capital 8,000,000 (8,000,000) Equity Shares of Rs.10/- each, fully paid up (Out of the above 4,080,000 (4,080,000) Equity Shares are being Directly and Indirectly held by the Holding company, Hathway Cable & Datacom Limited)	80,000,000	80,000,000
	80,000,000	80,000,000
SCHEDULE B	31-Mar-11 Rupees	31-Mar-10 Rupees
<u>RESERVES & SURPLUS</u>		
Share Premium Balance as per last balance sheet	15,000,000	15,000,000
	15,000,000	15,000,000
SCHEDULE C	31-Mar-11 Rupees	31-Mar-10 Rupees
<u>SECURED LOANS</u>		
Loan From Bank Cash Credit - Bank of Maharashtra (Secured against Hypothecation of Book Debts,Headend Equipments, & Fixed Deposit Reciept of Rs. 27.89 Lakhs)	2,494,665	4,000,000
Bank of Maharashtra (Temm.Loan) (Secured against director FDR & Interest O/S. on term loan)	-	4,000,000
Car Loan (Secured against Hypothecation of Vehicles)	347,358	822,047
	2,842,023	8,822,047

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(In Rupees)

	← Gross Block (at Cost) →				← Depreciation / Amortization →				← Net Block →	
	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
SCHEDULE D										
FIXED ASSETS										
INTANGIBLE ASSETS										
Cable Television Franchise	26,706,420	-	-	26,706,420	13,752,147	1,335,324	-	15,087,471	11,618,949	12,954,273
Goodwill	15,297,081	-	-	15,297,081	48,337	1,544,708	-	1,593,045	13,704,036	15,248,744
Computers Software	472,258	11,852	-	484,110	140,493	94,572	-	235,065	249,045	331,765
	42,475,759	11,852	-	42,487,611	13,940,977	2,974,604	-	16,915,581	25,572,030	28,534,782
TANGIBLE ASSETS										
Distribution Equipments	63,697,380	3,718,498	586,262	66,829,616	34,612,486	4,778,776	404,524	38,986,738	27,842,877	29,084,894
Headend Equipments	18,049,361	770,673	602,862	18,217,172	12,342,545	1,323,084	431,516	13,234,113	4,983,059	5,706,816
Furniture & Fixtures	4,523,975	26,884	-	4,550,859	3,171,814	244,968	-	3,416,782	1,134,077	1,352,161
Office Equipments	613,239	42,700	15,750	640,189	231,106	56,704	7,104	280,706	359,483	382,133
Electrical Fittings	307,774	-	-	307,774	150,208	21,917	-	172,125	135,649	157,566
Structural Fittings	108,275	-	-	108,275	108,275	-	-	108,275	-	-
Airconditioners	549,212	68,900	-	618,112	346,624	29,610	-	376,234	241,878	202,588
Pagers & Mobiles	397,840	13,300	-	411,140	280,949	23,767	-	304,716	106,424	116,891
Computers	2,721,984	191,724	211,350	2,702,358	2,145,948	236,040	205,916	2,176,072	526,286	576,036
Vehicles	2,785,144	12,400	39,668	2,757,876	1,499,531	345,245	37,494	1,807,282	950,594	1,285,613
	93,754,184	4,845,078	1,455,892	97,143,370	54,889,486	7,060,112	1,086,554	60,863,044	36,280,326	38,864,698
Total	136,229,943	4,856,930	1,455,892	139,630,981	68,830,463	10,034,716	1,086,554	77,778,625	61,852,356	67,399,480
Capital Work-in-Progress									525,015	1,084,863
Previous Year	-	-	-	-	-	-	-	-	-	-

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CONSOLODATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2011

SCHEDULE E	31-Mar-11		31-Mar-10
	Rupees	Rupees	Rupees
INVESTMENTS			
Investments in Govt. - Securities			
National Saving Certificates		118,000	133,000
Investments in Equity Shares (Unquoted)			
Hathway Bhawani NDS Network Pvt.Ltd.		-	-
15810 (Nil) Equity Shares of Rs.500/-each fully paid up		118,000	133,000
SCHEDULE F			
CURRENT ASSETS, LOAN & ADVANCES			
CURRENT ASSETS			
Inventories		626,297	523,551
SUNDRY DEBTORS			
(Unsecured but Considered Good, to the extent not provided for)			
- Outstanding for more than 6 Months	13,929,221		29,545,494
- Others	30,980,942		28,375,153
	44,910,163		57,920,647
Less: Provision for bad and doubtful debts	12,597,304		20,028,065
		32,312,859	37,892,582
CASH AND BANK BALANCES			
Cash on hand	1,230,111		121,310
Balance with Scheduled Banks			
- In Current Accounts	1,033,950		7,699,746
- Cheques on Hand	-		98,014
- In Fixed Deposit Account *	3,299,086		3,266,599
(As security Rs. 510,577 - Against Outstanding Bank Guarantees, Rs. 2,788,509/- against cash credit limit with Bank of Maharashtra)		5,563,147	11,185,669
LOANS AND ADVANCES			
Sundry Deposits	2,645,274		2,612,524
Advances recoverable in cash or in kind or for value to be received			
Prepaid Expenses	147,795		134,262
Direct Taxes Paid (Net to Provision)	4,786,267		4,141,267
Sundry Advances	543,891		1,944,897
Advances to other Cable Ventures	1,000,000		-
Advances for Network Acquisitions	1,820,800		-
Service Tax Claimable	683,983		1,013,896
CENVAT Receivable	1,718,361		1,592,274
Staff Advances	71,597		66,368
Staff Loan	22,387		27,467
Other Receivables	443,073		227,206
	11,238,153		9,147,637
		13,883,427	11,760,161
		52,385,730	61,361,963

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2011

SCHEDULE G	31-Mar-11		31-Mar-10
	Rupees	Rupees	Rupees
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors for Capital Goods	2,141,819		845,164
Sundry Creditors for Expenses and Trade Liabilities	28,936,123		28,930,883
Income received in Advance	6,820,460		5,221,387
Outstanding Liabilities for expenses	4,124,707		3,863,019
Service Tax accrued but not due	4,627,701		5,788,322
Security Deposits Received	4,620,720		4,447,007
Other Liabilities	434,345		6,464,870
		51,705,876	55,560,652
PROVISIONS			
Provision for Retirement Benefits		1,358,886	1,369,575
		53,064,762	56,930,227
SCHEDULE H	31-Mar-11		31-Mar-10
	Rupees	Rupees	Rupees
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Balance as per last year			-
Add : Addition during the year	315,495		-
Less : Written off during the year	31,550		-
		283,945	-
		283,945	-

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**CONSOLODATED SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 ST MARCH, 2011**

SCHEDULE I	2010-11		2009-10
	Rupees	Rupees	Rupees
INCOME FROM OPERATIONS			
Subscription Income		138,338,369	118,991,373
Advertisement Income		2,100,000	2,297,665
Installation Charges		1,053,580	942,399
Equipment Rent		694,483	298,232
Sale of Devices		4,472,255	1,384,229
Less : Cost of Goods sold			
Opening Stock	523,551		269,109
Add : Purchases	4,692,223		1,688,218
	5,215,774		1,957,327
Less : Closing Stock	517,797	4,697,977	523,551
			1,433,776
		(225,722)	(49,547)
		141,960,710	122,480,122

SCHEDULE J	2010-11		2009-10
	Rupees	Rupees	Rupees
OTHER INCOME			
Interest on Term Deposit		253,641	254,036
(Tax deducted at source Rs.3,503/- (Previous year Rs.17,170/-)			
Interest Income		5,260	-
Profit on Sale of Assets (Net)			-
Sundry Balances Written Back		69	225,755
Other Income		87,388	44,727
		346,358	524,518

**CONSOLODATED SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 ST MARCH, 2011**

SCHEDULE K	2010-11		2009-10
	Rupees	Rupees	Rupees
OPERATIONAL EXPENSES			
ISP Access Expenses		9,014,664	12,032,382
Pay Channel Cost		68,874,748	60,673,620
Consultancy Charges		1,497,500	1,345,632
Commission		181,190	195,816
Feed Charges			1,498,735
Rent		1,553,803	1,089,613
Transport Charges		76,993	24,837
Repairs & Mainenance - Machinery		216,409	117,658
Software & Programming Cost		937,710	347,722
Other Operating Expenses		2,849,872	3,497,339
Bad Debts	22,863,821		3,167,348
Less : Transferred from Provision for Bad & Doubtful Debts	13,842,705		3,099,235
		9,021,116	68,113
Provision for Bad and Doubtful Debts		2,767,203	7,225,000
		96,991,208	88,116,467

SCHEDULE L	2010-11 Rupees	2009-10 Rupees
STAFF COST		
Salary & Bonus	12,303,113	9,003,381
Contribution to Funds	744,195	528,549
Other Staff Cost	393,210	406,425
Employee Compensation Expense	(31,349)	224,592
Staff Welfare	379,689	289,848
	13,788,858	10,452,795

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**CONSOLODATED SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 ST MARCH, 2011**

SCHEDULE M	2010-11 Rupees	2009-10 Rupees
<u>ADMINISTRATION AND GENERAL EXPENSES</u>		
Advertisement & Promotion expenses	271,378	169,162
Business Promotion expenses	427,234	332,881
Communication Charges	614,630	604,015
Donation	33,502	11,003
Insurance Others	72,914	81,313
Electricity Charges	1,673,875	1,597,293
Legal & Professional charges	265,819	584,339
Miscellaneous Expenses	327,212	340,318
Office Expenses	940,247	2,071,920
Printing & Stationery	591,764	581,536
Rates & Taxes	4,699,238	4,230,324
Rent - Office	2,193,300	1,941,852
Repairs & Maintenance - Others	1,095,633	920,441
Service Charges	1,615,100	1,338,432
Conveyance	1,888,033	1,312,407
Shortage of Fixed Assets	1,000,000	
Loss on Sale of Asset (Net)	279,514	159,619
Auditors Remuneration:		
- Audit Fees	140,000	120,000
- Tax Audit Fees	50,000	30,000
- Vat Audit Fees	20,000	20,000
Managerial Remuneration		
Sitting Fees	46,000	16,000
	18,245,393	16,462,855

SCHEDULE N	2010-11 Rupees	2009-10 Rupees
<u>Interest and Finance Charges Loans</u>		
Interest and Finance Charges	323,841	700,462
Bank Charge	42,066	78,839
	355,907	779,301

Significant Accounting Policies and Notes to Account:

These Significant Accounting policies and notes to accounts form part of, the Consolidated Financial Statements for the year ended 31 March 2011. The consolidated financial statement comprises of Hathway Bhawani Cabletel & Datacom Limited ("The Company") and its subsidiaries, (collectively referred to as "The Group").

SCHEDULE: O**BACKGROUND**

The Company is Multi System Operator (MSO) and engaged in distribution of television channels through analog and digital cable distribution network and internet services through cable.

A. Significant Accounting Policies**1. Method Of Accounting**

These financial statements are prepared on accrual basis of accounting, following historical cost convention, in accordance with the provisions of the Companies Act, 1956 ('the Act'), accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Principles Of Consolidation

The consolidated financial statements are prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements", as notified by the Companies (Accounting Standard) Rules, 2006.

The excess of the cost to the Company of its investment, over the Company's portion of net assets at the time of acquisition of shares is recognised in the financial statements as Goodwill. The excess of Company's portion of net assets over the cost of investment therein is treated as Capital Reserve.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements. The figures pertaining to the Subsidiary Companies have been recast/ reclassified wherever necessary to bring them in line with the parent Company's financial statements.

The financial statements of the subsidiaries, joint ventures and associates used in the consolidation are drawn up to the same reporting date as that of the Company.

The Notes and Significant accounting policies to the Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Group. In this respect, the Company has disclosed such notes and policies which fairly present the needed disclosures, and such other notes and statutory information disclosed in

the financial statements of the parent and the subsidiary companies which are not having any effect on the true and fair view of the Consolidated Financial Statements are excluded.

Subsidiaries

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions. The unrealised profits or losses resulting from the intra-group transactions have been eliminated.

Share of minority interest in the net profit of the consolidated subsidiaries is identified and adjusted against the Profit after Tax to arrive at the net income attributable to shareholders. Share of minority interest in losses of the consolidated subsidiaries, if exceeds the minority interest in the equity, the excess and further losses applicable to the minority, are adjusted against the Group's interest. Share of minority interest in net assets of consolidated subsidiaries is presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders.

3. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences on account of revision of estimates actual outcome and existing estimates are recognised prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

4. Fixed assets and intangible assetsIntangible Assets

- Intangible assets are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortisation and impairment, if any. Internally Generated assets are not recognised in the books of accounts.
- Intangible assets comprises of Cable Television Franchise, Movie & Serial Rights, Bandwidth Rights, Goodwill and Softwares.
- The aggregate consideration paid to acquire CATV / ISP Subscribers connected to a network along with Network assets and all the rights attached thereto are disclosed under the head Cable Television Franchise. In cases where value for assets acquired along with Subscribers connected to the network is separately ascertained, the assets are capitalised under the relevant heads. The consideration paid for non-compete as per the underlying agreements is included in Goodwill.

Tangible Assets

- The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of purchase price, non refundable taxes and all expenses incurred in bringing the

assets to its present location and condition for its intended use and includes installation and commissioning expenses. The indirect expenditure incurred during the pre-commencement period is allocated proportionately over the cost of the relevant assets.

5. Depreciation and amortisation

- a) The intangible assets are amortised on a straight line basis over their expected useful lives as follows:
 - (i) Cable Television Franchise is amortised over a period of twenty years.
 - (ii) Non Compete Fees included in Goodwill is amortised over the non-compete period stated in the underline agreement and in absence of the same, over five years.
 - (iii) Goodwill arising on transfer of business of subsidiaries is fully amortised in the same year.
 - (iv) Goodwill other than mentioned above is amortised over the specific tenor in the relevant agreement or ten years in the event of specific tenor in the relevant agreement.
- b) Depreciation on tangible fixed assets, is computed on written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to the month of sale or disposal as the case may be. After impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

6. Investments

Long-Term Investments:

Long-term investments in shares are stated at cost. The provision for diminution in value of such investments is made if such diminution is considered other than temporary.

Current Investments:

Current investments are recorded at lower of cost or fair value.

7. Inventories

Inventories comprise of spares and maintenance items and STB(Set Top Boxes), which are valued at lower of cost (net of taxes recoverable) and net realizable value.

8. Borrowings cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other Borrowing costs are recognized as an expense in the period in which they are incurred.

9. Provisions, contingent liabilities and contingent assets

- a) A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in

respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimation.

- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of
- a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - a possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent Assets are neither recognised, nor disclosed.

10. Employee benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

11. Leases

Rentals in respect of agreements in the nature of operating leases as defined in Accounting Standard 19 on "Leases" are treated as revenue.

12. Revenue recognition

Income from Operations is recognized on accrual basis based on agreements / arrangements with the concerned parties.

Revenue from sale of prepaid Internet Service plans, which are active at the year end, is recognized on time proportion basis. In other cases of sale of prepaid Internet Service plans, entire revenue is recognized in the year of sale.

Subscription Income from Cable TV Operators is accrued monthly based on number of connections declared by the said operators to the Company. In cases where revision of number of connections and rate is under negotiations at the time of recognition of revenue, the Company recognises revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed at the year-end and provision for doubtful debts is made wherever ultimate realization is considered uncertain.

Interest income is recognized on accrual basis.

13. Taxes on income

- a) Provision for Current Tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.

- b) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable income. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.
- c) 'Minimum Alternate Tax (MAT) credit is recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period. Tax on distributed profits payable in accordance with the provisions of section 115 O of the Income Tax Act, 1961 is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.'

14. Impairments

The Company assesses at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

B. NOTES TO ACCOUNTS

1) *List of Subsidiary held directly and Company's effective Ownership*

Subsidiary directly held and Company's effective Shareholding therein	31st March 2011	31st March 2010
Hathway Bhawani NDS Network Pvt.Ltd	51.00%	Nil

2) Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for aggregate to Rs.Nil (P.Y.Rs.Nil).

3) CONTINGENT LIABILITIES

- (a) Claims against the Company not acknowledged, as debts are Rs.2,100,000/- (Previous Year Rs. 2,100,000/-).
- (b) Outstanding Bank Guarantees Rs.1,200,000/- (Previous YearRs.1,228,090/-).

4) EMPLOYEE BENEFITS

a) Defined Benefit Plans:

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table provides the disclosures in accordance with Revised AS 15.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation and plan assets:

Category	As at 31 st March 2011 [Gratuity (Rs.)]	As at 31 st March 2010 [Gratuity (Rs.)]
1 Change in benefit obligations:		
Projected benefit obligations at beginning of the year	692,852	676,209
Current Service Cost	110,462	125,852
Interest Cost	64,970	62,225
Benefits Paid	(38,077)	(12,046)
Actuarial (Gain) / (Loss)	(6,412)	(203,500)
Past Service Cost	-	44,112
Projected benefit obligations at end of the year	823,795	692,852
2 Change in plan assets:		
Contributions by Employer	38,077	12,046
Benefits Paid	(38,077)	(12,046)
3 Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligations at the end of the year	823,795	692,852
Liability / (Asset) recognised in the Balance Sheet	823,795	692,852
4 Cost for the year		
Current Service Cost	110,462	125,852
Interest Cost	64,970	62,225
Actuarial (Gain) / (Loss)	(6,412)	(203,500)
Net Cost recognised in the Profit and Loss Account	169,020	28,689
5 Assumptions		
Interest rate for discount	8.30%	8.30%
Estimated rate of return on plan assets	0%	0%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
Salary Escalation	3% - 7%	3% - 7%

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

6) LEASES

The Company has leasing arrangements in terms of Accounting Standard 19 on "Leases as applicable. These leasing arrangements, which are not non-caucellable gerarally,range between 11 month to 33 months and are usually renewable by mutual consent on matully agreeable terms. The amount of such lease rentals Expenses debited to the Profit and Loss Account Rs.3363810/- (Previous Year Rs.3,250,532).

7) EARNING PER SHARE

Particulars	Current Year
Profit \ (Loss) after tax (including prior period adjustment and adjustment for short provision of earlier years) – (Rs.)	3,493,804
No. of ordinary shares (No.'s)	8,000,000
Nominal value of ordinary shares (Rs.)	10.00
Basic Earnings per share (Rs.)	0.44

8) DEFERRED TAX LIABILITY (NET OF ASSETS)

	Deferred Tax Liabilities / Assets as at 31.3.2011	Deferred Tax Liabilities / Assets as at 31.3.2010
<u>Deferred Tax Liabilities</u>		
a) Difference between book and tax depreciation	4,338,690	5,157,899
b) Other deferred tax liabilities	Nil	Nil
	<u>4,338,690</u>	<u>5,157,899</u>
<u>Deferred Tax Assets</u>		
a) Provision for Gratuity	254,553	214,091
b) Disallowance under section 43B	163,343	209,107
c) Income earned during the pre- commencement period	237,267	237,267
	<u>657,163</u>	<u>660,465</u>
Deferred Tax Liability (Net of Assets)	<u>3,681,527</u>	<u>4,497,434</u>

9) INTANGIBLE ASSETS

Based on factors such as past experience, industry trends, value added services and quality of services provided by the Company, trends in other countries, various changes proposed in the regulations governing the industry, future business plans, estimated residual value etc., the Company is of the opinion that the useful life of the Cable Television Franchise acquired by the company will exceed twenty years. Accordingly, the same has been amortised over a period of twenty years from date of acquisition.

Goodwill arising on acquisition of businesses or joint ventures that has enduring life or indefinite useful economic life has not been amortised.

10) PRIOR PERIOD ADJUSTMENTS (NET)

Particulars of income or expenditure of prior period credited or debited to the Profit & Loss Account is as under :

Particulars	(In Rs) <u>Current Year</u>
<u>Income</u>	
a) Income of earlier years credited to Profit and Loss Account	1,669,907
b) Reversal of income of earlier years debited to the Profit and Loss Account	(384,066)
	1,285,841
<u>Expenses</u>	
a) Expenses of earlier years debited to the Profit and Loss Account	(969,288)
b) Reversal of Expense earlier years Credited to the Profit and Loss Account	208,319
	(760,969)
Prior Period Adjustments (Net)	524,872

11) Previous year figures have been rearranged and regrouped wherever necessary.

As Per Our Report Of Even Date
For G. M. Kapadia & Co.
Chartered Accountants

For and on behalf of the Board

VIRENTHAKKAR
(Partner)
Membership No.

KULDEEP PURI
Managing Director

K. JAYARAMAN
(Chairman)

MILIND KARNIK
(Director)

Mumbai
Dated : 12th August 2011

Mumbai
Dated : 12th August 2011

Hathway Bhawani Cabletel & Datacom Limited

Regd. Office: "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai - 400 054

Attendance Slip

To be handed over at the entrance of the meeting place.

Name of the Attending Member (In Block Letters): _____

Folio No/ Client ID no.*: _____ No. of Shares held: _____

DP ID No.*: _____

Name of the Proxy (In Block Letters): _____

(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the 27th Annual General Meeting of the Company at Sanjona Complex, 5th Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400 071, at 4.00 P.M. on Friday, 30th day of Spetember, 2011

Member's / Proxy's Signature

(To be signed at the time of handling over this slip)

Note : Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

* Applicable if the shares are held in dematerialised form.

_____ Please cut here _____

Hathway Bhawani Cabletel & Datacom Limited

Regd. Office: "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai - 400 054

Proxy Form

I/We _____ of _____ being a Member / Members of the above named Company, hereby appoint _____ or failing him _____ as my/ our Proxy to attend and vote for me/us and on my /our behalf at the 27th Annual General Meeting of the Company to be held on Friday, 30th day of Spetember, 2011 at 4.00 P.M. and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this _____ day of _____ 2011.

Folio No/ Client ID no*.: _____

DP ID No.*: _____

No. of Shares: _____

Signature

affix 1 Rupee Revenue Stamp

Note: Proxy form must reach the Company's Registered Office not less than 48 Hours before the Meeting

* Applicable if the shares are held in dematerialised form.

BOOK-POST

If Undelivered, Please Return to :

Hathway Bhawani Cabletel & Datacom Ltd.

Sanjona Complex, 5th Floor, Hemu Kalani Marg,

Plot No. 11-A, Sindhi Society,

Chembur, Mumbai – 400 071.

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