



ATN INTERNATIONAL LIMITED

Annual Report 2010 - 2011

ATN INTERNATIONAL LIMITED

TWENTY-SEVENTH ANNUAL REPORT 2010 - 2011

Board of Directors

MR. SANTOSH KUMAR JAIN - Managing Director
MR. TARAK NATH DUTTA
MR. HARI RAM AGARWAL

Company Secretary

MRS. MANISHA LATH

Auditors

SHAMBHU KEDIA & CO.
Chartered Accountants

Solicitors

L. P. TIWARI & COMPANY, Advocates

Registered Office

10, Princep Street, 2nd Floor
Kolkata - 700 072
Phone : 91-33-4002 2880
Fax : 91-33-2237 9053
E-mail : info@atninternational.co.in
Website : www.atninternational.co.in

Bankers

Canara Bank
HDFC Bank

Registrars & Share Transfer Agents

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata-700 001
Phone : (033) 2243-5029 / 5809
Fax : (033) 2248-4787

ATN INTERNATIONAL LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **ATN International Limited** will be held at the Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Thursday, 22nd September, 2011 at 11.00 a.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Tarak Nath Dutta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Shambhu Kedia & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Registered Office :

10, Princep Street,
2nd Floor,
Kolkata - 700 072

Date : 28th May, 2011

By Order of the Board
For **ATN International Limited**

Manisha Lath
Company Secretary

ATN INTERNATIONAL LIMITED

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2nd Floor, Kolkata - 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.
3. Corporate members are requested to send to the Company's head Office a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 15th September, 2011 to Thursday, 22nd September, 2011 (both days inclusive).
5. Brief Profile of the Director seeking re-appointment at the ensuing AGM is annexed hereto in compliance of Clause 49 of the Listing Agreement with Stock Exchange.
6. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2nd Floor, Kolkata 700 001.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. Members are requested to quote the Folio No. or Client Id. And DP Id numbers in all communications with the Company.

ATN INTERNATIONAL LIMITED

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are given below :

| | Year ended 31.03.2011 (Rs.) | Year ended 31.03.2010 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Total Income | 4,991,665.00 | 1,53,67,406.00 |
| Profit/(Loss) before Depreciation & Tax | (906,327.00) | 92,82,114.00 |
| Depreciation for the year | 9,738,941.00 | 98,74,326.00 |
| Profit/(Loss) Before Tax | (10,645,268.00) | (5,92,212.00) |
| Provision for Tax - Deferred | (3,241,329.00) | (92,05,599.00) |
| Profit/(Loss) After Tax | (7,403,939.00) | (97,97,811.00) |
| Add : Excess Provision Written back | — | 78510.00 |
| Prior-period adjustment | 69,216.00 | 34425.00 |
| Income-tax for earlier years | — | 28043.00 |
| Extra-ordinary Item | 1,500,000.00 | 170236.00 |
| Balance brought forward from previous year | (33,602,188.00) | (2,37,19,032.00) |
| Balance carried to Balance Sheet | (42,575,343.00) | (3,36,02,188.00) |

2. DIVIDEND

To conserve the resources of the Company for future expansion, the Board have decided not to recommend any dividend for the year under review.

3. PERFORMANCE REVIEW

The performance of the Company during the current year has not improved in comparison to previous year due to several reasons. Your Directors are making all efforts to improve the performance of the Company further in future.

4. LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on three Indian Stock Exchanges viz. National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE).

ATN INTERNATIONAL LIMITED

Company's shares are not traded in material volumes at stock exchanges other than NSE and BSE. NSE and BSE account for more than 95% of the traded volumes of the Company's shares and have extensive networking of trading terminals, which facilitates trading by Members/Investors.

Listing fees for the financial year 2010-11 have been paid to NSE, BSE and CSE.

5. FIXED DEPOSITS

The Company has deposited the amount of outstanding matured deposits in a separate account in terms of Company Law Board order dated 25th August, 2005 to secure the depositors. The outstanding matured deposits as on 31st March, 2011 was Rs. 4,54,000/- due to 31 no. of deposit holders.

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

6. DIRECTORS

(i) Re-appointment :

As per the provisions of the Article of Association of the Company, Shri Tarak Nath Dutta, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment for consideration of the shareholders.

(ii) Resignation

Shri Shiv Kumar Lakkar have resigned from Directorship of the Company with effect from 5th April 2011. The Board places on record its appreciation for the valuable contribution made by Shri Shiv Kumar Lakkar during his tenure as Director of the Company.

7. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed :

- a. That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2011 on a going concern basis.

8. AUDITORS' REPORT

All the items on which the Auditors have commented in their report have been explained in Schedule --20 of Notes on Accounts.

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9. AUDITORS

Messrs. Shambhu Kedia & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and have consented to continue in office, if appointed. They have confirmed that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

10. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975.

11. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

12. FOREIGN EXCHANGE

The Company had no foreign exchange inflow or outflow during the year under review.

13. CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchanges, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to this report.

The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The Board members and Senior management personnel have confirmed compliance with the Code of conduct.

14. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

15. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in them. Last but not the least, your Directors place on record their sense of appreciation for the valuable contribution made by the employees of the Company.

Registered Office :

10, Princep Street,
2nd Floor,
Kolkata – 700 072

Date : 28th May, 2011

On behalf of the Board of Directors
For **ATN International Limited**

Santosh Kumar Jain
Managing Director

Tarak Nath Dutta
Director

ATN INTERNATIONAL LIMITED

REPORT ON CORPORATE GOVERNANCE

The Company's shares are listed in National Stock Exchange, Bombay Stock Exchange and Calcutta Stock Exchange. Accordingly, the Corporate Governance Report for the year 2010-2011, has been prepared as per the guidelines issued by SEBI and incorporated in Clause 49 of the Equity Listing Agreement :-

Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance is how an organisation is managed, which includes its culture, structure, policies and manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that direct the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your Company makes best endeavor to implement these core values in all facets of its operations. The Company continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

Para 2. BOARD OF DIRECTORS

(i) Composition of the Board :

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing.

The composition of the Board of Directors as on 31st March, 2011 is given below :

| Sr. No. | Name of Director | Executive/ Non-Executive | No. of other | | |
|---------|--|-----------------------------|------------------|---------------|--------|
| | | | Directorships(+) | Committee(++) | |
| | | | | Chairman | Member |
| 1 | Shri Santosh Kumar Jain - Managing Director | Executive | 3 | — | 6 |
| 2 | Shri Hari Ram Agarwal | Non-Executive & Independent | — | — | — |
| 3 | Shri Shiv Kumar Lakkar * (Resigned w.e.f. 05-04-11) | Non-Executive & Independent | 5 | — | — |
| 4 | Shri Tarak Nath Dutta | Non-Executive & Independent | — | — | — |

* Shri Shiv Kumar Lakkar resigned from directorship w.e.f. 5th April, 2011.

(+) Excluding directorship held in private limited/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

(++) Represents Chairmanship / Membership of the Audit Committee and Shareholder's/ Investors' Grievance Committee of other companies. in which they are Director.

(ii) The attendance of the Directors at the Board meetings and the last AGM held are given below .:

| Name of the Director | No. of Meetings | | Attendance at last AGM - held on 30th September, 2011 |
|--|-----------------|----------|---|
| | Held | Attended | |
| Shri Santosh Kumar Jain - Managing Director | 6 | 6 | Yes |
| Shri Hari Ram Agarwal | 6 | 6 | Yes |
| Shri Shiv Kumar Lakkar (Resigned w.e.f. 05-04-11) | 6 | 6 | Yes |
| Shri Tarak Nath Dutta | 6 | 6 | Yes |

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Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :

| | |
|---|---|
| Name of Director | Shri Tarak Nath Dutta |
| Date of Birth | 22nd January 1968 |
| Date of Appointment | 25th June 2007 |
| Qualifications | B. Com (Hons), FCA |
| Expertise in specific functional areas | Shri Dutta a Chartered Accountant by qualification having vast experience in various areas of finance and business. |
| Directorship of other Companies (*) | — |
| Chairman / Member in the Committee | — |
| Shareholding in Equity Shares of the Company and % of holding | — |

(*) Excludes directorships in private limited companies and organizations other than public limited companies.

(iii) Directors' membership in board/committees of other companies :

As per the Listing Agreement, no director can be a Member in more than 10 (ten) committees or act as chairman of more than 5 (five) committees across all companies in which he is a Director.

In terms of the Listing Agreement, none of the directors of your Company were Members in more than 10 (ten) committees nor acted as chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

(iv) Number of Board meetings held, dates on which held :

As per the Listing Agreement, the Board of Directors must meet at least four times a year, with a maximum gap of four months between any two meetings.

During the financial year 2010-11, Board met 6 (Six) times on 22.04.2010, 28.05.2010, 12.08.2010, 09.10.2010, 13.11.2010 and 12.02.2011. The gap between any two Board Meetings did not exceed four months.

Para 3. AUDIT COMMITTEE

(i) Brief description of the terms of reference :

The terms of reference of the Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to :

- the appointment of Statutory Auditors of the Company,
- provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
- it acts as a link between the management, statutory auditors and the Board of Directors,

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d) Company's compliance with the legal and statutory requirements.

(ii) Composition and name of members :

The Audit Committee, presently, consists of 3 (three) Independent Members. The following directors are the present Members of the Committee :

| Name of the Members | Designation | Nature of Membership |
|--|-------------|-----------------------------|
| Shri Hari Ram Agarwal | Chairman | Independent & Non Executive |
| Shri Shiv Kumar Lakkar (Resigned w.e.f. 05-04-11) | Member | Independent & Non Executive |
| Shri Tarak Nath Dutta | Member | Independent & Non Executive |

All the Members of the Audit Committee are financially literate and Shri Hari Ram Agarwal, Chairman possesses financial /accounting expertise.

(iii) Meetings held and attendance during the year :

During the financial year 2010-11, the Audit Committee met 5 (Five) times on 21.04.2010, 27.05.2010, 11.08.2010, 12.11.2010 and 11.02.2011.

| Sr. No. | Members of Audit Committee | No. of meetings held | No. of meetings attended |
|---------|----------------------------|----------------------|--------------------------|
| 1 | Shri Hari Ram Agarwal | 5 | 5 |
| 2 | Shri Shiv Kumar Lakkar | 5 | 5 |
| 3 | Shri Tarak Nath Dutta | 5 | 5 |

Para 4. REMUNERATION COMMITTEE

Details of sitting fees, remuneration etc. paid to Directors :

No remuneration has been paid to any Director during the year.

The Company has only one Managing Director on the Board, whose appointment and remuneration has been fixed by the Board and in terms of resolution passed by the shareholders of the Company.

In view of this, no Remuneration Committee has been constituted.

Para 5. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

Brief description of the terms of reference :

The Share Transfer & Investors' Grievance Committee administers the following :

- a. Transfer of shares
- b. Transmission of shares
- c. Issuance of duplicate share certificates as and when required.
- d. Shareholders' queries/complaints and its redressal as and when received
- e. Dematerialisation/Rematerialisation of shares
- f. Split/consolidation of shares
- g. Such other matters resulting from statutory amendments/modifications from time to time.

(i) Composition and name of the Chairman :

The Committee comprises of the following persons :

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| Name of the Members | Designation | Nature of Membership |
|--|-------------|-----------------------------|
| Shri Hari Ram Agarwal | Chairman | Independent & Non Executive |
| Shri Santosh Kumar Jain | Member | Executive |
| Shri Shiv Kumar Lakkar (Resigned w.e.f. 05-04-2011) | Member | Independent & Non Executive |
| Shri Tarak Nath Dutta | Member | Independent & Non Executive |

During the financial year 2010-11, the Share Transfer and Investors Grievance Committee met 6(Six) times on 14.05.2010, 15.07.2010, 15.09.2010, 15.11.2011, 14.01.2011 and 31.03.2011.

| Members of Share Transfer and Investors Grievance Committee | No. of meetings held | No. of meetings attended |
|---|----------------------|--------------------------|
| Shri Santosh Kumar Jain | 6 | 6 |
| Shri Shiv Kumar Lakkar | 6 | 6 |
| Shri Tarak Nath Dutta | 6 | 6 |
| Shri Hari Ram Agarwal | 6 | 6 |

(ii) Name and designation of compliance officer :

As per the requirements of the Listing Agreement, Mrs. Manisha Lath, Company Secretary acts as the Compliance Officer. Ms. Paheli Surana ceased to be the Company Secretary with effect from 9th October, 2010. Mrs. Manisha Lath was appointed as Company Secretary and also acts as the Compliance Officer.

(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2010-2011 :

| No. of complaints received | No. of complaints resolved | Pending |
|----------------------------|----------------------------|---------|
| Nil | Nil | Nil |

There have been no material grievances raised and all items referred have been dealt with. All the complaints were resolved to the satisfaction of shareholders.

As on 31st March, 2011, there were no pending complaints and no pending share transfers.

Para 6. GENERAL BODY MEETINGS

(i) Location and Time of last three Annual General Meeting (AGM) :

The location and time of the last three AGMs are as follows :

| Year | Date | Place | Time |
|---------|------------|---|------------|
| 2009-10 | 30-09-2010 | Conference Hall, Eastern Zonal Cultural at Aikatan, Bidhannagar, IA-290, Sector-III Kolkata - 700 091 | 11.00 a.m. |
| 2008-09 | 24-09-2009 | Conference Hall, Eastern Zonal Cultural at Aikatan, Bidhannagar, IA-290, Sector-III Kolkata - 700 091 | 11.00 a.m. |
| 2007-08 | 27-09-2008 | Conference Hall, Eastern Zonal Cultural at Aikatan, Bidhannagar, IA-290, Sector-III Kolkata - 700 091 | 11.00 a.m. |

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(ii-a) Details of special resolutions passed in the previous three AGMs :

No special resolution has been passed in the previous three AGMs.

(ii-b) Details of special resolutions passed in the previous three EGMs :

No special resolution has been passed in the previous three EGMs.

(iii) to (iv) Special resolution passed during the financial year 2010-11 through the Postal ballot :

No special resolution was passed through postal ballot during the financial year 2010-11.

(v) to (vi) Postal ballot during the current year :

For the financial year 2010-11, if resolutions are to be conducted through the Postal Ballot procedure, those will be taken up at the appropriate time.

Para 7. DISCLOSURES

(i) Disclosure of materially significant related party transactions :

During the financial year 2010-11, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on Accounts.

(ii) Details of non-compliance by the company :

The Company has complied with all the requirements of the Listing Agreement with Stock Exchange as well as the Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI).

(iii) Whistle Blower Policy :

The Company has not established whistle blower policy.

(iv) Details of compliance with the mandatory requirements :

Your Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report.

Para 8. MEANS OF COMMUNICATION

(i) Quarterly results :

The Quarterly and Annual Results of the Company are displayed on the web-site of the Company at www.atninternational.co.in.

(ii) Newspapers wherein results are normally published :

The Financial Results of the Company are published in "Business Standard" and in "Dainik Lipi".

(iii) to (v) Any website, where displayed :

The Results are displayed on the Company's website at www.atninternational.co.in.

Full Annual Reports for the financial year 2010-11, Financial results, Shareholding pattern and other relevant information are also available on the website of the company in a user-friendly and downloadable form.

8. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

| | |
|-------------|---|
| Date & Time | 22nd September, 2011 at 11.00 a.m. |
| Venue | Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020 |

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(ii) Financial year :

Financial Year is 1st April, 2011 to 31st March, 2012 and the quarterly results will be declared as per the following schedule :

| Tentative Schedule | |
|---|------------------------|
| Financial Results for the quarter ending June 30, 2011 | End of July 2011 |
| Financial Results for the quarter ending September 30, 2011 | End of October 2011 |
| Financial Results for the quarter ending December 31, 2011 | End of January 2012 |
| Financial Results for the year ending March 31, 2012 | End of May, 2012 |
| Annual General Meeting for the year ending March 31, 2012 | Mid of September, 2012 |

(iii) Date of Book closure :

The Company's Register of Members and Share Transfer Books will remain closed from Thursday, 15th September, 2011 to Thursday, 22nd September, 2011 (both days inclusive).

(iv) Dividend Payment Date :

No dividend has been recommended by the Board for the year under review.

(v) Listing on Stock Exchanges :

Your Company's shares are listed on the following stock exchanges as on 31st March, 2011.

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.
2. The Calcutta Stock Exchange Association Limited
7, Lyons Range,
Kolkata - 700 001.
3. National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1,G Block,
Bandra-Kurla Complex,
Bandra (E). Mumbai - 400 051.

Listing fees upto the financial year 2011-12 have been paid to NSE, BSE and CSE.

(vi) Stock Code :

| Name of the Exchange | Code |
|---|---------------|
| Bombay Stock Exchange Limited | 511427 |
| The Calcutta Stock Exchange Association Ltd. | 11047 |
| National Stock Exchange of India Ltd. | ATNINTER |
| International Securities Identification Number (ISIN) | INE 803A01027 |

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(vii) to (viii) Market Price Data : High, Low during each month in the last financial year :

| Months | Bombay Stock Exchange (in Rs.) | | National Stock Exchange (in Rs.) | |
|-----------|--------------------------------|------|----------------------------------|------|
| | High | Low | High | Low |
| (2010-11) | | | | |
| April | 1.64 | 1.41 | 1.65 | 1.30 |
| May | 3.25 | 1.44 | 3.40 | 1.40 |
| June | 3.03 | 2.08 | 3.05 | 2.05 |
| July | 2.25 | 1.78 | 2.35 | 1.80 |
| August | 1.94 | 1.66 | 1.95 | 1.70 |
| September | 2.07 | 1.61 | 2.10 | 1.60 |
| October | 1.98 | 1.60 | 1.95 | 1.60 |
| November | 2.75 | 1.67 | 2.70 | 1.70 |
| December | 2.18 | 1.52 | 2.25 | 1.50 |
| January | 2.00 | 1.60 | 1.95 | 1.60 |
| February | 1.79 | 1.33 | 1.80 | 1.30 |
| March | 1.63 | 1.12 | 1.60 | 1.20 |

(ix) Registrar and Transfer Agents :

The Board has delegated the work of processing of share transfers to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents. Their complete address is as follows :

Maheshwari Datamatics Private Limited

6, Mangoe Lane,

2nd Floor,

Kolkata - 700 001.

Tel No : (033) 2243-5029 / 5809

Fax No : (033) 2248-4787

(x) Share Transfer System :

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited within the statutory time period. In case where shares are held in electronic form, the transfers are processed by NSDL/CDSL through the Depository Participants and Registrars.

(xi) Distribution of Shareholding :

The distribution of shareholding as on 31st March, 2011, pursuant to Clause 35 of the Listing Agreement is as under:

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A. Shareholding Pattern of Equity Shares as on 31st March, 2011 :

| | Categories | No. of Shares held | % of Shareholding |
|----------|------------------------------------|--------------------|-------------------|
| A | PROMOTERS' HOLDING | | |
| 1. | Promoters : | | |
| | a) Indian Promoters | 197700 | 0.50 |
| | b) Foreign Promoters | 0 | 0.00 |
| 2. | Persons Acting in concert | 0 | 0.00 |
| | Sub-total | 197700 | 0.50 |
| B | NON PROMOTERS' HOLDING | | |
| 3. | Institutional Investors : | | |
| | a) Mutual Funds and UTI | 90250 | 0.23 |
| | b) Banks, FIs, Insurance Companies | 1799 | 0.01 |
| | c) Foreign Institutional Investors | 0 | 0.00 |
| | Sub-total | 92049 | 0.24 |
| 4. | Others | | |
| | a) Private Corporate Bodies | 5832350 | 14.78 |
| | b) Indian Public | 32905103 | 83.41 |
| | c) NRIs / OCBs | 420748 | 1.07 |
| | d) Any Other | 2050 | 0.0052 |
| | Sub-total | 39160251 | 99.26 |
| | GrandTotal | 39450000 | 100 |

Note : Total Foreign Shareholding is 420748 (1.0%).

B. Distribution of Equity Shareholding as on 31st March 2011 :

| No. of Equity Shares held | No. of shareholders holding shares in | | | No. of shares held | | | % age of equity capital held in | | |
|---------------------------|---------------------------------------|--------------|-------------|--------------------|-----------------|----------------|---------------------------------|----------------|----------------|
| | Physical | NSDL | CDSL | Physical | NSDL | CDSL | Physical | NSDL | CDSL |
| 1-500 | 4944 | 10314 | 2891 | 1074864 | 2497409 | 718695 | 2.7246 | 6.3306 | 1.8218 |
| 501 to 1000 | 362 | 3228 | 1160 | 284950 | 2942351 | 1071148 | .7223 | 7.4584 | 2.7152 |
| 1001 to 2000 | 189 | 1717 | 596 | 263750 | 263750 | 1021422 | .6686 | 7.3629 | 2.5892 |
| 2001 to 3000 | 43 | 673 | 240 | 108550 | 1791162 | 645697 | .2752 | 4.5403 | 1.6367 |
| 3001 to 4000 | 7 | 280 | 105 | 25050 | 1037415 | 386841 | .0635 | 2.6297 | .9806 |
| 4001 to 5000 | 5 | 421 | 181 | 23650 | 2052601 | 887264 | .0599 | 5.2030 | 2.2491 |
| 5001 to 10000 | 1 | 525 | 147 | 6600 | 4127525 | 1122105 | .0167 | 10.4627 | 10.4627 |
| 10001 to 999999999 | 9 | 315 | 101 | 1293450 | 10482579 | 2680248 | 3.2787 | 26.5718 | 6.7940 |
| Total : | 5560 | 17473 | 5421 | 3080864 | 27835716 | 8533420 | 7.8095 | 70.5594 | 21.6310 |

(xii) Dematerialisation of shares and liquidity :

As on 31st March, 2011, 92.20% of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

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(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments :

As of 31st March, 2011, there are no outstanding GDRs/ADRs/Warrants or convertible instruments which are likely to have an impact on the Equity Shares.

(xiv) Plant Locations :

The Company does not have any plant.

(xv) Address for correspondence :

Investors' correspondence may be addressed to :-

1. The Compliance Officer
ATN International Limited
10, Princep Street, 2nd Floor,
Kolkata - 700 072
Phone No. (033) 4002-2880
Fax No. (033) 2237-9053
2. Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone No. (033) 2243-5024/5809
Fax No. (033) 2248-4787

(xv) E-mail ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors : info@atninternational.co.in

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :

The Management's Discussion and Analysis Report forms part of the Director's Report.

CODE OF CONDUCT :

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel. The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2010-11. A declaration to this effect is given elsewhere in this Annual Report.

RISK MANAGEMENT POLICY :

The Company has formulated a comprehensive Risk Management Policy to reduce the inherent risk associated with the business activities of the Company.

ATN INTERNATIONAL LIMITED

ANNUAL DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT PURSUANT TO CLAUSE 49(I)(D) OF THE LISTING AGREEMENT

I, Santosh Kumar Jain, Managing Director of ATN INTERNATIONAL LIMITED having its registered office at 10, Princep Street, 2nd Floor, Kolkata – 700 072 hereby declare that the Company has formulated a Code of Conduct for its Directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed the compliance of the Code for the financial year 2010-11.

Place : Kolkata

Dated : 28th May, 2011

Santosh Kumar Jain
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of ATN International Limited

We have examined the compliance of conditions of Corporate Governance by ATN International Limited ('the Company') for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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.

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 above mentioned Listing Agreement.

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 **SHAMBHU KEDIA & CO.**
Chartered Accountants

S. K. KEDIA
Proprietor

Membership No. 54042

Place : Kolkata

Dated : 28th May, 2011

ATN INTERNATIONAL LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We hereby certify that for the financial year, ending 31st March, 2011, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief .
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2011 which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d.
 - i. There has not been any significant changes in internal control over financial reporting during the year under reference.
 - ii. There has not been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Santosh Kumar Jain
Managing Director

Sandeep Dey
Chief Financial Officer

Place : Kolkata

Dated : 28th May, 2011

ATN INTERNATIONAL LIMITED

Management's Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

Investment business is the professional business of various securities (shares, bonds, etc.) and other assets (e.g., real estate), to meet specified investment goals for the benefit of investors. Investors may be institutions (insurance companies, pension funds, corporations etc.) or private investors (both directly via investment contracts and more commonly via collective investment schemes e.g., mutual funds).

Investment banking is one of the most global industries and is hence continuously challenged to respond to new developments and innovation in the global financial markets.

The Media and Entertainment (M&E) industry is one of the fastest growing sectors in India. The industry primarily involves the creation, aggregation and distribution of content, products and services, news and information, advertising and entertainment through various channels and platforms such as Television, Print, Radio, and Films.

OPPORTUNITIES AND THREATS

OPPORTUNITIES :

Your Company has operations in equity investments. With the sensx touching its all time high at 20000 mark and the upsurge in financial sector the company is en route to a bright future. We shift our focus to external factors when we look at opportunities. Here we try to identify areas of business we think the company is looking to enter, or should be looking to enter. We also look for opportunities to gain market share from competitors, or grow the company's market to new customers.

Some opportunities to look for :

- o New markets for products
- o legal trouble for competitors
- o New technologies the company could adopt
- o Changes in regulatory / tax burdens
- o Strategic investments
- o Internal efficiencies
- o The media penetration is poor among the poorer sections of the society , offering opportunities for expansion in the area.
- o Technological innovations like animations, multiplexes etc and new distribution channels like mobiles and Internet have openend up the doors of new opportunities in the sector.

THREATS :

Finally, we need to consider threats to the company. Again, threats can be internal as well as external. In fact, the internal threats usually come first, which opens the door to external threats. Therefore, it's important to do a good threat analysis.

Any internal problem is a threat to the company's well-being and should be evaluated alongside the external threats.

Some possible threats are :

- o Internal obstacles the company is facing.
- o Cash flow problems.
- o The relative position of the company's largest competitors.

ATN INTERNATIONAL LIMITED

- o Technological advances in the industry (if the company isn't keeping pace).
- o New technologies that threaten to displace the company's products.
- o Piracy, violation of intellectual property rights pose a major threat to the Media and Entertainment companies.

FUTURE OUTLOOK

Your Company intends to invest in businesses related to infrastructure, telecommunication, soft ware etc. in the coming years since it sees good prospect in these areas. It would definitely try to establish itself and remain as a strong player in the investment industry. With the Capital market expected to be in a better mode than the previous few years and with our efforts we can look forward to a prosperous year for the company.

Exciting new developments in the technologies used in Media And Entertainment industry are taking place. Animations, multiplexes, new distribution channels, the use of Internet, are redefining the entertainment industry. All these factors will favour the growth of Media And Entertainment industry in India.

RECENTS

Investment banking is one of the most global industries and is hence continuously challenged to respond to new developments and innovation in the fastest growing segment of the investment banking industry are private investments into public and private companies. Such transactions are privately negotiated between companies and investors.

All the recent developments have helped in opening new doors for human resources in the Media and Entertainment sector. Here at naukrihub, we make an attempt to look at some of the major developments taking place in the sector and helping it to grow:

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure :

That all assets and resources are used efficiently and are adequately protected;

That all internal policies and statutory guidelines are complied within letter & spirit;

The accuracy and timing of financial reports and management information.

Material Development in Human Resources/industrial relations front number of people employed:

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The relations remain cordial throughout the year between employees and the management. The Company recognizes the importance and contribution of its Human resources for its growth and development and is committed to the development of its people.

FINANCIAL OPERATIONAL PERFORMANCE.

Please refer Boards' Report on performance review.

Cautionary Statement :

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

ATN INTERNATIONAL LIMITED

AUDITOR'S REPORT

To
The Members of
ATN INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of **ATN INTERNATIONAL LTD.**, as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of accounts, as required by Law, have been kept by the Company, so far as appears from our examination of those books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
4. ***In our opinion, Subject to Note No. 7 of Schedule-17 regarding valuation of investment, Note No. 6 of Schedule-17 regarding non-provision of interest and Note No. 13 of Schedule-17 for non-provision of loss in value of Wind Power Project, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;***
5. On the basis of the 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 is 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 Companies Act, 1956;

ATN INTERNATIONAL LIMITED

6. We draw reference to :

I. PROFIT & LOSS ACCOUNT AND BALANCE SHEET:

During the year, the Company has not provided

- a) *Interest Rs 94.50 Lakhs payable to Rural Electrification Corporation Ltd. (Refer Note No. 6 of Schedule 17)*
- b) *Diminution in value of Investments Rs. 232.05 Lakhs (Refer Note No. 7 of Schedule 17)*
- c) *Loss in value of inoperative Wind Power Project the amount of loss not quantified by managements as per AS - 28 (Refer Note No. 14 of Schedule 17)*

And consequently the loss of the Company for the current year is understated & Reserve & Surplus is overstated by the above amount & has its resultant effect in overstatement of Investments, Loans & Advances and understatement of Current Liabilities.

II. BALANCE SHEET

- a) *The Company is accounting interest payment on cash basis, which has resulted in accumulated interest liability of Rs 1352.58 Lakhs to Rural Electrification Corporation Ltd.*

As a resultant effect, Secured / Unsecured Loans / Liabilities are understated to that extent.

Subject to statements made in paragraphs I & II above together with the other notes in Schedule - 17, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act' 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
- b. In the case of the Profit and Loss Account, of the loss 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.

Place : Kolkata

Dated : 28th day of May, 2011

For SHAMBHU KEDIA & CO.
Chartered Accountants

S. K. KEDIA
Proprietor

Membership No. 54042

ATN INTERNATIONAL LIMITED

Annexure to the Auditor's Report

(Referred to in our Report of even date on the Accounts of ATN International Ltd as on 31.03.2011)

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) Fixed Assets have been physically verified by the management of the Company during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.
c) There was no substantial disposal of fixed assets during the year, which would affect the going concern of the company.
- 2) The Company does not have any inventory. Hence, clause (ii) of Para 4 of the Order is not applicable to the Company.
- 3) The company has not granted nor taken any loan, secured or unsecured, to/from Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, sub clauses (b), (c) and (d) are not applicable.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets.
- 5) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 :-
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and materials of special nature for which alternate quotations are not available. in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- 6) In view of amount outstanding matured deposits having been deposited in a separate account as per order of Company Law Board, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 read along with the rules framed under the Non-Banking Financial Companies (Reserve Bank) Directions, 1998 as regards to the deposits accepted from public.
- 7) The Company has an internal audit system commensurate with the size and nature of its business.
- 8) To the best our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- 9) According to the records of the Company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities during the year. Except Service Tax of Rs. 331474/-.

ATN INTERNATIONAL LIMITED

- 10) The Company has Rs. 425.75 lacs accumulated losses at the end of the year. Considering the effect of qualifications in the Report, the Company has accumulated losses exceeding fifty percent of its net worth at the end of the year. The Company has incurred cash losses during the financial year covered by our audit and there was no cash loss in the immediately preceding financial year.
- 11) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not made any payment against dues to financial institutions amounting to Rs. 9,35,00,000/- and interest thereon and the matter is sub-judice.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- 14) a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of the transactions and contracts of dealing in shares, securities, debentures, and other investments and that timely entries have been made in these records.
b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the Company in its own name. However, some of the investments are held in the name of Managing Director and Ex-Director of the Company.
- 15) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16) To the best of our knowledge and belief and according to the information and explanations given to us, terms loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
- 17) We have been informed by the management that no funds have been raised during the year and hence clause (xvii) is not applicable.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The Company has outstanding debentures amounting to Rs 18.44 Lakhs for which amount has been deposited in a separate account.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year.

For **SHAMBHU KEDIA & CO.**
Chartered Accountants

S. K. KEDIA
Proprietor

Membership No. 54042

Place : Kolkata

Dated : 28th day of May, 2011

ATN INTERNATIONAL LIMITED

Balance Sheet

as at 31st March, 2011

| | Schedule | As at 31st March, 2011 | | As at 31st March, 2010 | |
|--|----------|------------------------|---------------------|------------------------|---------------------|
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| SOURCES OF FUNDS | | | | | |
| 1) Shareholders' Funds : | | | | | |
| (a) Share Capital | 1 | 15,78,00,000 | | 15,78,00,000 | |
| (b) Reserves and Surplus | 2 | 42,00,000 | | 42,00,000 | |
| | | | 16,20,00,000 | | 16,20,00,000 |
| 2) Loan Funds : | | | | | |
| (a) Secured Loans | 3 | 9,35,00,000 | | 9,35,00,000 | |
| (b) Unsecured Loans | 4 | 35,24,000 | | 1,10,68,000 | |
| | | | 9,70,24,000 | | 10,45,68,000 |
| 3) Deferred Tax Liabilities | | | 1,08,98,021 | | 1,41,39,350 |
| Total Funds Employed | | | 26,99,22,021 | | 28,07,07,350 |
| APPLICATION OF FUNDS | | | | | |
| 1) Fixed Assets (At Cost) | 5 | | | | |
| (a) Gross Block | | 18,76,58,412 | | 18,84,72,626 | |
| (b) Less : Depreciation | | 13,66,10,170 | | 12,77,22,043 | |
| (c) Net Block | | | 5,10,48,242 | | 6,07,50,583 |
| 2) Investments | 6 | | 16,54,61,564 | | 16,52,69,853 |
| 3) Current Assets, Loans & Advances | | | | | |
| (a) Current Assets | 7 | | | | |
| Sundry Debtors | | 3,05,16,975 | | 2,99,85,506 | |
| Cash & Bank Balances | | 32,13,615 | | 38,35,276 | |
| Other Current Assets | | 14,40,753 | | 11,06,832 | |
| (b) Loans & Advances | 8 | 31,93,375 | | 20,85,575 | |
| | | 3,83,64,718 | | 3,70,13,189 | |
| (c) Less : Current Liabilities & Provisions | | | | | |
| Current Liabilities | 9 | 2,74,36,932 | | 1,58,37,548 | |
| Provision for Taxation | 10 | 90,915 | | 90,915 | |
| | | 2,75,27,847 | | 1,59,28,463 | |
| (d) Net Current Assets | | | 1,08,36,872 | | 2,10,84,726 |
| 4) Profit & Loss Account | | | 4,25,75,343 | | 3,36,02,188 |
| Total Funds Utilised | | | 26,99,22,021 | | 28,07,07,350 |
| Significant Accounting Policies | 16 | | | | |
| Notes on Accounts | 17 | | | | |

As per our Report of even date

For **Shambhu Kedia & Co.**

Chartered Accountants

S. K. Kedia

Proprietor

Membership No. 54042

For and on behalf of the Board

Santosh Kumar Jain

Managing Director

Manisha Lath

Secretary

Tarak Nath Dutta

Director

Place : Kolkata

Dated : The 28th day of May, 2011

ATN INTERNATIONAL LIMITED

Profit and Loss Account

for the year ended 31st March, 2011

| | Schedule | For the year ended 31st March, 2011 | | For the year ended 31st March, 2010 | |
|--|----------|--|----------------------|--|---------------|
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| INCOME | | | | | |
| Profit on Sale of Investment | | — | | 1,44,43,588 | |
| Consultancy Receipt | | 49,20,000 | | 8,94,000 | |
| Interest & Dividend | 11 | 66,899 | | 29,818 | |
| Other Income | 12 | 4,766 | | — | |
| | | | <u>49,91,665</u> | | 1,53,67,406 |
| EXPENDITURE | | | | | |
| Employment Expenses | 13 | 27,41,086 | | 21,85,590 | |
| Administrative & Other Expenses | 14 | 31,56,907 | | 38,99,702 | |
| | | | <u>58,97,993</u> | | 60,85,292 |
| Profit/(Loss) Before Non Cash Charges | | | (9,06,327) | | 92,82,114 |
| Less : Non Cash Charges | 15 | | 97,38,941 | | 98,74,326 |
| Profit/(Loss) Before Tax | | | (1,06,45,268) | | (5,92,212) |
| Less : Provision for Taxation | | | | | |
| - Current Tax | | — | | — | |
| - Deferred Tax | | <u>(32,41,329)</u> | | 92,05,599 | — |
| | | | (32,41,329) | | 92,05,599 |
| Profit/(Loss) After Tax | | | (74,03,939) | | (97,97,811) |
| Add : Excess Provision Written Back | | | — | | 78,510 |
| Less : Prior Period Adjustments | | | 69,216 | | 34,425 |
| Income Tax for Earlier Year | | | — | | 28,043 |
| Extra Ordinary Item | | | 15,00,000 | | 1,70,236 |
| (Refer Note No. 5 in Schedule 17) | | | | | |
| Balance brought forward from previous year | | | (3,36,02,188) | | (2,37,19,032) |
| Balance carried to Balance Sheet | | | (4,25,75,343) | | (3,36,02,188) |
| Significant Accounting Policies | 16 | | | | |
| Notes on Accounts | 17 | | | | |
| Basic & Diluted Earning per Share | | | (0.26) | | 0.05 |
| Face Value per Share | | | 4.00 | | 4.00 |

As per our Report of even date

For **Shambhu Kedia & Co.**

Chartered Accountants

S. K. Kedia

Proprietor

Membership No. 54042

For and on behalf of the Board

Santosh Kumar Jain

Managing Director

Manisha Lath

Secretary

Tarak Nath Dutta

Director

Place : Kolkata

Dated : The 28th day of May, 2011

ATN INTERNATIONAL LIMITED

Cash Flow Statement

| <u>DESCRIPTION</u> | <u>Year ended</u> <u>31st March, 2011</u> | <u>Year ended</u> <u>31st March, 2010</u> |
|--|--|--|
| A. Cash Flow from Operating Activities | | |
| Net Profit before Interest, Tax & Extraordinary Items | (1,06,58,371) | (6,17,722) |
| Adjustment for : | | |
| Depreciation | 97,38,941 | 98,74,326 |
| Provision | — | — |
| Related to earlier year | (69,216) | 17,570 |
| Sundry Balance written off | — | 92,136 |
| Excess Provision Written Back | — | — |
| Extra Ordinary Item | (15,00,000) | (1,70,236) |
| Loss on Sale of Fixed Assets | — | 69,869 |
| Profit on Sale of Investments | — | — |
| Operating Profit before Working Capital Changes | (24,88,646) | 92,65,943 |
| Changes in : | | |
| Trade & Other Receivables | (5,31,469) | 6,32,814 |
| Other Current Assets | (3,33,921) | 3,19,177 |
| Loans & Advances | (11,07,800) | 2,04,436 |
| Trade & Other Payables | 1,15,99,384 | 20,63,807 |
| Net Cash from Operating Activities (A) | 71,37,548 | 1,24,86,177 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (36,600) | (4,13,930) |
| Increase/Decrease in Investments | (1,91,711) | (1,11,38,318) |
| Sale of Fixed Assets | — | — |
| Interest Received | 13,102 | 25,510 |
| Net Cash Flow from Investing Activities (B) | (2,15,209) | (1,15,26,738) |
| C. Cash Flow from Financing Activities | | |
| Capital work in progress | — | — |
| Other Unsecured Liabilities | (75,44,000) | — |
| Debentures & Bonds | — | (21,000) |
| Net Cash Flow from Financing Activities (C) | (75,44,000) | (21,000) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | (6,21,661) | 9,38,439 |
| Cash and Cash Equivalents (Opening Balance) | 38,35,276 | 28,96,837 |
| Cash and Cash Equivalents (Closing Balance) | 32,13,615 | 38,35,276 |

As per our Report of even date

For **Shambhu Kedia & Co.**

Chartered Accountants

S. K. Kedia

Proprietor

Membership No. 54042

For and on behalf of the Board

Santosh Kumar Jain

Managing Director

Manisha Lath

Secretary

Tarak Nath Dutta

Director

Place : Kolkata

Dated : The 28th day of May, 2011

ATN INTERNATIONAL LIMITED

Schedules forming part of the Balance Sheet

| | <u>As at 31st March, 2011 (Rs.)</u> | <u>As at 31st March, 2010 (Rs.)</u> |
|---|---|---|
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 100000000 Equity Shares of Rs. 4/- each | <u>40,00,00,000</u> | <u>40,00,00,000</u> |
| Issued, Subscribed and Paid up | | |
| 3,94,50,000 Equity Shares of Rs.4/- each fully paid up | <u>15,78,00,000</u> | <u>15,78,00,000</u> |
| | <u>15,78,00,000</u> | <u>15,78,00,000</u> |
| SCHEDULE - 2 | | |
| RESERVES & SURPLUS | | |
| Share Premium | <u>42,00,000</u> | <u>42,00,000</u> |
| | <u>42,00,000</u> | <u>42,00,000</u> |
| SCHEDULE - 3 | | |
| SECURED LOANS | | |
| Loan from Rural Electrification Corporation Ltd. (A Government of India Undertaking) | 9,35,00,000 | 9,35,00,000 |
| - Secured against movable and immovable properties except book debts, both present & future in respect of Wind Power Project & personal guarantee of 1 Director & 2 Ex-Directors. | | |
| | <u>9,35,00,000</u> | <u>9,35,00,000</u> |

ATN INTERNATIONAL LIMITED

Schedules forming part of the Balance Sheet

| | As at 31st March, 2011 (Rs.) | As at 31st March, 2010 (Rs.) |
|---------------------------|------------------------------------|------------------------------------|
| SCHEDULE - 4 | | |
| UNSECURED LOANS | | |
| Fixed Deposit from Public | 4,54,000 | 4,98,000 |
| Short Term Loans | | |
| - From Bodies Corporate | 10,00,000 | 85,00,000 |
| Loan from Others | | |
| Debentures " A " Series | 18,44,000 | 18,44,000 |
| Bonds | <u>2,26,000</u> | <u>2,26,000</u> |
| | 20,70,000 | 20,70,000 |
| | <u>35,24,000</u> | <u>1,10,68,000</u> |

SCHEDULE - 5

FIXED ASSETS

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|----------------------------|-----------------------------|---------------------------------|----------------------------------|---------------------|---------------------|-----------------|-------------|---------------------|---------------------|---------------------|
| | As on 01.04.2010 year | Additions during the year | Deductions during the year | As on 31.03.2011 | As on 01.04.2010 | For the year | Adjustments | As on 31.03.2011 | As on 31.03.2011 | As on 31.03.2010 |
| Land | 24,20,944 | — | — | 24,20,944 | — | — | — | — | 24,20,944 | 24,20,944 |
| Data Processing Equipments | 11,30,769 | — | 8,50,814 | 2,79,955 | 9,69,411 | 45,381 | 8,50,814 | 1,63,978 | 1,15,977 | 1,61,358 |
| Media Equipments | 1,12,81,428 | — | — | 1,12,81,428 | 65,36,206 | 7,97,597 | — | 73,33,803 | 39,47,625 | 47,45,222 |
| Electrical Installations | 7,77,397 | — | — | 7,77,397 | 1,62,660 | 36,926 | — | 1,99,586 | 5,77,811 | 6,14,737 |
| Furniture & Fittings | 61,99,158 | — | — | 61,99,158 | 45,54,815 | 3,92,407 | — | 49,47,222 | 12,51,936 | 16,44,343 |
| Office Equipments | 59,29,801 | 36,600 | — | 59,66,401 | 25,86,371 | 2,82,630 | — | 28,69,001 | 30,97,400 | 33,43,430 |
| Office Premises | 39,86,549 | — | — | 39,86,549 | — | — | — | — | 39,86,549 | 39,86,549 |
| Vehicles | 17,46,580 | — | — | 17,46,580 | 17,46,580 | — | — | 17,46,580 | — | — |
| Wind Power Project | 15,50,00,000 | — | — | 15,50,00,000 | 11,11,66,000 | 81,84,000 | — | 11,93,50,000 | 3,56,50,000 | 4,38,34,000 |
| Total : | 18,84,72,626 | 36,600 | 8,50,814 | 18,76,58,412 | 12,77,22,043 | 97,38,941 | 8,50,814 | 13,66,10,170 | 5,10,48,242 | 6,07,50,583 |
| Previous Year : | 18,84,51,170 | 4,13,930 | 3,92,474 | 18,84,72,626 | 11,81,61,823 | 98,74,327 | 3,14,107 | 12,77,22,043 | 6,07,50,583 | — |

ATN INTERNATIONAL LIMITED

SCHEDULE - 6

INVESTMENTS

(As taken valued & certified by the management)

| Name of the Company | As at 31.03.2011 | | As at 31.03.2010 | |
|--|------------------|---------------------|------------------|---------------------|
| | Quantity | Amount (Rs.) | Quantity | Amount (Rs.) |
| (A) QUOTED EQUITY SHARES | | | | |
| Aksh Optifibre Ltd. | 1,090 | 51,463 | 1,090 | 51,463 |
| Alliance Fund Management Ltd. | 1,000 | 9,400 | 1,000 | 9,400 |
| Amluckie Investment Co. Ltd. | 80,000 | 8,00,000 | 80,000 | 8,00,000 |
| Arihant Ltd. | 11,600 | 1,50,000 | 11,600 | 1,50,000 |
| Blue Dart Express Ltd | 600 | 71,544 | 600 | 71,544 |
| Bolton Properties Ltd. | 1,34,750 | 5,26,60,512 | 1,34,750 | 5,26,60,512 |
| Blue Birds | 8,051 | 5,67,420 | 8,051 | 5,67,420 |
| BSEL Infrastructure Ltd. | 6,000 | 3,78,060 | 6,000 | 3,78,060 |
| C & C Construction Ltd. | 165 | 31,686 | 165 | 31,686 |
| CMS Finvest Ltd. | 16,30,800 | 1,92,72,950 | 16,29,800 | 1,92,70,600 |
| D S Securities Ltd. | 500 | 5,000 | 500 | 5,000 |
| Indianivesh Ltd. | 100 | 67,297 | 100 | 67,297 |
| HFCL Ltd. | 720 | 9,360 | — | — |
| Jord Engineers Ltd. | 180 | 232 | 180 | 232 |
| Nahar International Ltd. | 742 | 27,473 | 742 | 27,473 |
| Penat Capsules Ltd. | 16,400 | 1,55,800 | 16,400 | 1,55,800 |
| PNC Capital Trust Ltd. | 1,25,000 | 2,50,000 | 1,25,000 | 2,50,000 |
| Prime Capital Marketing Ltd. | 1,03,073 | 2,87,53,459 | 1,03,073 | 2,87,53,459 |
| Prithvi Information Ltd. | 1,806 | 5,23,117 | 1,806 | 5,23,117 |
| Ram Krishna Fincap Ltd. | 32,800 | 64,79,312 | 32,800 | 64,79,312 |
| Raymond Ltd. | 9 | 1,068 | 9 | 1,068 |
| Raymond Synthetics Ltd | 4,700 | 34,310 | 4,700 | 34,310 |
| Reliance Communication Ltd. | 50 | 3,725 | 50 | 3,725 |
| Reliance Natureal Resources Ltd. | — | — | 50 | 67 |
| Reliance Power Ltd. | 12 | 67 | — | — |
| Silicon Valley Infotech Ltd. | 24,63,839 | 51,18,139 | 24,63,839 | 51,18,139 |
| Sterling Holiday Resort Ltd. | 853 | 32,744 | 853 | 32,744 |
| Sterling Guaranty Ltd. | 15,000 | 1,80,000 | 15,000 | 1,80,000 |
| Subhash Projects & Marketing Ltd. | 14,000 | 3,84,131 | 14,000 | 3,84,131 |
| Twenty First Century (India) Ltd. | 20,800 | 2,08,000 | 20,800 | 2,08,000 |
| Unisys Software & Holding Industries Ltd | 8,20,200 | 82,36,580 | 8,20,200 | 82,36,580 |
| Videocon Industries Ltd. | 72 | 16,835 | 72 | 16,835 |
| | 54,94,912 | 12,44,79,684 | 54,93,230 | 12,44,67,974 |
| (II) DEBENTURES | | | | |
| Escorts Tractors Ltd. | 400 | 3,600 | 400 | 3,600 |
| J K Pharma Ltd. | — | — | — | — |
| Jindal Ferro Alloys Ltd. | 120 | 4,560 | 120 | 4,560 |

ATN INTERNATIONAL LIMITED

| Name of the Company | As at 31.03.2011 | | As at 31.03.2010 | |
|--|------------------|---------------------|------------------|---------------------|
| | Quantity | Amount (Rs.) | Quantity | Amount (Rs.) |
| Kirloskar Pneumatic Co. Ltd | 1,100 | 11,000 | 1,100 | 11,000 |
| Mukerian Paper Ltd. (FCD) | 6,200 | 3,68,280 | 6,200 | 3,68,280 |
| Mukerian Paper Ltd. (NCD) | 2,500 | 2,25,000 | 2,500 | 2,25,000 |
| TCI Ltd | 450 | 36,000 | 450 | 36,000 |
| Videocon International Ltd (Bond) | 1,500 | 11,515 | 1,500 | 11,515 |
| | <u>12,270</u> | <u>6,59,955</u> | <u>12,270</u> | <u>6,59,955</u> |
| (III) PREFERENCE SHARES | | | | |
| Parasrampuria Synthetics Ltd. | 661 | 6,610 | 661 | 6,610 |
| | <u>661</u> | <u>6,610</u> | <u>661</u> | <u>6,610</u> |
| (V) MUTUAL FUNDS | | | | |
| Mastergain '92 (UTI) | 14,100 | 1,83,300 | 14,100 | 1,83,300 |
| | <u>14,100</u> | <u>1,83,300</u> | <u>14,100</u> | <u>1,83,300</u> |
| Total Value of Quoted Investment | | <u>12,53,29,549</u> | | <u>12,53,17,839</u> |
| Market Value of Quoted Investment | | <u>13,90,26,172</u> | | <u>4,42,05,107</u> |
| (B) UNQUOTED | | | | |
| Abhijeet Cement Ltd. | 20,000 | 20,00,000 | 20,000 | 20,00,000 |
| Anushka Softtel Pvt. Ltd. | 16,000 | 80,00,000 | 16,000 | 80,00,000 |
| Bahubali Properties Ltd. | 37,250 | 30,98,924 | 37,250 | 30,98,924 |
| Bravado Commerce Pvt. Ltd. | 900 | 1,80,000 | — | — |
| Jagannathpur Steel Ltd. | 150 | 1,805 | 150 | 1,805 |
| JMD Sounds Ltd. | 4,220 | 42,20,000 | 4,220 | 42,20,000 |
| Mudrika Projects Ltd. | 2,33,630 | 2,33,63,000 | 2,33,630 | 2,33,63,000 |
| Natraj Vinimay Pvt. Ltd. | 17,850 | 89,33,400 | 17,850 | 89,33,400 |
| Rangbarshi Projects Ltd | 4,000 | 4,00,000 | 4,000 | 4,00,000 |
| Sarbodaya Agencies Pvt. Ltd. | 3,000 | 6,00,000 | 3,000 | 6,00,000 |
| Savera Traders Ltd. | 1,99,635 | 1,02,30,839 | 1,99,635 | 1,02,30,839 |
| SEZ Infrastructure Development | 15,000 | 30,00,000 | 15,000 | 30,00,000 |
| Splendor Agents Ltd. | 1,50,000 | 1,50,00,000 | 1,50,000 | 1,50,00,000 |
| Suvarna Banijya Ltd. | 28,600 | 1,43,00,000 | 28,600 | 1,43,00,000 |
| Weldorf Tradelink Ltd. | 39,000 | 39,01,154 | 39,000 | 39,01,154 |
| | <u>7,69,235</u> | <u>9,72,29,122</u> | <u>7,68,335</u> | <u>9,70,49,122</u> |
| | | <u>22,25,58,671</u> | | <u>22,23,66,962</u> |
| Less : Reduced in Capital reduction Scheme as per Hon'ble Calcutta High Court order | | <u>5,70,97,107</u> | | <u>5,70,97,107</u> |
| Total Value of Investments | | <u>16,54,61,564</u> | | <u>16,52,69,855</u> |

ATN INTERNATIONAL LIMITED

Schedules forming part of the Balance Sheet

| | As at 31st March, 2011 (Rs.) | As at 31st March, 2010 (Rs.) |
|--|------------------------------------|------------------------------------|
| SCHEDULE - 7 | | |
| CURRENT ASSETS | | |
| Sundry Debtors | | |
| (Unsecured Considered Good) | | |
| Exceeding Six Months | 2,99,28,975 | 2,86,02,020 |
| Others | 5,88,000 | 13,83,486 |
| | 3,05,16,975 | 2,99,85,506 |
| Cash & Bank Balances | | |
| Cash Balances on Hand | 15,796 | 62,710 |
| Balances With Scheduled Banks, | | |
| - In Current A/cs | 4,72,083 | 10,46,829 |
| - In Fixed Deposit A/cs | 27,25,736 | 27,25,736 |
| | 32,13,615 | 38,35,276 |
| Other Current Assets | | |
| Income Tax Paid | 28,919 | 28,919 |
| Fringe Benefit Tax | 96,308 | 96,308 |
| Tax Deducted at Source | 10,45,526 | 9,81,605 |
| Others | 2,70,000 | — |
| | 14,40,753 | 11,06,832 |
| SCHEDULE - 8 | | |
| LOANS & ADVANCES | | |
| Loans | | |
| (Unsecured Considered Good) | | |
| To Bodies Corporate | — | — |
| Advances recoverable in cash or in kind or for value to be received | 29,06,346 | 17,98,546 |
| Deposits | 2,87,029 | 2,87,029 |
| | 31,93,375 | 20,85,575 |
| SCHEDULE - 9 | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors | 1,77,559 | 1,77,559 |
| Other Liabilities | 2,72,59,373 | 1,56,59,989 |
| | 2,74,36,932 | 1,58,37,548 |

ATN INTERNATIONAL LIMITED

Schedules forming part of the Profit & Loss Account

| | For the year ended 31st March, 2011 (Rs.) | For the year ended 31st March, 2010 (Rs.) |
|----------------------------------|---|---|
| SCHEDULE - 10 | | |
| PROVISION | | |
| Provision for Current Tax | 90,915 | — |
| Provision for Fringe Benefit Tax | — | 90,915 |
| | <u>90,915</u> | <u>90,915</u> |
| SCHEDULE - 11 | | |
| INTEREST & DIVIDEND | | |
| Interest on FD | — | 25,510 |
| Interest from IT | 13,051 | — |
| Interest from CESE | 51 | — |
| Dividend | 53,797 | 4,308 |
| | <u>66,899</u> | <u>29,818</u> |
| SCHEDULE - 12 | | |
| OTHER INCOME | | |
| Sundry Balances Written Off | 4,766 | — |
| | <u>4,766</u> | <u>—</u> |
| SCHEDULE - 13 | | |
| EMPLOYMENT EXPENSES | | |
| E.S.I. Contribution | 31,761 | 32,250 |
| Employer's Contribution to P.F. | 1,05,018 | 1,02,576 |
| Gratuity Fund | 8,824 | 12,415 |
| Salary & Other Allowances | 25,95,483 | 20,38,349 |
| | <u>27,41,086</u> | <u>21,85,590</u> |

ATN INTERNATIONAL LIMITED

Schedules forming part of the Profit & Loss Account

| | For the year ended 31st March, 2011 (Rs.) | For the year ended 31st March, 2010 (Rs.) |
|---|---|---|
| SCHEDULE - 14 | | |
| ADMINISTRATIVE & OTHER EXPENSES | | |
| Advertisement | 71,150 | 1,50,825 |
| Auditors' Remuneration | 44,090 | 44,090 |
| Bank Charges | 5,946 | 7,242 |
| Books & Periodicals | 4,365 | 13,506 |
| Business Promotion | 16,905 | 14,725 |
| Car Insurance | — | 6,984 |
| Software Expenses | 1,09,415 | 1,82,812 |
| Consultancy Charges | — | 5,515 |
| Custodian Charges | 2,05,387 | 2,13,349 |
| Computer Maintenance | 2,68,387 | 1,86,937 |
| Donation | — | 5,100 |
| Filing Fees | 1,500 | 3,000 |
| Internal Audit Fees | 15,000 | 15,000 |
| Legal & Professional Charges | 37,567 | 1,35,009 |
| Listing Fees | 1,21,330 | 1,59,935 |
| Loss on Sale of Fixed Assets | — | 69,869 |
| Membership & Subscription | 42,851 | 9,300 |
| Miscellaneous Expenses | — | 4,200 |
| Motor Car Expense | 4,03,848 | 3,72,542 |
| Postage & Courier Charges | 93,448 | 64,203 |
| Printing & Stationery | 3,64,821 | 3,19,784 |
| Rent, Rates & Taxes | 2,00,740 | 2,02,590 |
| Repairs & Maintenance | 13,350 | 2,93,122 |
| Security Guard Service Charges | 10,000 | — |
| Share Trading Expenses (Other Statutory Exp.) | — | 1,27,821 |
| Share Register & Depository Charges | 16,545 | 16,545 |
| Sundry Balances Written Off | — | 92,136 |
| Telephone & Electricity Charges | 8,98,634 | 7,37,521 |
| Travelling & Conveyance | 86,628 | 2,71,041 |
| Wind Power Expenses | 1,25,000 | 1,75,000 |
| | <u>31,56,907</u> | <u>38,99,702</u> |
| SCHEDULE - 15 | | |
| NON CASH CHARGES | | |
| Depreciation | 97,38,941 | 98,74,326 |
| | <u>97,38,941</u> | <u>98,74,326</u> |

ATN INTERNATIONAL LIMITED

Annexed to and forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE - 16

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention :

The Financial Statements have been prepared on historical cost convention and in accordance with normally accepted Accounting Principles.

2. Income Recognition :

All Revenues/Incomes except Dividends, Interest on Debentures are recognised on accrual basis of accounting.

3. Expenses :

All expenses have been accounted for on accrual basis except Interest which is accounted on Cash Basis.

4. Fixed Assets :

- All Fixed Assets are accounted for at cost inclusive of legal and/or installation and incidental expenses less depreciation.
- Depreciation on all assets has been provided on straight line basis as per rates prescribed under Schedule XIV of the Companies Act, 1956 except on Office Premises where depreciation has not been charged.
- Depreciation is provided on pro-rata basis from the day on which the assets have been put to use.

5. Investments :

Investments are stated at cost, less amount written off under Scheme for Reduction of Capital as approved by Hon'ble Calcutta High Court.

6. Gratuity :

The Company has taken Group Gratuity Policy from Life Insurance Corporation of India for its employees and contribution relating to previous year liability is being paid in five annual instalments.

SCHEDULE - 17

NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on Capital account Rs.NIL (Previous Year Rs. NIL).

2. Quantitative Details in pursuance of Part II of Schedule VI of the Companies Act, 1956 :

| (a) | Electricity | Installed Capacity | | Production | |
|-----|-------------|--------------------|------------|------------|------------|
| | | 31.03.2011 | 31.03.2010 | 31.03.2010 | 31.03.2009 |
| | | 4.1 MW | 4.1 MW | NIL | NIL |

3. Earning / Expenditure in Foreign Currency :

| | | |
|-------------|-----|-----|
| Earning | NIL | NIL |
| Expenditure | NIL | NIL |

4. Auditors Remuneration :

| | 31.03.2011 | 31.03.2010 |
|--------------------------|---------------|---------------|
| (a) Statutory Audit Fees | 33,090 | 27,575 |
| (b) Tax Audit Fees | — | 5,515 |
| (c) In other Capacities | 11,000 | 11,000 |
| | <u>44,090</u> | <u>44,090</u> |

ATN INTERNATIONAL LIMITED

5. Extraordinary item of Rs. 15,00,000/- in Profit & Loss account represent on repayment of written off liabilities.
6. The company has made no provision for interest accrued amounting to Rs. 94.50 Lacs (Previous year Rs. 94.50 Lacs) as the matter is Subjudice Before Hon'ble Debt Recovery Tribunal in respect of amount payable to Rural Electrification Corporation (REC). The interest not provided on loan from REC including earlier years is Rs. 1352.58 Lacs.
7. The company has valued the investments at cost against lower of cost or market value of each script individually as required by Accounting Standard 13 issued by Institute of Chartered Accountants of India. However, the company has made a provision of Rs. 57097107 on account of diminution in value of investments as per order of the Hon'ble Calcutta High Court dated 10.08.05. After giving an effect the investments are shown higher by Rs. 232.05 Lacs (Previous year Rs. 481.07 Lacs).
8. In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value on the realization in the ordinary course of business at least equal to amount at which they are stated in the Balance Sheet.
9. Certain Debit and Credit Balances including Sundry Debtors and Creditors, Bank Balances and Advances are subject to confirmation and consequential reconciliation thereof.

10. Related Parties Disclosures :

LIST OF RELATED PARTIES WITH WHOM TRANSACTIONS HAVE TAKEN PLACE AND RELATIONSHIP :

(A) Key Management personnel & Relatives :

| Name of the Related Party : | Post Hold |
|-----------------------------|-------------------|
| 1) Santosh Kumar Jain | Managing Director |

(B) Enterprises over which above person has significant influence :

| Name of the Related Party |
|--|
| 1) Amluckie Investment Company Limited |

(C) Transaction with the enterprise mention in (B) above :

| | Amount (Rs.) |
|--|--------------|
| Consultancy Charges received during the year | 24,00,000/- |

11. Segment Disclosures for the year ended 31st March, 2011

(Rs.in Lakhs)

| | Segment | Satellite Channel | Investment Banking |
|----|----------------------|-------------------|--------------------|
| a. | Segment Revenue | — | 49.92 |
| b. | Segment Result (PBT) | (7.98) | (98.47) |
| c. | Segment Assets | 39.48 | 1,580.52 |
| d. | Segment Liabilities | — | — |

12. Consequent to mandatory Accounting Standard issued by ICAI on accounting for taxes on income, the Company has recorded cumulative net deferred tax liabilities of Rs. 1,09,10,469/- Till 31st March, 2011. Deferred tax adjustment for the year ended 31st March, 2011 amount to Rs. (3,22,88,881.00).

ATN INTERNATIONAL LIMITED

Significant component of deferred tax assets/liability as shown in Balance Sheet are as follows :

| | Deferred Tax Liabilities | Deferred Tax Assets | Net Deferred Tax Liabilities |
|--------------------------|--------------------------|---------------------|------------------------------|
| Depreciation Differences | 1,35,68,561 | — | 1,35,68,561 |
| Carry forward of Loss | — | 26,70,540 | 26,70,540 |
| Total | 1,35,68,561 | 26,70,540 | 1,08,98,021 |

13. The Company has not made provision for loss in value of inoperative Wind Power Project in terms of Accounting Standard – 28 (Impairment of Assets) issued by ICAI.
14. Figures in brackets represent previous year figures.
15. Previous Year's figures have been re-arranged and regrouped wherever considered necessary so as to make them comparable with figures of the year under consideration.
16. In calculating Basic and Diluted Earning per Share as per AS - 20 :

| | <u>2010 - 11</u> | <u>2009 - 10</u> |
|--|-------------------|-------------------|
| a) Numerator Used : Profit After Tax | Rs. (74,03,939/-) | Rs. (97,97,811/-) |
| b) Denominator used : No of Equity Shares of Rs. 4/- each.outstanding during the year | 3,94,50,000 | 3,94,50,000 |
| c) Basic & Diluted Earning per Share | (0.19) | (0.25) |

17. There are no outstanding dues to S S I units.
18. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 has been given in Annexure – 1.
19. Schedules 1 to 21 annexed to herewith are forming part of the Balance Sheet and Profit & Loss Account.

As per our Report of even date

For **Shambhu Kedia & Co.**

Chartered Accountants

S. K. Kedia

Proprietor

Membership No. 54042

For and on behalf of the Board

Santosh Kumar Jain

Managing Director

Manisha Lath

Secretary

Tarak Nath Dutta

Director

Place : Kolkata

Dated : The 28th day of May, 2011

ATN INTERNATIONAL LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI OF COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 80793 State Code 21
 Balance Sheet Date 31032011

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue (Allotment Money) NIL Rights Issue NIL
 Bonus Issue NIL Private Placement NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities 269922 Total Assets 269922

Sources of Funds

Paid-up Capital 157800 Reserves & Surplus 4200
 Secured Loans 93500 Unsecured Loans 3524
 Deferred Tax Liabilities 10898

Application of Funds

Net Fixed Assets 51048 Investments 165462
 Net Current Assets 10837 Accumulated Losses 42575

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover 4992 Total Expenditure 15637
 Profit Before Tax (-)10645 Profit After Tax (-)7404
 Earning Per Share (in Rs.) (-)0.19 Dividend Rate (%) NIL

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (As Per Monetary Terms)

Item Code No. (ITC Code) NOTAPPLICABLE
 Product Description INVESTMENTBANKING

As per our Report of even date

For **Shambhu Kedia & Co.**
Chartered Accountants
S. K. Kedia
Proprietor
 Membership No. 54042

For and on behalf of the Board

Santosh Kumar Jain
Managing Director
Tarak Nath Dutta
Director

Place : Kolkata

Dated : The 28th day of May, 2011

Manisha Lath
Secretary

ATN INTERNATIONAL LIMITED

Registered Office : 10, Princep Street, 2nd Floor, Kolkata - 700 072

PROXY FORM

Shares held

DP ID No.

Registered Folio No.

Client ID No.

I/We of
..... being a member/(s) of
the above Company, hereby appoint

..... of

or failing him/her

of

as my/our Proxy to vote for me/us and on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company, to be held at the Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Thursday, 22nd September, 2011 at 11.00 a.m.

Signed this.....day of.....2011.

Signed by the said.....

Affix
Rs. 1/-
Revenue
Stamp

NOTE : The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ATN INTERNATIONAL LIMITED

Registered Office : 10, Princep Street, 2nd Floor, Kolkata - 700 072

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Shares held

DP ID No.

Registered Folio No.

Client ID No.

..... (Please write your name in BLOCK Letters)

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company, to be held at the Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Thursday, 22nd September, 2011 at 11.00 a.m.

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

NOTES :

1. Members/Proxy holders are requested to bring their copies of the Annual Report with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided. at the entrance of the Meeting Hall.