

BOARD OF DIRECTORS

Raman Rajiv Misra
Independent Director

Dr. Sunil Anand
Independent Director

Sudhir Damodaran
Executive Director

S.A. Abbas
Managing Director

SENIOR MANAGEMENT

Sudhir Damodaran
Executive Director

S.A. Abbas
Managing Director

Suresh Kumar Bhaskar
Vice President
(Hotels & Channel Marketing)

Rajesh Kukreja
Vice President (Institutional Sales)

Y. V. Kumar
Vice President (Technical Services)

Samir Chitnis
Vice President (Projects Execution)

D. S. Dogra
General Manager (Supply Chain Management)

Manoj Thakur
General Manager (Sales)

Vinod Rawat
Chief Financial Officer

AUDITORS

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

COMPANY SECRETARY

G.S. Butola

BANKERS

Axis Bank Ltd.

ICICI Bank Ltd.

Oriental Bank of Commerce

Canara Bank

Standard Chartered Bank – Dubai

REGISTERED OFFICE

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

CORPORATE OFFICE

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

OVERSEAS OFFICE

C1-705C, Ajman Free Zone
PO Box No. 31415, Ajman– UAE

PLANT

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

REGISTRAR & SHARE TRANSFER AGENT

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

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of Catvision Ltd. will be held on 29th September, 2012 at 11.30 a.m. at Riverside Sports & Recreation Club, Club Avenue, Mayur Vihar, Phase I, New Delhi-110091 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profit and Loss of the Company for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Raman Rajiv Misra, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To declare dividend on equity shares for the financial year ended 31st March, 2012.
4. To appoint M/s Gaur & Associates, Chartered Accountants, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 19, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals from the Central Government and from such other authorities and agencies as may be applicable in this regard, the Company hereby approves the re-appointment of Mr. S. A. Abbas as the Managing Director of the Company for further period of three years w. e. f 1st October, 2012 on the remuneration, perquisites, other benefits and amenities as set out in the resolution and the terms and conditions, as set out hereunder, with further liberty to the Board of Directors, from time to time to alter and vary the said terms and conditions, in such a manner as may be agreed upon between the Board of Directors and Mr. S. A. Abbas in the best interest of the Company but subject to the provisions contained in Schedule XIII to the Companies Act, 1956

or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time.

Salary :

In the range of Rs.1,75,000- 2,50,000 per month with the authority to the Board (which expression shall include a committee thereof) to revise his basic salary from time to time so long it does not exceed Rs. 2,50,000 per month. The annual increment shall be based on and will take into account the Company's performance.

Perquisites:

In addition to the basic salary, he shall also be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 2,50,000 per month, subject to overall ceiling of remuneration stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

Terminal Benefits:

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

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

Incentive:

Performance based incentive shall be payable to Mr. S. A Abbas at the end of the financial year based on the performance of the Company and at the discretion of the Board not exceeding 10% of the net profits of the Company.

Minimum Remuneration:

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

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

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

“RESOLVED THAT pursuant to Section 19, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals from the Central Government and from such other authorities and agencies as may be applicable in this regard, the Company hereby approves the re-appointment of Mr. Sudhir Damodaran as the Executive Director of the Company for further period of three years w. e. f 1st October, 2012 on the remuneration, perquisites, other benefits and amenities as set out in the resolution and the terms and conditions, as set out hereunder, with further liberty to the Board of Directors, from time to time to alter and vary the said terms and conditions, in such a manner as may be agreed upon between the Board of Directors and Mr. Sudhir Damodaran in the best interest of the Company but subject to the provisions contained in Schedule XIII to the Companies Act, 1956 or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time.

Salary:

In the range of Rs. 1,75, 000 -2,50,000 per month with the authority to the Board (which expression shall include a committee thereof) to revise his basic salary from time to time so long it does not exceed Rs. 2,50,000 per month. The annual increment shall be based on and will take into account the Company's performance.

Perquisites:

In addition to the basic salary, he shall also be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 2,50,000 per month, subject to overall ceiling of remuneration stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

Terminal Benefits:

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

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

Incentive :

Performance based incentive shall be payable to Mr. Sudhir Damodaran at the end of the financial year based on the performance of the Company and at the discretion of the Board not exceeding 10% of the net profits of the Company.

Minimum Remuneration:

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

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

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

“RESOLVED THAT subject to the provisions of the Articles of Association of the Company, Section 79, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), including any statutory modification(s) or re-enactment of the Act for the time being in force and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter called The SEBI Guidelines) including any modification(s) thereof or supplements there to and the Listing Agreement entered into by the Company with the Stock Exchange where the Securities of the Company are listed and subject to such other approval(s), permission(s) and sanction(s) as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any “Remuneration Committee” of the Board), to introduce and implement ‘Catvision Limited Employee Stock Option Scheme (hereinafter referred to as ‘CL- ESOP-2012’) and to grant, offer, issue and allot at any time to time present and future employee(s) including Director(s) of the Company, whether whole time Directors or otherwise, (hereinafter referred to as Employee or Employees) under CL- ESOP-2012 such number of options, as may be decided by the

Board, exercisable and convertible into Equity Shares (hereinafter referred to as ‘the securities’) of the Company not exceeding in the aggregate 5% of the issued, subscribed and paid up capital of the Company as on 31st March, 2012 i.e 2,32,680 Equity Shares of Rs. 10/- each of the Company (or such other adjusted number of shares for any bonus, consolidation or other re-organization of the capital structure of the Company as may be applicable from time to time, at such price, in such manner, during such period and on such terms and conditions as may be determined by the Board in accordance with SEBI Guidelines or any other applicable provisions as may be prevailing at that time.”

FURTHER RESOLVED THAT:

- a. the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the Explanatory Statement to this Notice and to make any modification(s), change(s), variation(s), alteration(s), or revision(s) in the terms and conditions of the Scheme from time to time including but limited to amendments with respect of the vesting period/schedule, exercise price/period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme.
- b. the Non-Executive Directors of the company including independent Directors be granted up to a maximum of 25000 options in aggregate under the Scheme.
- c. the securities may be allotted in accordance with the Scheme either directly or through a trust which may be set up in permissible manner and that the scheme may also envisage for providing any financial assistance to the trust to enable to acquire, purchase or subscribe to the Securities of the Company.
- d. the new Equity Shares to be issued and allotted upon exercise of options from time to time under CL-ESOP-2012 shall rank pari passue, inter-se in all respect with the then existing Equity Shares of the Company.
- e. the Board be and is hereby authorized to take requisite steps for listing of the Securities allotted under CL-ESOP-2012 on the Stock Exchange where the Securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchange and other applicable guidelines, rules and regulations; and

- f. for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters, things, as may be necessary or expedite and settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Security without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board
For **Catvision Limited**

Place : Noida, U.P.

G. S. Butola

Date : 31st August, 2012

Company Secretary

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of Annual General Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of the Members and share transfer books of the Company shall remain closed from 24th September to 29th September 2012 (both days inclusive).
4. Member/proxy holder must bring attendance slip to the meeting and hand it over at the entrance duly signed.
5. Members desiring any information with regard to accounts are requested to write to the Company so as to reach latest by 20th September 2012, to enable the management to give the information at the time of the meeting.
6. Members holding shares in identical order of names in more than one folio are requested to write to the company to enable consolidation of their holdings in one folio.
7. Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank Account details and or email address immediately to their respective Depository Participants.
8. Members who are holding shares in physical form are requested to immediately intimate any change in their residential address to the Registrar & Transfer Agent of the company M/s RCMC Share Registry Pvt. Ltd., B-106, Sector-2, Noida, UP- 201 301 so that change could be effected in the Register of Members before the closure.
9. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors, recommended by the Board of Directors for appointment/ re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
10. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical for Shareholders desires of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available at request) to M/s R C M C Share Registry Pvt. Ltd.
11. The Government has taken a “Green Initiative in Corporate Governance” by allowing the Companies to service the documents to its Members through electronic mode. The Company proposes to send the Annual Report and other documents /notices to shareholders to the email address provided to the Depository. Shareholders are requested to register and/or update their email address with the respective Depository Participants or with the Company to ensure that the documents from the Company reach their email address.

By Order of the Board
For **Catvision Limited**

Place : Noida, U.P.

G. S. Butola

Date : 31st August, 2012

Company Secretary

Registered Office

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

ANNEXURE TO THE NOTICE

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

Item No. 4 & 5

The members of the Company in their meeting held on 30th September, 2009 approved the appointment of Mr. S. A Abbas as Managing Director and Mr. Sudhir Damodaran as Executive Director for a period of 3 years with effect from 1st October, 2009 at an aggregate remuneration of Rs. 42,00,000/- per annum to each of them and appointment and remuneration for Mr. S. A Abbas and Mr. Sudhir Damodaran were approved by the Central Government.

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the Board of Directors of the Company at its meeting held on 31st August, 2012 has pursuant to the recommendation of the Remuneration Committee and subject to the approval of Members and Central Government, if applicable, has re-appointed Mr. S. A Abbas as the Managing Director and Mr. Sudhir Damodaran as the Executive Director of the Company for further period of three years with effect from 1st October, 2012 at a remuneration approved by the Remuneration Committee on 31st August, 2012. Keeping in view of their vast experience in the industry, the remuneration proposed by the Remuneration Committee is in line with the current trend.

Since the salary, allowances, perquisites and benefits proposed for Mr. S. A Abbas and Mr. Sudhir Damodaran, shall be governed by the provisions of Part- C of Section II, of Schedule XIII to the Companies Act, 1956, the following additional information as required by Part C of Section II, of Schedule XIII to the Companies Act, 1956, is given with abundant caution:

I. GENERAL INFORMATION:

- i. **Nature of Industry:** The Company is engaged in the manufacturing and dealing in CATV equipments, energy saving equipments, electronics security surveillance systems and equipments and providing related services in Channel marketing to hotels and cable operators.
- ii. **Date or expected date of commencement of commercial production:** It has been in its existing business since 1985.
- iii. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing the prospectus:** Not applicable.

- iv. **Financial Performance:** The financial performance the Company for the year ended 31st March, 2012 is as follows:

	Rs. in Lacs
Gross Operating Revenue	3187.41
Profit Before Taxation	161.01
Provision for Taxation including Deferred Tax	44.28
Profit after Taxation	116.73

- v. **Export Performance:** For the year ended 31st March, 2012 the performance of the Company in export related activities is as under:

	Rs. in Lacs
FOB Value of Export	70.67
Overseas Merchant Trade Sale	876.76
Channel Marketing & Others	69.55

- vi. **Foreign Investments or collaborator, if any:** The Company does not have any foreign investment or collaboration but it has tie-ups with Inncom of USA for energy saving equipment, Alcad of France for SMATV equipments for Indian market.

II. INFORMATION ABOUT APPOINTEES:

a. Mr. S. A Abbas:

i. Background:

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

ii. Past Remuneration:

The members of Company in their meeting held on 30th September, 2009 approved the appointment of Mr. S. A Abbas as the Managing Director for a period of 3 years with effect from 1st October, 2009 at an aggregate remuneration of Rs.42,00,000/- per annum.

iii. Recognition or awards:

Mr. S. A Abbas is also a member of Consumer Electronics and Appliances Manufacturers Association (CEAMA) which takes up various

issues relating to consumers electronics manufacturing units at various forums.

iv. **Job Profile and his suitability:**

Mr. S. A Abbas is professionally qualified technocrat having around 30 years of diversified experience including more than 28 years rich experience in cable television industry. He is responsible for day to day operation and management of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration of his qualification and rich experience and recognition, your Board feels that Mr. S. A. Abbas would be the most competent person to continue as the Managing Director of the Company.

v. **Remuneration Proposed:**

1. **Basic Salary :** In the scale of Rs. 1,75,000-2,50,000 per month. The annual increment will be on merit, pursuant to necessary recommendation and approvals of the Board.

2. **Perquisites:** In addition to the basic salary, Mr. S. A. Abbas shall be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 2,50,000 per month excluding the terminal benefits.

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

(i) **Company's contribution towards Provident Fund:** In accordance to the rules of the Company to the extent that these, either singly or put together, are not taxable under the Income Tax Act;

(ii) **Gratuity:** In accordance with the scheme as applicable to other senior

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

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

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

4. **Incentive:**

Performance based incentive shall be payable to Mr. S. A. Abbas at the end of the financial year based on the performance of the Company and at the discretion of the Board not exceeding 10% of the net profits of the Company.

b. **Mr. Sudhir Damodaran:**

i. **Background:**

Mr. Sudhir Damodaran is Science graduate from Banglore University. He joined Micro Comp Ltd. (A HCL group company) in 1978 in its marketing department and rose to become the head of Western Region operation in a span of four years. In 1982 he joined Usha International Ltd. as Dy. Divisional Manager at Mumbai for Western Region. He left Usha International Ltd. in 1985 to promote Catvision. Since then he has been looking after the operation of Catvision and presently is the Executive Director of the Company.

ii. **Past Remuneration:**

The members of Company in their meeting held on 30th September, 2009 approved the appointment of Mr. Sudhir Damodaran as Executive Director of the Company for a period of 3 years with effect from 1st October, 2009 at an aggregate remuneration of Rs. 42,00,000/- per annum.

iii. **Job Profile and his suitability:**

Mr. Damodaran is a qualified graduate and is having 30 years of diversified experience including more than 27 years of rich experience in Cable and hospitality industry. He has been looking after the international and hotel segment operations of the Company under the direction and supervision of the Board of Directors of the Company. Under his dynamic leadership, the Company has established itself a formidable business player in CATV and IPTV

segment in hospitality industry. In view of his very rich experience and recognition, your board feels that Mr. Sudhir Damodaran would be the most competent person to continue as the Executive Director of the Company.

iv. **Remuneration Proposed:**

1. **Basic Salary :** In the scale of Rs. 1,75,000-2,50,000 per month. The annual increment will be on merit, pursuant to necessary recommendation and approvals of the Board.

2. **Perquisites:** In addition to the basic salary, Mr. Sudhir Damodaran shall be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, children education allowance together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed between the Board of Directors and him but such perquisites and allowances will not exceed Rs. 2,50,000 per month excluding the terminal benefits.

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

(i) **Company's contribution towards Provident Fund:** In accordance to the rules of the Company to the extent that these, either singly or put together, are not taxable under the Income Tax Act;

(ii) **Gratuity:** In accordance with the scheme as applicable to other senior management employees, at the rate not exceeding one-half month's salary for each completed year of service;

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

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

4. **Incentive:**

Performance based incentive shall be payable to Mr. Sudhir Damodaran at the end of the financial year based on the performance of the Company and on the discretion of the Board not exceeding 10% of the net profits of the Company.

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

The remuneration proposed for Managing Director and Executive Director are not comparable as the companies in the similar business are either private limited companies or unlisted companies. But keeping in view the size of the Company, the profile of Mr. S. A Abbas and Mr. Sudhir Damodaran, the responsibilities they both shoulder and the industry benchmark, the proposed remuneration to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

d. **Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel :**

Besides the remuneration proposed to be paid to Mr. S. A Abbas and Mr. Sudhir Damodaran they don't have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. **OTHER INFORMATION :**

a. **Reasons for loss or inadequate profits:**

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

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

Gradually the Company hived off the loss making networks and the proceeds from such hive offs were used to reduce high interest bearing financial debts. In addition to this the Company

has been augmenting its product range by adding new product range and it has started yielding good results. In addition to this, continuous efforts are being made to contain the cost across all the heads and areas which shall have a further positive impact and such efforts will continue in the years to come.

c. Expected increase in productivity and profits in measurable terms:

With the above steps company's turnover started going up and it expects to achieve the gross revenue of Rs. 40 crores by the year ending 31st March, 2013 and Rs. 50 crores by the year ending 31st March, 2014.

The Board of Directors of the Company at its meeting held on 31st August, 2012 has appointed Mr. S. A Abbas as the Managing Director and Mr. Sudhir Damodaran as the Executive Director for a period of three years with effect from 1st October, 2012 on the terms and conditions as approved by the Remuneration Committee of Directors and set out in the proposed resolution of the convening Notice.

IV. DISCLOSURES :

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the heading of Remuneration paid/payable to Managing Director/ Executive Director for the year ended 31st March, 2012.

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

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

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

Item No. 6

Employee Stock Options have long been recognized as an effective instrument, to align the interest of the employees with those of the Company and its shareholders, providing an opportunity to the employees to share the growth of the Company and to create long term wealth in the hands of the employees. Though the Company has been rewarding its employees from time to time, with a view to reward the employees for their contribution; encourage

value creation and value sharing with employees and to attract and retain best talent, your Board has, at its meeting held on 31st August, 2012, subject to your approval, proposed to introduce the Employees Stock Option Scheme, called CL-ESOP-2012, for the benefit of the present and future employees including executive /non-executive directors of the Company and such other persons including employees/directors, now or in future, in accordance with the provision of prevailing regulations. Therefore, to promote the culture of the employee ownership, approval of the shareholders is being sought for issue of Stock Options to the employees of the Company. The salient feature of the Scheme is as follows:

1. Total number of options to be granted:

Total number of options to be granted under the Scheme shall not exceed 5% of the issued, subscribed and paid-up equity share capital of the Company as on 31st March, 2012 i. e 2,32,680 Equity Shares of Rs. 10/- each. It is also proposed to reserve maximum of 25,000 options for the Directors (other than promoter Director) of the Company from time to time. In the event of any corporate action(s) viz. bonus, consolidation or the re-organizations of the capital structure of the Company, number of options, be issued shall undergo fair, reasonable and appropriate adjustment pursuant to the SEBI Guideline. Each option when exercised would be converted into One Equity Share of Rs. 10/- each fully paid up.

Any vested option(s) that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

2. Identification of classes of employees entitled to participate in the Employee Stock option Scheme:

All employees of the Company, including Executive and Non-Executive Directors, but excluding the promoter director of the Company, as may be decided by the remuneration committee from time to time, would be entitled to be granted stock options under the ESOP.

The class of employee eligible for participating in the CL-ESOP-2012, shall be determined on the basis of the grade, performance and such other parameters as may be decided by the Remuneration Committee in its sole discretion from time to time.

3. Transferability of employee stock option:

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

4. Requirement of vesting, period of vesting and maximum period vesting:

Vesting of Options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as may be stipulated by the Board /Remuneration Committee in its sole discretion.

The maximum vesting period may extend up to five years from the date of Grant of Options unless otherwise decided by the Board/Remuneration Committee.

5. Exercise Price or Pricing Formula:

The Exercise Price means the price at which the Eligible Employee is entitled to acquire the Equity Shares pursuant to the Options granted and vested in him/her under CL-ESOP-2012.

The Exercise Price per equity shares shall be equal to or not less than the face value of the shares in accordance with the recommendations of the Board / Remuneration Committee at the time of grant of Option.

6. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of four years from the date of vesting of such options. The options will lapse if not exercised within the specified exercise period or such other period as may be decided by the Board / Remuneration Committee from time to time.

The options will be exercisable by the employee by a written application addressed to the designated officer of the Company intimating his/her intention to exercise the option in such manner, and on execution of such documents, as may be prescribed by the Board /Remuneration Committee from time to time.

The Options will lapse if not exercised within the specified exercised period. The Options may also

lapse under certain circumstances even before the expiry of the specified exercise period.

7. Appraisal Process for determining the eligibility employees to ESOP:

The Company has a formal performance appraisal system established in line with emerging standards, wherein the performance of the employees is assessed each year on the basis of various functional and managerial parameters. Stock Options would be granted based on performance linked parameters, value creation, leadership, role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria as may be determined by the Board/. Remuneration Committee at its sole discretion. The Board/ Remuneration Committee may at its sole discretion extend the benefits to a new entrant on such basis as it may deem fit.

The number of options that may be granted to any specific employee under the Scheme will depend upon the rank/designation and performance assessed of the employee and shall in the aggregate less than 1% of the issued capital of the Company at the time of grant of options.

8. Maximum number of options to be issued per employee and in aggregate:

The maximum number of Options granted per employee will not exceed 50,000 equity shares of Rs.10/- each. The aggregate of all such grants shall not exceed 5% of the issued equity shares capital of the Company as on 31st March, 2012.

9. Disclosure and Accounting Policies:

The Company shall comply with disclosure and the accounting policies prescribed under Securities and Exchange Board of India (SEBI) Guidelines and by the Institute of Chartered Accountants of India (ICAI) amended from time to time.

10. Method of Valuation:

The Company shall use the valuation method for valuing its options as prescribed by SEBI ESOP Guidelines. In case the Company computes the employee compensation cost, using the intrinsic value of the stock options, the difference between the employee compensation cost so calculated and employee compensation cost that would have been recognized, if the Company had used fair value method, its impact on the profits and earnings per share would be disclosed in the Directors' Report.

11. Other terms:

The Board/Remuneration Committee shall have the absolute authority to vary or modify or alter the terms of CL-ESOP-2012 in accordance with the Regulations and Guidelines as prescribed the Securities and Exchange Board of India or Regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alternation is detrimental to the interest of the employees.

The Remuneration Committee shall, inter-alia formulate the detailed terms and conditions of the CL-ESOP-2012 and frame suitable policies and system to ensure that there is no violation of any law and SEBI Regulations.

As the CL-ESOP-2012 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section

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

The Board recommends the Special resolution as set out in Item No. 6 for the approval of the members.

None of the Directors of the Company are in any way concerned or interested in this resolution , except to the extent of any securities that may be offered to them under CL-ESOP-2012.

By Order of the Board
For **Catvision Limited**

Place : Noida, U.P.
Date : 31st August, 2012

G. S. Butola
Company Secretary

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

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts and Auditor's Report of your company for the Financial Year ended on 31st March, 2012.

FINANCIAL HIGHLIGHTS:

The highlights of the financial results of your Company are as under:

Rs. In lacs

	Year Ended 31.03.12	Year Ended 31.03.11
Total Revenue	3187.41	2373.32
Earnings before Interest, Depreciation, Taxation and amortization(EBIDTA)	270.36	200.36
Interest and Finance Charges	(54.24)	(32.54)
Depreciation	(55.11)	(51.76)
Profit before Tax	161.01	116.06
Provision for Tax-Current years	(50.17)	(24.07)
Provision for (Deferred Tax)/Assets	5.89	9.77
Profit after Tax	116.73	101.76
Appropriations:		
Transfer to General Reserve	2.91	-
Proposed Dividend	46.54	-
Corporate Dividend Tax	7.55	-
Balance carried over to Balance Sheet	59.73	101.76

OPERATIONAL HIGHLIGHTS:

The year 2011-12 proved to be the year of high performance for your company. During the financial year 2011-12, the revenue was Rs. 3187.41 lacs representing a growth of 34.30% over the previous year, EBIDTA grew by 35.94% to Rs. 270.36 lacs and Profit before tax (PBT) recorded a growth of 38.73% to Rs. 161.01 lacs.

DIVIDEND:

Your Directors are pleased to recommend payment of dividend of Rs. 1.00 per equity share of Rs. 10/- each

and such dividend shall be payable subject to approval of the Members of the company. The outflow on account of dividend, and the tax on such dividend distribution by the company would aggregate to Rs. 54.08 lacs, resulting in a payout of 46.33% of the profits of the company.

CORPORATE REVIEW:

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

CATV Products Division :

This division sells CATV products (products used in cable TV networks) to cable TV operators, multi system operators (MSOs) and broadcasters. The gross revenue of this division of your company grew by 22.55% during the year under review. The company introduced several new products for cable operators, mainly in the optic fibre domain.

The government has finally announced the time-bound framework for digitalization of cable TV services in India under which the cable services in the entire country will be digitalized by December 2014. The roll out for digitization has been slow but industry experts say this is likely to pick up pace now. In the four metros that will be digitized in the first phase, about 50,000 set-top boxes are being seeded every week with Mumbai showing the maximum progress. There are about 10-12 million TV homes in the four metros of which 2 million or 25% have been digitized so far. With this, Cable TV in India is set to go through a major transformation and consolidation over the next few years. This is a major boost for the Cable TV industry and your Company will be immensely benefited by this development as your company has positioned itself to be a key player in this business.

Hotel Systems & Services Division :

This division primarily addresses the hospitality sector, providing solutions in Cable TV, Interactive TV, IPTV, CCTV and Energy Management, in association with world leaders. The gross revenue of the division went by 50.28% during the year under review. Here are some significant developments in this segment:

1. Your Company has positioned itself as a significant player for providing complete solution of Cable TV, Interactive TV, IPTV and Energy Management systems to hotels. During the year under review, it successfully completed IPTV installations in a couple of hotels in association with its overseas associates.

2. Subsequent to the sales and installation of a Cable TV system in a hotel, your company also provides satellite TV channel content with technical support on a 'Build & Operate' basis, under back to back tie-ups with the leading subscription based TV channels. This is a strong recurring business for your company which provides hotels a single point responsibility for installation and support services-right from signal reception via satellite to crystal clear reception on the guest room TVs on a 24x7 basis.
3. The energy management systems that the company sells to hotels (in collaboration with world leader Inncom, USA), have gained wide acceptance. The company signed several contracts with leading hotel chains and now plans to aggressively expand this division. Your company sees a bright future for this business in India, thanks to the increasing energy cost to hotels, which is the second largest expense after manpower.

R&D FACILITIES:

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

QUALITY ASSURANCE:

Your company firmly believes that the most critical component for success in the competitive global market is the excellence in quality. To address future challenges and to ensure continuous improvement in performance your company has launched number of new initiatives. It has established an independent quality control department that keeps a close and consistent watch not only on the end products but also on all spheres of its activities.

PUBLIC DEPOSITS:

During the year your company has not accepted any Deposits under Section 58A and Section 58AA

of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rule, 1975 and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

BOARD OF DIRECTORS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual accounts, the applicable accounting standards with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 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; and
- d. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

CORPORATE GOVERNANCE:

Your Company has duly complied with the Corporate Governance provisions as stipulated under 49 of the Listing Agreement. Your company believes that great companies are built on the foundation of good governance practices.

A separate section on Corporate Governance and a certificate from the auditors of the company confirming

compliance with the requirement of Corporate Governance form part of the Annual Report. In accordance with the Listing Agreement requirements, the Management Discussion and Analysis report and CEO/CFO Certificate on discharge of finance function are attached as Annexure to this report.

DEPOSITORY SYSTEM:

Trading in Equity Shares of your company in the dematerialized form is compulsory for all shareholders with effect from 25th September 2000 in terms of the notification issued by the Securities and Exchange Board of India (SEBI). The Equity Shares of the Company are available for dematerialization with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) under ISIN No. INE 660B01011. Currently 80.12% of the Equity Shares of the company are in the demat form .

STATUTORY DISCLOSURES:

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

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

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

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

Name	S. A. Abbas	Sudhir Damodaran
Age	55 Years	54 years
Designation	Managing Director	Executive Director
Gross Remuneration	42,01,826	34,28,268

Qualification	B. Tech, MBA	Science Graduate
Experience	29 Years	29 Years
Date of Joining	28.06.1985	28.06.1985
Previous Employment	Network Ltd.	Usha International Ltd.

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

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

AUDITORS:

M/s Gaur & Associates, Chartered Accountants, auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received a letter from the auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1)(b) of the Companies Act, 1956.

AUDITORS' REPORT:

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

ACKNOWLEDGMENT:

Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation for the contribution made by the employees of the Company. Your Directors would like to express their appreciation for the assistance and co-operation received from banks, central and state government departments. Your Directors are also grateful to the customers, vendors, suppliers and other related organizations for their continued support and co-operation.

For and on behalf of the Board of Directors

S. A. Abbas
Managing Director

Place : Noida-U.P
Date : 31st August, 2012

S. Damodaran
Executive Director

ANNEXURE "A" TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

Company's consumption of energy is minimal. Every endeavor is made to ensure optimal use of energy through improved techniques to make infrastructure more energy efficient.

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

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

B. RESEARCH AND DEVELOPMENT:

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

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

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

D. FOREIGN EXCHANGE EARNING AND OUTGO:

	Year Ended 31.03.12 (₹)	Year Ended 31.03.11 (₹)
1. Foreign Exchange Inflow :		
a) For Exports & Merchant Trading	94,742,826	58,035,658
b) For Services	6,955,000	5,470,352
2. Foreign Exchange Outflow :		
a) Materials	123,463,998	70,367,198
b) Travelling & other Expenses	2,866,199	3,297,394
c) Salary & other benefits	2,311,465	2,049,912
d) Rent	867,713	780,310

REPORT ON CORPORATE GOVERNANCE:

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

A. PHILOSOPHY ON CORPORATE GOVERNANCE:

The convergence of good corporate governance has been given an universal push by the recent global financial crisis, which brings to the fore the critical role played by the Board to ensure governance frame work enjoins for the higher lever of transparency and effective governance standards to enhance the competitiveness and to protect long term interest of all stakeholders without compromising with laws and regulation.

Your company believes in and practices good Corporate Governance. At Catvision we are committed to the adoption of the best governance practices and its adherence in the true spirit, at all times. The Company's

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

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

B. BOARD OF DIRECTORS:

a. Composition of the Board of Directors:

Catvision has balanced Board with combination of Executive and Non-Executive Directors, to ensue independent functioning. The composition of the Board of Directors is governed by the Companies Act, 1956 and in conformity with Clause 49 (I) (A) of the Listing Agreement. Non-Executive Directors include independent professionals with experience in business and finance. The business of the Company is managed by the Board of Directors. As on 31st March, 2012, there are four Directors on the Board with only two being Executive Directors. The Directors are specialists in their respective fields and possess required technical and leadership skills. The responsibilities of the Board inter- alia include formulation of policies, taking initiatives, performance review, monitoring of plans, pursuing of policies and procedures. Composition of the Board as on 31st March, 2012:

Category of Director	No. of Director	% of total No. of Directors
Executive Directors	2	50%
Non-Executive Independent Director	2	50%

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

S. A. Abbas:

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

Sudhir Damodaran:

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

Dr. Sunil Anand:

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

Raman Rajiv Misra:

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

b. Board Membership & Terms:

The Directors are liable to retire by rotation and one third of the Directors retire every year and if eligible offer themselves for re-appointment.

c. Board Meeting:

Dates for the Board meetings in the ensuing year are decided in advance. During the financial year under review, 6 Board Meetings were held. The dates on which these meeting held 15th May, 2011, 12th August, 2011, 31st August, 2011, 17th October, 2011, 31st October, 2011, and 14th February, 2012. The

intervening period between any two Board Meetings were well within the maximum time gap of four months prescribed under Clause 49 of the Listing Agreement. The annual calendar of the meetings is broadly determined at the beginning of each year. None of the Directors

of the company was a member of more than ten committees nor was the Chairman of more than five committees across all companies in which he is a Director. Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings are as under:

Name of the Directors	Category	Attendance			No. of other Directorships and Committee Memberships / Chairmanships		
		No. of Board Meetings			Director	Member	Chairman
		Held	Attended	Last AGM			
S. A. Abbas	PD /ED	6	6	Yes	-	1	1
Sudhir Damodaran	PD /ED	6	5	Yes	-	1	None
Dr. Sunil Anand	ID	6	5	Yes	-	3	None
Raman Rajiv Misra	ID	6	5	Yes	1	1	2

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

d. Availability of information supplied to the Board:

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

- Annual operating plans and budgets and any updates, capital budget and any updates;
- Quarterly results of the company and its operating divisions or business segments;
- Minutes of meeting of audit committee and other committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution problems;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the company;
- Any issue, which involves possible public or products liability, claims if substantial in nature, etc.;
- Details of any joint venture or collaboration agreement;

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Significant development in the human resources and industrial relations front;
- Sale of material nature, of investments, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, and
- Non-compliance of any regulatory requirements of statutory nature or listing requirements as well as shareholders services such as non-payment of dividend and delays in share transfer.

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

e. Code of Conduct:

The Board has laid down the code of conduct for the Board and Senior Management Team of the company. The Board members and Senior Management team have affirmed compliance with the Code.

C. COMMITTEES OF THE BOARD OF DIRECTORS:

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

a. Audit Committee:

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

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

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

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

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

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

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

Audit Committee meetings are held quarterly

and attended by the Managing Director, Chief Financial Officer and the representative of the statutory Auditors of the Company. The Company Secretary acts as Secretary of the Audit Committee.

b. Remuneration Committee:

The Company has constituted the independent Remuneration Committee with an objective of determining on behalf of the Board and Shareholder, the Company's policy on specific remuneration packages for the Managing Director and Executive Director including pension rights and compensation payment. As on 31st March, 2012, the Remuneration Committee comprises of Mr. Raman Rajiv Misra, Dr. Sunil Anand. and Mr. Sudhir Damodaran. The Remuneration Committee is entrusted with responsibility of finalizing the remuneration of Managing Director and Executive Director and to assists the Board of Directors of the company on the following:

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

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

The details of the remuneration and sitting fees paid during the year ended 31st March, 2012 is as follows:

Sl. No.	Name of the Member	Salary	Perquisites and Other Benefits	Sitting Fee	Total
1	Mr. S.A. Abbas	1,64,8800	2,553,026	-	4,201,826
2	Mr Sudhir Damodaran	1,64,8800	1,779,468	-	3,428,268
3	Dr. Sunil Anand	-	-	10,500	10,500
4	Mr Raman Rajiv Misra	-	-	10,500	10,500

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

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

c. Share Transfer and Investors' Grievance Committee:

The Board of Directors of the company has constituted a Share Transfer and Investors' Grievance Committee, comprising of Mr. Raman Rajiv Misra, Dr. Sunil Anand and Mr. S. A. Abbas. The Committee, inter-alia, oversees and reviews all matters connected with securities transfer. The Committee also looks into redressal of shareholders' complaints. The Committee also oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement to provide the quality services to its valued investors.

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

The Board of Directors have delegated the power of approving the transfer of securities to the Transfer Committee which includes the Managing Director, the Company Secretary, the Chief Financial Officer and the Compliance Officer. The Board has designated Mr. G. S Butola, Company Secretary, as the Compliance Officer of the Company. All the complaints received and replied to the satisfaction of shareholders during the year under review. Outstanding complaints as on 31st March, 2012 were Nil.

D. SHAREHOLDER INFORMATION:

a) Annual General Meeting:

The 27th Annual General meeting of the

Company shall be held on 29th September, 2012 at 11.30 a.m. at Riverside Sports & Recreation Club, Club Avenue, Mayur Vihar, Phase I, New Delhi-110091.

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

Annual General Meeting	Days, Date and Time	Special Resolution Passed There at
26 th	Friday 30th Sept.2011 at 11.30 am	-
25 th	Thursday 30th Sept. 2010 at 11.30 am	2
24 th	Wednesday 30th Sept.,09 at 10.00 am	3

b) Financial Calendar:

For each calendar quarter, the financial results are reviewed and taken on record by the Board during the last week of the month subsequent to the quarter ending. The audited annual accounts as at 31st March, 2012 are approved by the Board, after a review thereof by the Audit Committee. The Annual General Meeting to consider such annual accounts is held in the second quarter of the financial year.

c) Listing on Stock Exchanges:

The Equity Shares of the Company are presently listed at The Stock Exchange, Mumbai. The annual fee for 2011-12 has been paid to the stock exchanges where the shares of the company are listed.

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

d) Stock Code:

Trading Symbol at The Stock Exchange, Mumbai is 531158

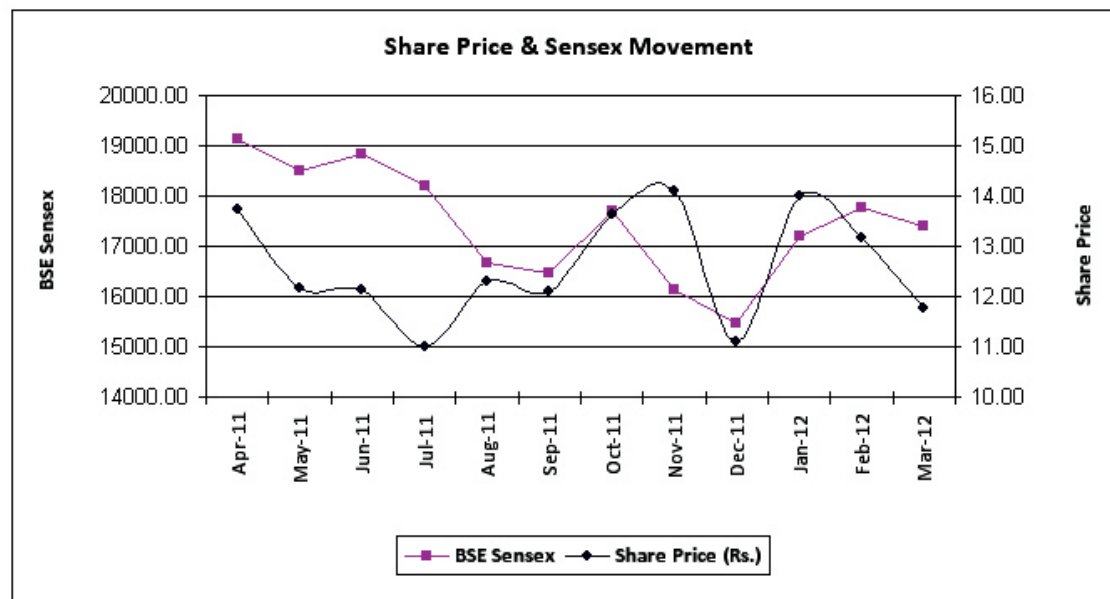
The ISIN Number in NSDL & CDSL is INE 660B01011.

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

The monthly high and low prices and volume of Equity Shares traded on The Stock Exchange, Mumbai during the period April, 2011 to 31st March, 2012 are as under:

Months	Month's High (₹)	Month's Low (₹)	Volume of Shares Traded (Nos.)
April- 2011	14.48	13.10	14,643
May- 2011	14.29	11.92	3,071
June- 2011	13.00	11.20	2,343
July- 2011	12.64	9.98	20,361
August- 2011	12.29	9.94	13,447
September- 2011	13.40	12.10	234
October- 2011	13.99	11.00	1,947
November- 2011	16.25	14.09	105
December- 2011	13.39	9.77	9,395
January- 2012	14.00	11.41	21,901
February- 2012	15.89	11.52	52,148
March- 2012	13.91	11.10	10,341

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



g) Share Transfer System:

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

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

h) Distribution of Shareholding:

i) The distribution of shareholding by size class as at 31st March, 2012 is as follows :

Shareholding of Value of Rs.	Folios		Shares	
	Numbers	% age	Numbers	% age
00000-5000	2330	82.86	484862	10.42
05001-10000	255	9.07	222397	4.78
10001-20000	96	3.41	146491	3.15
20001-30000	37	1.32	95533	2.05
30001-40000	9	0.32	32128	0.69
40001-50000	14	0.50	65840	1.41
50001-100000	28	1.00	212930	4.58
100001 and above	43	1.53	3393419	72.92
Total	2812	100.00	4653600	100.00

ii) The Distribution of shareholding, by ownership, as at 31st March, 2012 is as follows:

Category	No. of Shares Held	Percentage of Shares
Promoters:	1,512,049	32.49
Financial Institution / Bank	16,900	0.36
General Public : - Individuals/ Trust	16,23,894	34.90
- Bodies Corporate	1,327,205	28.52
- NRI	173,552	3.73
Total	46,53,600	100.00

i) Dematerialisation of Shares:

Over 80.59% of Company's paid up Equity Share capital has been dematerialized up to 31st March 2012. Trading in Equity Shares of the company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India (SEBI). In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip less trading, the company has enlisted its shares with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

j) Means of Communication:

The Company has been disclosing its corporate financial results quarterly, half-yearly and annually. The quarterly and half-yearly unaudited financial results of the Company were sent to all the stock exchanges where its Equity Shares are listed. The results are normally published in the main editions of Business Standard, Money Makers etc. Annual results are sent to each shareholder. The detailed information about its products is displayed on

its website www.catvisionindia.com.

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

k) Other Information:

- 1) Date of Incorporation : 28th June, 1985
- 2) Registration No. : 21374
- 3) Registered Office : 1515, First Floor, Bhashampitamah Marg, Kotla Mubarakpur, Near South Extension, New Delhi-11003
- 4) Location of Plants :
 - i) E-14 & 15, Sector -8, Noida, Distt. Gautam Budh Nagar, U.P.
 - ii) F-87, Selaqui Industrial Area, Dehradun (Uttarakhand)
- 5) Corporate Office : E-14 & 15, Sector -8, Noida, Distt. Gautam Budh Nagar, U.P. 201301.
Ph. No. 0120-3914100-101
- 6) Overseas Office : C1, 701 C, Ajman Free

Zone, Ajman- UAE

7) Website : www.catvisioninida.com

8) E-mail : catvision@catvisionindia.com

9) Registrar & Share Transfer Agent:

RCMC Share Registry Pvt Ltd.,

B-106, Sector-2, Noida, U.P., 201301.

Ph. 0120-4015880.

E-mail : shares@rcmcdelhi.com

I) Secretarial Audit:

A qualified Practicing Company Secretary carried out quarterly Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued/paid-up capital was in agreement with aggregate of the total number of shares in physical form and the total number of dematerialized from held with NSDL and CDSL.

A Copy of the Audit Report is submitted to the Stock Exchange, Mumbai where the securities of the Company are listed.

E. OTHER DISCLOSURES:

a) Appointment & Re-appointment of Director:

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

b) Management Discussion and Analysis Report:

Investors are cautioned that the discussion contains forward looking statements that involve risks and uncertainties including but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Business Overview:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956, guidelines issued by the Securities Exchange Board of India (SEBI) and Generally Accepted Accounting Principles

(GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements and estimates and judgments used thereon and which have been made on a prudent and reasonable basis.

During the year under review the turnover of your Company went up to Rs. 3186.17 lacs from Rs. 2372.69 lacs during the previous year which is a growth of 34.29% over the previous year.

Industry Structure & Development

The cable & satellite television market in India had emerged in the 1990s and has since then experienced a strong growth in terms of number of subscribers having grown from mere 400,000 in 1992 to around 90 million today, representing a CAGR of 35% for the last 18 years. With a share of roughly 40%, the television industry accounts for the largest share in the roughly Rs. 70,000 crore Indian Entertainment & Media industry - followed by Print, Film, Radio and other media.

India currently has 140 million TV homes, out of which 94 million subscribe to cable; 95% of the cable network is analog. DTH operators are positioning themselves to take advantage of the ensuing upswing in demand due to the digital switch over. Indian Cable industry is on the threshold of a major transformation as the country embarks on an ambitious project to completely replace the current analog cable networks with a digital addressable system. The Cable Television Networks (Regulation) Amendment Act of 2011 made it mandatory for analog Cable TV networks in India to switch over to a new Digital Addressable System (DAS) by March, 2015. Both analog and digital distribution platforms are expected to co-exist for some time, leading eventually to complete analog shut-off.

The digitalization will lead to consolidation among the MSOs and large cable operators. It is estimated that an investment worth around Rs. 2,000 crore has been incurred by large national MSOs towards acquisition of smaller regional MSOs and LCOs; and investments worth Rs. 13,000 crore have been incurred by DTH players towards customer acquisition. As per ICRA's estimates, to achieve complete digitalization by March 2015, additional

investments of around Rs. 15,000 crore would be required.

In order to retain the customer from shifting to an alternate technology platform like DTH and IPTV, it has become imperative for MSOs to pursue digitalization aggressively which could increase acquisition cost for competitors and switching costs for customers.

Your company will be a big participant in the digitalization process since it offers several products, a strong brand and 27 years of experience in the industry.

Hotel Systems & Services:

Indian hospitality sector contributes between 8-9% toward India's GDP. According to the estimates of World Travel & Tourism Council, the direct and indirect contribution of travel and tourism to GDP is expected to grow consistently in the next decade. India presently has an estimated 170,000 hotel rooms spread across various hotel categories. This is around 150,000 rooms short from what is required. Various market surveys reports reveal that this hospitality sector will see robust growth in the coming years. It is expected to perform better than its global counterparts even during the challenging times. However the ongoing Euro crisis is likely to have an impact in Indian hospitality space. But despite this impact, the India hospitality sector is well poised to move ahead on its growth trajectory.

Domestic travel continued to support the demand for hotel rooms across the Indian sub-content during the current fiscal. In order to meet the growing demand, a number of projects have materialized with particularly heavy supply being added in Pune, the National Capital Region(NCR), Bangalore and Hyderabad. The NCR, Hyderabad, Kolkata, and Chennai, still continue to have a large pipeline inventory based on current estimates of commissioning schedule over the next four years. Apart from these plans there are announcement by several global hotel majors to significantly increase their portfolio of hotels by 2015-16. Going by the double-digit growth of the travel industry, India is expected to have around 1,747 million travellers by 2021, which would require 1,88,500 additional hotel rooms which will entail an investment of Rs. 127,600 crores.

Out of this capital investment, a substantial amount will be invested on energy saving equipment, installing digital cable networks and IPTV systems etc. Catvision has already established itself an important system integrator in the hotel industry in association with world class manufacturers of equipments.

Strengths & Opportunities:

Your company, not only has a complete range of digital head-end systems and fibre optic products, but also possesses the skills to provide installation and technical support to customers, perhaps better than any other Indian company. It was Catvision which was selected to provide FTTH systems to 23 stadiums at the Commonwealth Games 2010.

Several opportunities are available to the company in the foreseeable future. In CATV the biggest opportunity is the digitalization of cable networks – both in the residential as well as hospitality sectors. The Government's thrust on digitalization and addressability for cable television is expected to increase the pace of digitalization leading to tremendous growth for digital cable. As an experienced leader in the industry, it is going to be big opportunity for your company. In the hospitality sector too the migration to digital cable TV has started to happen; and here it will be not just for new properties but for existing ones too. The high cost of energy has made the hotels focus on energy management systems. Your company, which specializes in room energy management, has already installed several EMS in leading hotel chains. The company is now in the process of integrating the cable TV and energy management systems on a single system thus offering huge benefits of synergy to the customers.

Threats & Challenges:

Being in the technology sector your company faces a threat from new and disruptive technology. A lot is happening in the TV space and several technologies are fighting for market share. It is for this reason that your company remains technology agnostic. Catvision is familiar with all emerging trends and has positioned itself as a system integrator. Let the customer choose the technology most appropriate for him.

The company incurs a significant portion of its expenses (mainly material cost) in foreign

currencies, particularly US\$. Accordingly the Company is exposed to fluctuations in the exchange rates between the US\$ and the Rupee, the company's reporting currency, which may have substantial impact on its expenses.

Segment performance:

	Current Year (₹)	Previous Year (₹)
Products	276,972,330	187,552,938
Services	41,644,972	49,476,119

c. Risks and Concerns:

The major risks, which prevail in the industry, are uncertainty of Government policy, technological obsolescence and competition from the global players. The company is taking due care by adopting new technology and continuous in-house research and development. The company is also focusing on niche segments in the market to avoid head-on competition with global players. Any changes or revision in applicable regulation can impact Company's business prospects. The Company monitors the relevant regulatory developments closely and remains in introducing necessary alignment in its business in order to maximise the positive impact and minimise adverse impact due to such changes. Company's inability to retain its management team, to keep pace with technological evolution can impact its business.

d. Internal Control Systems:

The Company has instituted adequate internal control procedures commensurate with nature of its business and the size of its operations. The system focuses on optimum utilization of resources and adequate protection of Company's assets. The internal control system provides for adherence to approved procedures, policies, guidelines, and authorization. In order to ensure that all

checks and balances are in place and all the internal controls systems and procedures are in order, regular and exhaustive internal audit is conducted at regular intervals and covers the key areas of operation. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. Company's audit Committee of the Board of Director meets periodically and review the adequacy of control mechanism.

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

Your company's industrial relations continued to be harmonious during the year under review. Your company conducts regular in-house training programs for employees at all levels. The focus is on maintaining employee motivation at a high level with stress on leadership development.

In order to acknowledge outstanding performances, the Company Organizes various meets and incentive programme from time to time. During the year under review the Company rewarded the performances by way of announcing the performance linked incentive. Further the motivative the employee and attracting talent from the industry the company is proposing to introduce Employee Stock Option Plan.

f. Cautionary Statement:

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

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, S.A. Abbas, Managing Director and Vinod Rawat, Chief Financial Officer of Catvision Limited ('the Company'), certify that :

- (a) We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2012 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 statement 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 March 31, 2012 are fraudulent, illegal or violative to 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 the internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.

- (d) During the year :
- i) there has not been any significant change in internal control over financial reporting;
 - ii) there have not been any significant change in internal control over financial reporting;
 - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

S.A. Abbas
Managing Director

Place : Noida, U.P.
Date : 31st August, 2012

Vinod Rawat
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The members of Catvision Limited
New Delhi

We have examined the compliance of the conditions of Corporate Governance by Catvision Limited for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated

in the Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as on 31st March 2012, there were no investor grievances remaining unattended/ pending for a period exceeding one month against the company as per the records maintained by the company.

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

For **GAUR & ASSOCIATES**
Chartered Accountants

R. K. Gaur
Partner

Place : Noida -UP
Date : 31st August, 2012

Membership No. 72146
Firm Reg. No. 005354C

AUDITORS' REPORT

To,
The Members of Catvision Limited
New Delhi

1. We have audited the attached Balance Sheet of CATVISION LIMITED, NEW DELHI as at 31st March, 2012 and Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.
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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 {hereinafter referred to as order} issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of these books;
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss 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 Companies Act, 1956;
 - e. On the basis of written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **GAUR & ASSOCIATES**
Chartered Accountants

R. K. Gaur
Partner

Place : Noida -UP
Date : 31st August, 2012

Membership No. 72146
Firm Reg. No. 005354C

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CATVISION LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Physical verification of the major fixed assets was conducted by the management during the year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed in respect of those assets which were physically verified.
- (c) During the year, the Company has not disposed off any substantial part of its fixed assets. In our opinion the disposal of such fixed assets during the year does not affect the going concern status of the Company.
- (ii) (a) The inventory of the Company has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification as compared to the book records were not material having regard to the size and nature of the operations of the Company and the same have been properly dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loans, secured or unsecured during the year to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has taken loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 79 lacs and the balances of loans taken from such parties were Nil as at 31st March, 2012.
- (c) In our opinion and explanations given to us the rate of interest and other terms and conditions of such loan taken by the Company are not prima facie prejudicial to the interest of the Company.
- (d) The repayment of principal amount and payment of interest are made regularly.
- (e) There is no overdue amount which is more than rupees one lac overdue during the period.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars or arrangement referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices of the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the provisions of Section 58 (A) and 58 (AA) of the Companies Act, 1956 and the rules framed thereunder apply.
- (vii) In our opinion the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and according to the information given to us the Central Government has not prescribed maintenance of cost records under section 209 (I) (d) of the Companies Act, 1956 in respect of the company's products.

- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in accordance with the generally accepted auditing practices in India, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, cess and other material statutory dues as applicable to it with the appropriate authorities.
- (b) According to the Information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Sale Tax, wealth Tax, Customs Duty and Excise Duty outstanding, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, following are the details of disputed statutory dues of Sales Tax which have not been paid to to the concerned authorities:
- The Asst. Trade Tax Commissioner, Noida has raised a demand of a penalty of Rs.27000/- against the Company which it defended before the Hon'ble Trade Tax Tribunal, Ghaziabad, U.P. and the decision was awarded in the favour of the Company. But the Commissioner Trade Tax, UP has moved against this order to the Hon'ble High Court, Allahabad.
- (x) The Company has neither accumulated losses in the current year nor in the immediately preceding financial year. It has neither incurred cash losses in the financial year under report nor in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and as per the information and explanations given to us and as per our opinion, the company has not defaulted in repayment of dues to financial institution or bank or to debenture holders during the year.
- (xii) The Company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- (xiii) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other Investments.
- (xv) According to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) (a) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.
- (b) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xvii) The Company has not made preferential allotment to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xviii) The Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **GAUR & ASSOCIATES**
Chartered Accountants

R. K. Gaur
Partner

Place : Noida -UP
Date : 31st August, 2012

Membership No. 72146
Firm Reg. No. 005354C

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31.03.2012 (₹)	As At 31.03.2011 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	4	46,536,000	46,536,000
Reserves and Surplus	5	60,734,031	53,858,589
		107,270,031	100,394,589
Non-Current Liabilities :			
Long Term Borrowings	6	4,580,936	2,188,105
Deferred Tax Liabilities(net)	7	7,194,502	7,778,689
Other Long Term Liabilities	8	2,003,515	2,170,182
Long Term Provisions	9	3,269,391	2,990,013
		17,048,344	151,269,898
Current Liabilities :			
Short Term Borrowings	10	31,598,648	27,697,074
Trade Payable	11	33,419,667	24,552,154
Other Current Liabilities	12	22,203,308	18,815,221
Short Term Provisions	13	10,952,434	3,033,356
		98,174,057	74,097,805
TOTAL		222,492,432	189,619,383
ASSETS			
Non-Current Assets :			
Fixed Assets :			
	14		
Tangible Assets		47,513,635	43,753,726
Intangible Assets		712,432	11,530
Capital Work-in-progress		-	644,363
Non-Current Investments	15	4,980	4,980
Long Term Loans and Advances	16	2,128,532	2,032,850
Other Non-Current Assets	17	451,502	-
		50,811,081	46,447,449
Current Assets :			
Current Investments	18	30,000	30,000
Inventories	19	51,479,345	46,213,523
Trade Receivables	20	81,572,265	76,049,507
Cash and Bank Balance	21	18,574,100	6,452,357
Short Term Loans and Advances	22	20,025,641	14,426,547
		171,681,351	143,171,934
TOTAL		222,492,432	189,619,383
Significant Accounting Policies	2-3		

The accompanying notes are integral part of the financial statements.

As per our report of even date.

For **GAUR & ASSOCIATES**

Chartered Accountants

R. K. Gaur

Partner

Membership No. 72146

Firm Regn. No. 005354C

Place : Noida-UP

Dated : 31st August, 2012

G. S Butola

Company Secretary

Vinod Rawat

Chief Financial Officer

S. A Abbas

S. Damodaran

Dr. Sunil Anand

Raman Rajiv Misra

For and on behalf of the Board

Managing Director

Executive Director

Director

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
REVENUE			
Revenue from Operations	23	318,617,302	237,269,057
Other Income	24	123,831	63,136
TOTAL REVENUE (I)		318,741,133	237,332,193
EXPENDITURE			
Cost of Material Consumed	25	61,951,993	56,849,044
Purchase of Stock -in-Trade	26	137,288,917	78,673,903
Change in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	27	(9,605,799)	(4,531,366)
Other Manufacturing Expenses	28	4,494,704	4,646,191
Employees Benefits Expenses	29	40,476,258	30,580,130
Finance Cost	30	5,424,110	3,254,180
Depreciation and Amortization Expenses		5,511,023	5,175,923
Other Expenses	31	57,099,196	51,078,272
TOTAL EXPENSES (II)		302,640,402	225,726,277
Profit before Tax (I-II)		16,100,731	11,605,916
Tax Expenses			
Current Year		(5,016,869)	(2,407,587)
Earlier Year		4,891	-
Deferred Tax		584,187	976,513
Profit after Tax		11,672,940	10,174,842
Earning per Equity Share of face value of Rs. 10 each			
Basic and Diluted		2.51	2.19
Significant Accounting Policies	2-3		

The accompanying notes are integral part of the financial statements.
As per our report of even date.

For **GAUR & ASSOCIATES**

Chartered Accountants

R. K. Gaur

Partner

Membership No. 72146

Firm Regn. No. 005354C

Place : Noida-UP

Dated : 31st August, 2012

G. S Butola

Company Secretary

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S. A Abbas

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Dr. Sunil Anand

Raman Rajiv Misra

For and on behalf of the Board

Managing Director

Executive Director

Director

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	16,100,731	11,605,916
Adjustment for :		
Depreciation	5,511,023	5,175,923
Interest Expenses	5,424,110	3,254,180
Loss on Sale of Fixed Assets	-	183,561
Interest Earned & Other Income	(123,831)	(63,136)
Exchange difference on translation of foreign operations	611,032	(65,730)
Operating Profit Before Working Capital Changes	27,523,065	20,090,714
Adjustment for Changes in working Capital :		
Trade & Other Receivables	(5,522,758)	(36,349,788)
Inventories	(5,265,822)	(9,559,974)
Loans & Advanaces (Net of prior period adjustments)	(6,146,278)	763,134
Trade Payable and Provisions	10,718,475	9,581,122
	(6,216,383)	(35,565,506)
Cash Generated from/(used in) Operations	21,306,682	(15,474,792)
Interest paid	(5,424,110)	(3,254,180)
Taxes paid	(2,402,696)	(1,741,641)
Net Cash from/(used in) Operating Activities (A)	13,479,876	(20,470,613)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(9,971,834)	(2,250,684)
(Addition) / Deletion in Capital Work in Progress	644,363	(644,363)
Sale of Fixed Assets	-	505,000
Interest & Miscellaneous Income Earned	123,831	63,136
Net Cash Used in Investing Activities (B)	(9,203,640)	(2,326,911)
CASH FLOW FROM FINANCIAL ACTIVITIES :		
Increase/ (Decrease) in Long Term Borrowing	3,943,933	(654,315)
Increase/ (Decrease) in Working Capital Borrowing	3,901,574	5,219,477
Net Cash from Financial Activities (C)	7,845,507	4,565,162
Net Increase / (Decrease) in Cash (A+B+C)	12,121,743	(18,232,362)
Opening Cash and Cash Equivalents	6,452,357	24,684,719
Closing Cash and Cash Equivalents	18,574,100	6,452,357

Note: Figures in brackets represent Cash outflows, except interest earned & other income.

for **GAUR & ASSOCIATES**

Chartered Accountants

R. K. Gaur
Partner
Membership No. 72146
Firm Regn. No. 005354C

G. S Butola
Company Secretary
Vinod Rawat
Chief Financial Officer

S. A Abbas
S. Damodaran
Dr. Sunil Anand
Raman Rajiv Misra

For and on behalf of the Board

Managing Director
Executive Director
Director
Director

Place : Noida-UP

Dated : 31st August, 2012

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
NOTE 1 : CORPORATE INFORMATION:

Catvision Limited, (formerly known as Catvision Products Ltd (the company) is a public limited Company incorporated under the provisions of the Companies Act, 1956. Its shares are listed at Mumbai Stock Exchange. The Company is engaged in the manufacturing and selling of CATV equipments energy management system etc. The Company caters to both domestic and international markets.

NOTE 2 : BASIS OF PREPERATION:

The Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). While preparing these financial statements, the company has complied with accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 3 : SIGNIFICANT ACCOUNTING POLICIES:
3.1 : CHANGE IN ACCOUNTING POLICY:

- i. During the year ended 31st March, 2012, the revised Schedule VII notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial state-ments. The adoptions of revised Schedule VI do not have any impact on recognition and measurement principles followed for preparation of financial statements. However, it has significantly impacted the presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.
- ii. The accounting policies adopted in the preparation for financial statements are consisted with those of the previous year.
- iii. The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires the management to make estimates, judgment and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and

the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

3.2 : REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods

Revenue from domestic sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Export sales are recognized at the time of handing over of export consignment to authorities for clearance.

Income from services :

Revenue from hotel operations, channel marketing and from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

3.3 : FIXED ASSETS AND DEPRECIATION:
Tangible Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure for addition, improvement and renewal are capitalized and all other expenditure on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of Profit and Loss for the period which during which the expenses are incurred.

Intangible Assets:

The company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of three years. Any subsequent amount incurred in up-gradation or improvement of the software is charged to profit and loss account as an expenses.

Capital work-in-progress:

Capital work-in-progress comprises of the cost of assets that are not yet ready for their intended use at the reporting date. Cost of material and other expenses incurred on such material are shown as Capital work-in-progress for capitalization.

Depreciation :

Depreciation other than on land and capital work-in-progress is charged on Straight-line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 on all fixed assets. Depreciation on the amount of addition made to fixed assets due to up-gradation is provided at the rate applied to the existing assets on pro-rata basis. The company has used the following rates to provide depreciation on its fixed assets:

	Rates(SLM)
Factory Building	3.34%
Plant and Machinery, Electrical Fittings and Office Equipment	4.75%
Furniture and Fixtures	6.33%
Computer and Software	16.21%
Vehicles	9.50%
CATV Network	5.28%

Impairment of tangible and intangible assets:

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

3.4: INVENTORY VALUATION:

Raw materials, components, stores, stock-in-trade and packing materials are valued at cost or net realizable value whichever is less. However, material and other items held for use in the production of inventories are not written down below the cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, stores, stock in trade is determined on a moving weighted average basis.

Semi-finished goods is valued at estimated cost.

Finished goods are valued at cost or net realizable value whichever is less.

The cost of Semi-finished goods and finished goods include cost of conversion and other cost incurred in bringing the inventories to their present condition and location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.5 : VALUATION OF INVESTMENT:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

3.6 : FOREIGN CURRENCY TRANSACTIONS:**i. INDIA OPERATIONS :****a. Initial Recognition :**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the realization. Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

b. Exchange Differences:

The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognized as income or expenses as the case may be.

Monetary assets and liabilities related to foreign currency remaining unsettled at the end of the year are translated at the exchange rate prevailing on the date on which transaction is recorded. Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

In accordance with MCA notification on Accounting Standard - 11 on "The Effects of Changes in Foreign Exchange Rates", in respect of long term foreign currency loan taken for acquisition of assets, the exchange difference arising on reporting of said loan is adjusted to the cost of the assets.

c. Forward Exchange Contract:

In respect of forward exchange contracts entered into by the Company, the difference between the contracted rate and the rate at date of transaction is recognized as gain or loss over the period of contract except for difference in respect if liabilities incurred for acquiring fixed assets from a country outside India in which case such difference is adjusted in the carrying amount of the respective fixed assets. Exchange difference on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

ii. FOREIGN BRANCH OFFICE OPERATIONS :

- a. The assets and liabilities, both monetary and non-monetary, of the foreign operation are translated at the exchange rate prevailing on the balance sheet date.
- b. Sales and Cost of material of the foreign operation are translated by applying monthly average exchange rate, Administrative expenses of the foreign operation are translated by applying quarterly average exchange rates; and

- c. All resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

3.7 : FEE FOR TECHNICAL SERVICES:

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

3.8 : EMPLOYEE BENEFITS:

a. Defined Contribution Plan :

The company has defined contribution plan for post employment benefits in the form of provident fund for all employees which are administrated by Regional Provident Fund Commissioner. Provident Fund and Family Pension Scheme are classified as defined contribution plan as the company has no further obligation beyond making the contribution. The Company's contribution to defined contribution plans are charged to Profit and Loss Statement of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

b. Defined benefits plan :

Company's liability toward Gratuity under the Payment of Gratuity Act, 1972 is defined obligation and provided for on the basis of actuarial valuation made at the end of each financial year by an independent actuary.

c. Compensated Absences :

Liability on account of other employee benefits like leave travel assistance, medical reimbursement are accounted for on accrual basis. Liability on account of Lease encashment to employees was considered as short term compensation expense provided on actual basis as and when to pay.

3.9 : PROVISIONS :

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

3.10 : TAXATION:

Tax expense comprises both current and deferred taxes. Current Income Tax is measured as the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax assets have been recognized only to the extent there is reasonable certainty that the assets can be realized in future. However where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain, as the case may be, to be realized.

3.11 : LEASED ASSETS:

The Company leased some equipments to M/S BMK Hospitality Services Pvt. Ltd. under operating lease agreement. The particulars of the lease are as under:

Value of Assets	: 1,87,912.00
Margin paid by the Lessee	: NIL
Lease Value	: 9,60,000.00
Lease Tenure	: 48 month
Monthly Lease Rent	: Rs. 20,000.00 per month
Depreciation Eligibility	: Lessor

3.12 : EARNING PER SHARE (EPS):

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholder (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earning Per Share, the net profit or loss for the year attributable to equity shareholder and the weighted average

number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

3.13 : SEGMENT REPORTING:**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided , with each segment representing a strategic business unit that offers different products and services in the market. The analysis of geographical segments is based on the areas in which operating divisions of the company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment .

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

3.14 : ALLOCATION OF OVERHEADS AMONG THE UNITS/SEGMENT:

- Direct Expenses related to the manufacturing units or the branches has been directly accounted for in the respective units/branches and common overheads have been allocated among units/branches in the ratio of the gross operating revenue of the respective units/branches.
- The direct expenses related to services being provided by the company have been clubbed with the respective accounting heads of Note:
- The Company follows the accounting policy of disclosing of freight and distribution cost as net off.

3.15 : IMPAIRMENT:

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The

recoverable amount is higher of net selling price of an asset and value in use determined by discounting the estimated future cash flow expected from continuing use assets to their present value.

3.16 : CONTINGENT LIABILITIES:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.17 : CASH AND CASH EQUIVALENT:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

3.18 : MEASUREMENT OF EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE 4 : SHARE CAPITAL		
a. Authorised		
6,500,000 Equity Shares of Rs. 10 each (Previous Year 6,500,000 Equity Shares of Rs. 10 each)	65,000,000	65,000,000
b. Issued , Subscribed & Paid- Up Capital		
4,653,600 Equity Shares of Rs.10 each (Previous Year 4,653,600 Equity Shares of Rs.10 each)	46,536,000	46,536,000
	46,536,000	46,536,000

c. Reconciliation of Shares outstanding at the beginning and at the end of the year:

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	(₹)	No. of Shares	(₹)
At the beginning of the year	4,653,600	46,536,000	4,653,600	46,536,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,653,600	46,536,000	4,653,600	46,536,000

d. Terms/rights attached to Equity Shares:

The Company has only one class of share having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportions to the number of equity shares held by the shareholders.

e. Details of shareholders holding more than 5% shares in the company set out as below (legal ownership)

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
S. A Abbas	635,685	635,685
Sudhir Damodaran	617,975	617,975
Vizwise Commerce Pvt. Ltd.	688,237	138,631

As per the records of the company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 5 : RESERVES AND SURPLUS

	As at 31.03.2012 (₹)	As At 31.03.2011 (₹)
Securities Premium Reserve	16,613,000	16,613,000
Foreign Currency Translation Reserve	388,998	(222,034)
General Reserve		
Appropriated during the year	291,824	-
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	37,467,623	27,292,781
Add: Profit for the year	11,672,940	10,174,842
	49,140,563	37,467,623
Less: Appropriation		
Proposed Dividend	4,653,600	-
Tax on Dividend	754,930	-
Transfer to General Reserve	291,824	-
	43,440,209	37,467,623
	60,734,031	53,858,589

NOTE 6 : LONG TERM BORROWINGS:

	Non-Current portion		Current Maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
a. Secured Loans:				
i. Term Loans from Banks:				
From Axis Bank	179,294	-	888,000	-
ii. From others:				
Vehicle Loans	4,401,642	2,188,105	1,102,627	439,525
	4,580,936	2,188,105	1,990,627	439,525

Term Loan from Bank:

Term Loan from Axis Bank Ltd. , B-2, B-3, Sector-16 Noida, U.P. was taken in 2011-12 and is repayable in 24 equal monthly instalments and is secured by way of extension of 1st Charge on entire existing/future moveable fixed assets, other than vehicle not funded by the bank and cable TV network of the company, and personal guarantees of the promoter Directors.

Vehicle Loans:

The Company has availed vehicle loans from Kotak Mahindra Primes Ltd from time to time for purchase of vehicles. The respective loans are repayable over a period of five years in monthly instalment and are secured by way of hypothecation of respective vehicle financed under the respective loan.

NOTE 7 : DEFERRED TAX LIABILITY (NET):

Deferred Tax has been provided in accordance with Accounting Standard- 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The computation of Deferred Tax Assets/ Deferred Tax Liabilities as on 31st March 2012 is as follows:

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
Deferred Tax liability arising on Account of timing difference:		
Difference between Book & Tax Depreciation	7,194,502	7,778,689
Sub Total - (A)	7,194,502	7,778,689
Deferred Tax Assets arising on account of timing difference:		
Unabsorbed Depreciation	-	-
Sub Total - (B)	-	-
Net Deferred Tax Liability (A-B)	7,194,502	7,778,689
NOTE 8: OTHER LONG TERM LIABILITIES:		
i. Others	2,003,515	2,170,182
	2,003,515	2,170,182

NOTE 9 : LONG TERM PROVISION:

	Long-term		Short-term	
	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
Provisions for Employee Benefits				
Employees Retirement Benefits (Refer Note 33)	3,269,391	2,990,013	236,023	391,443
	3,269,391	2,990,013	236,023	391,443

NOTE 10 : SHORT TERM BORROWINGS:

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
a. Secured Loans:		
i. From Bank		
Cash credit from Axis Bank Ltd	31,598,648	27,697,074
	31,598,648	27,697,074

The Cash credit facility from Axis Bank Ltd., B-2, B-3, sector -16, Noida, U.P is repayable on demand and is secured by first legal mortgage on land , building and plant and machinery of the company situated at Noida and Selaqui-Dehra Dun and hypothecation of Stock, Book Debts and personal guarantees of Promoter Directors.

NOTE 11 :TRADE PAYBLE:

Trade payable (Refer Note 34)	33,419,667	24,552,154
	33,419,667	24,552,154

NOTE 12 : OTHER CURRENT LIABILITIES:

Income Received in Advance	225,666	-
Advances from Customers	13,357,829	12,030,958
Other Current Liabilities	6,629,186	6,344,738
Current Maturities of Long Term Debts (Refer Note. 6)	1,990,627	439,525
	22,203,308	18,815,221

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE 13 : SHORT TERM PROVISIONS:		
Provisions for Employees Benefits (Note. 9)	236,023	391,443
Provisions for Taxation	5,016,869	2,407,587
Provisions for Bill awaited	291,012	234,326
Proposed Dividend	5,408,530	-
	10,952,434	3,033,356

NOTE 14 : FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
	As at 01.04.11	Additions During Period	Deletions During Period	As at 31.03.12	As at 01.04.11	For the Period	Deletions During Period	As at 31.03.12	As at 31.03.12	As at 31.03.11
TANGIBLE ASSETS										
Land	1,056,904	-	-	1,056,904	-	-	-	-	1,056,904	1,056,904
Building	11,548,663	-	-	11,548,663	3,010,094	385,726	-	3,395,820	8,152,843	8,538,569
Plant & Machinery	15,121,157	2,331,312	-	17,452,469	8,341,386	809,560	-	9,150,946	8,301,523	6,779,771
Electrical Fittings	2,205,637	-	-	2,205,637	657,521	104,768	-	762,289	1,443,348	1,548,116
Office Equipments	3,890,753	317,618	-	4,208,371	1,310,576	194,187	-	1,504,763	2,703,608	2,580,177
Furniture & Fixtures	5,193,089	-	-	5,193,089	3,155,326	186,147	-	3,341,473	1,851,616	2,037,763
Computers	3,948,467	435,627	-	4,384,094	3,263,388	299,760	-	3,563,148	820,946	685,079
Vehicles	7,657,307	6,085,655	-	13,742,962	3,148,980	751,532	-	3,900,512	9,842,450	4,508,327
Cable TV Networks	50,731,507	-	-	50,731,507	34,712,487	2,678,623	-	37,391,110	13,340,397	16,019,020
TOTAL	101,353,484	9,170,212	-	110,523,696	57,599,758	5,410,303	-	63,010,061	47,513,635	43,753,726
Previous Year	101,340,603	2,250,684	2,237,803	101,353,484	53,975,893	5,173,106	1,549,241	57,599,758	43,753,726	47,364,710
INTANGIBLE ASSETS										
Computer Software	119,082	801,622	-	920,704	107,552	100,720	-	208,272	712,432	11,530
TOTAL	119,082	801,622	-	920,704	107,552	100,720	-	208,272	712,432	11,530
Previous Year	119,082	-	-	119,082	104,735	2,817	-	107,552	11,530	14,347
CAPITAL-WORK-IN-PROGRESS										
Capital Work in Progress	644,363	207,248	851,611	-	-	-	-	-	-	644,363
TOTAL	644,363	207,248	851,611	-	-	-	-	-	-	644,363
Previous Year	-	644,363	-	644,363	-	-	-	-	644,363	-

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE 15 : NON-CURRENT INVESTMENTS:		
- Bombay Mercantile Co-Op. Bank Ltd	4,980	4,980
	4,980	4,980

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE 16 : LONG TERM LOANS AND ADVANCES:		
(Unsecured but considered good)		
Security Deposits	2,128,532	2,032,850
	2,128,532	2,032,850
NOTE 17 : OTHER NON-CURRENT ASSETS:		
Long Term Receivables	-	-
Debts due by directors or other officers of the company	451,502	-
	451,502	-
NOTE 18 : CURRENT INVESTMENTS:		
- Fidelity India Mutual Fund- units	30,000	30,000
	30,000	30,000
NOTE 19 : INVENTORIES:		
(As taken, valued and certified by the management)		
Finished Goods	14,601,267	10,602,302
Stock-in-Trade	20,529,541	13,983,531
Raw Materials and Components	14,074,775	18,650,972
Stores and Spares	456,355	220,135
Semi- Finished Goods	1,817,407	2,756,583
	51,479,345	46,213,523
NOTE 20 : TRADE RECEIVABLES:		
(Unsecured, considered good)		
- Debts outstanding for a period exceeding six months	18,568,898	11,369,515
- Other Debts	63,003,367	64,679,992
	81,572,265	76,049,507
NOTE 21 : CASH AND CASH EQUIVALENT		
Cash in hand	86,890	53,722
Balance with Scheduled Banks:	-	-
In Current Accounts	16,628,250	5,120,362
In fixed Deposit Accounts	1,046,573	1,178,273
Cheques in hand	812,387	100,000
	18,574,100	6,452,357
NOTE 22 : SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance recoverable in cash or in kind for the value to be received	12,354,929	9,539,318
Prepaid Expenses	1,198,042	749,455
Advance Tax including Tax Deducted at Source	4,373,474	2,818,079
Balance of with Sales Tax Department	35,249	35,249
Balance with Service Tax Department	287,299	63,057
Claims for Refunds of Additional Customs Duty	1,776,648	1,221,389
	20,025,641	14,426,547

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
NOTE 23: REVENUE FROM OPERATIONS:		
Sales of Products	276,972,330	187,552,938
Servicing Income	41,298,305	49,158,082
Other Operating Income	346,667	558,037
	318,617,302	237,269,057
NOTE 24: OTHER INCOME:		
Interest Earned	123,831	63,136
	123,831	63,136
NOTE 25: MATERIAL CONSUMED:		
Opening Stock	18,650,972	13,708,814
Add: Purchases	57,375,796	61,791,202
Less: Closing Stock	14,074,775	18,650,972
	61,951,993	56,849,044
NOTE 26: PURCHASE OF STOCK-IN-TRADE:		
	137,288,917	78,673,903
NOTE 27: CHANGE IN INVENTORIES :		
Opening Stocks		
Finished Goods	10,602,302	10,758,289
Semi-Finished Goods	2,756,583	1,766,058
Stock in-Trade	13,983,531	10,286,703
(i)	27,342,416	22,811,050
Closing Stocks		
Finished Goods	14,601,267	10,602,302
Semi-Finished Goods	1,817,407	2,756,583
Stock-in-Trade	20,529,541	13,983,531
(ii)	36,948,215	27,342,416
Sub Total-(i) - (ii)	(9,605,799)	(4,531,366)
NOTE 28: OTHER MANUFACTURING EXPENSES :		
Store and Spares Consumed	2,110,372	1,613,973
Power and Fuel	462,109	245,646
Other Manufacturing Expenses	1,922,223	2,786,572
	4,494,704	4,646,191
NOTE 29 : EMPLOYEES REMUNERATION AND BENEFITS:		
Salary, Wages and Other Benefits	37,583,907	28,061,918
Staff Welfare Expenses	636,914	565,751
Contribution to Provident Fund and other Funds	2,255,437	1,952,461
	40,476,258	30,580,130

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
NOTE 30 : FINANCE COST		
Interest	4,475,983	2,565,946
Bank Charges	948,127	688,234
	5,424,110	3,254,180
NOTE 31 : OTHER ADMINISTRATIVE AND SELLING EXPENSES:		
Insurance	443,416	310,046
Rent and Hire Charges	4,397,179	3,932,212
Travelling and Conveyance	11,937,132	9,952,272
Vehicles Running and Maintenance	536,145	562,128
Advertisement, Selling and Distribution	303,219	941,391
Loss on Sale of Fixed Assets	-	183,561
Freight and Distribution Charges	(917,130)	754,575
Trade and Business Discount	49,950	4,250
Business Promotion	2,422,342	323,414
Postage and Telephone	1,886,642	2,000,699
Projects Execution Expenses	1,289,793	2,651,133
Sales Incentives	5,294,380	2,490,654
Miscellaneous Expenses	751,852	4,074,667
Meetings and Celebration	406,756	334,609
Security Services	607,214	559,980
Legal and Professional Charges	3,275,372	2,319,011
Pay Channel Charges to Broadcasters	18,080,951	15,729,022
Fee and Subscription Expenses	522,628	362,489
Water and Electricity Expenses	705,100	941,525
Printing and Stationery	368,644	362,116
Bad Debts written off	2,148,537	-
Expired/ Dis-allowed Additional Duty Written off	171,789	202,126
Loss due to Foreign Currency Fluctuation	(3,631)	124,168
Auditors' Remuneration		
- Audit Fee	104,785	93,755
- Taxation Matters	22,060	16,545
- Management Consultancy/Certification	67,416	16,545
Repair and Maintenance:		
- Building	503,315	86,905
- Plant and Machinery	76,609	16,777
- Others	1,646,731	1,731,697
	57,099,196	51,078,272

	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENT:		
i) Unexpired Bank Guarantees	3,073,168	4,294,074
ii) Claims against the company not acknowledged as debts*	7,488,227	5,850,053
iii) Unexpired Letter of Credits	-	1,599,900

- a. Claims against the company comprise of a deduction of Rs. 3,386,003 by Telecommunication Consultants India Ltd. (TCIL) on account of alleged past dues. The said claim for deduction is not only illegal but also time barred. The Company has suitably defended the said claim before the appropriate court.
- b. Based on the favorable decisions in similar cases/legal opinions taken by the company/discussion with its legal advisors etc. the company believes that it has good cases in respect of the item no. (ii) and hence no provision there against is considered necessary.

NOTE 33 : EMPLOYEES BENEFIT:

- a) The Company has adopted the revised Accounting Standard (AS) 15, 'Employee Benefits' issued by the Institute of Chartered Accountants of India w.e.f. 1st April 2007.
- b) **Contribution to Provident Fund** : Amount of Rs. 1720532/- (Previous year Rs. 1655238/-) is recognised as an expense and included in Employees Remuneration and benefits (Refer Schedule 15) in the Statement of Profit & Loss for the year ended 31st March 2012.
- c) **Gratuity** : The following table sets out the status of the Defined Benefits Plan as at 31st March 2012 which is based on the report submitted by an Independent Actuary :

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
Amount recognised in Balance Sheet		
Present value of the obligation at the end of the year	4,087,827	3,907,483
Fair value of plan assets	582,414	526,028
Net Liability recognised in Balance Sheet	3,505,413	3,381,455
Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	403,457	401,368
Interest Cost	341,905	310,641
Expected return on plan asset	(36,829)	(24,340)
Net actuarial (gain) / loss recognised	(173,576)	(270,691)
Expenses recognised in the Statement of Profit and Loss	534,957	416,978
Changes in Defined Benefit Obligation		
Present Value of obligation at the beginning of the year	3,907,483	3,775,685
Interest Cost	341,905	310,641
Current Service Cost	403,457	401,368
Benefits Paid	(391,442)	(309,519)
Actuarial (gain) / loss on obligation	(173,576)	(270,692)
Present Value of obligation at the end of the year	4,087,827	3,907,483

Contd....

	Year Ended 31.03.2012 (₹)	Contd.... Year Ended 31.03.2011 (₹)
Changes in Fair Value of Planned Assets		
Fair value of plan asset at the beginning of the year	526,028	85,621
Expected return on plan asset	36,829	24,340
Contributions	410,999	725,586
Benefits Paid	(391,442)	(309,519)
Actuarial (gain) / loss on plan asset	-	-
Fair value of plan asset at the end of the year	582,414	526,028
Actuarial (Gain) / Loss recognised		
Actuarial (Gain) / Loss on obligation	(173,576)	(270,691)
Actuarial (Gain) / Loss on plan assets	-	-
Total Actuarial (Gain) / Loss	(173,576)	(270,691)
Actuarial (Gain) / Loss recognised	(173,576)	(270,691)
Outstanding Actuarial (Gain) / Loss at the end of the year	-	-
Assumptions used in accounting for gratuity plan		
Discount Rate (p.a.)	8.75%	8.25%
Salary Escalation Rate	5.00%	5.00%
Expected rate of return (p.a.)	9.15%	9.00%
Withdrawal rate (p.a.)	5.00%	5.00%
Average outstanding service of employees upto retirement	25.1 years	24 years

NOTE 34 :

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

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

NOTE 35 : RELATED PARTY DISCLOSURE

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

- i. The Company does not have any related party transaction, where control exists.
- ii. Related Parties with whom transactions have taken place during the year ended 31st March, 2012 :
 - a) **Key Managerial Personnel :**
 - Mr. S. A. Abbas
 - Mr. Sudhir Damodaran

iii. Transactions with Related parties during the year ended 31st March, 2012 :

	Key Managerial Personnel	Relatives of Key Managerial Personnel
Interest	357,262	-
Remuneration	7,630,094	-

NOTE 36:

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

NOTE 37 : EARNING PER SHARE :

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
i. Profit after provision of Tax	11,672,940	10,174,842
ii. Weighted Average No. of Equity Shares of Rs. 10 each	4,653,600	4,653,600
iii. Nominal Value of Equity Shares	10	10
iv. Basic and diluted Earning Per Share (EPS)	2.51	2.19

NOTE 38 : MANAGERIAL REMUNERATION :

i) Managing Director and other whole time Directors:		
a) Salary	3,297,600	2,745,600
b) Contribution to Provident Fund	395,712	329,472
c) Allowances and Perquisites	3,936,782	2,667,600
	7,630,094	5,742,672
ii) Non- whole time Directors:		
a) Sitting fee	21,000	3,400
	21,000	3,400

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

NOTE 39 : SEGMENT REPORTING POLICIES :**a) Primary Segment:**

Based on the guiding principle given in the Accounting Standard - 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company has identified two business segments as primary segments. The reportable business segments are "Products" and "Services". These segments have been identified considering the nature of the products and the internal financial reporting systems.

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the enterprise as whole and are not allocable to segments on a reasonable basis, have been included under Unallocable Revenue and Expenses. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocable Assets/Liabilities.

PARTICULARS	Sales of Products		Services		TOTAL	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1. REVENUE :						
Segment Revenue	276972330	187,552,938	41644972	49,476,119	318617302	237,029,057
Total Revenue	276972330	187,552,938	41644972	49,476,119	318617302	237,029,057
2. RESULTS :						
Segment Result	45533737	28,538,017	2392549	6,477,094	47926286	35,015,111
Less: Unallocable Expenses						
Interest	-	-	-	-	4516161	2,685,053
Other Unallocable Expenses	-	-	-	-	27433225	21,027,268
Add: Unallocable Income	-	-	-	-	123831	303,136
Less: Provision for Tax including Deferred Tax	-	-	-	-	4427791	1,431,074
Net Profit after Tax	45533737	28,538,017	2392549	6,477,094	11672940	10,174,852
3. OTHER INFORMATION :						
Segment Assets	156894557	148,606,660	21149292	18,409,337	178043849	167,015,997
Unallocable Corporate Assets	-	-	-	-	44448582	22,603,387
Total Assets	156894557	148,606,660	21149292	18,409,337	222492431	189,619,384
Segment Liabilities	42873976	36,303,259	8249921	8,383,462	51123897	44,686,721
Unallocable Corporate Liabilities	-	-	-	-	51495471	36,759,384
Total Liabilities	42873976	36,303,259	8249921	8,383,462	102619368	81,446,105
Capital Expenditure	-	-	-	-	-	-
Depreciation	1145214	1,018,832	2705193	2,774,508	3850407	3,793,340
Unallocable Depreciation	-	-	-	-	1660616	1,382,583

b) Secondary Segment :

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

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
Geographic Segment :		
Revenue - Domestic Market	216,919,746	173,523,047
Revenue - Overseas Market	101,697,826	63,506,010
	318,617,302	237,029,057
NOTE 40 : SALE OF GOODS:		
Modulators	20,492,114	21,864,687
Amplifiers	25,345,236	23,683,660
Power Supplies	2,744,255	4,859,440
Optical Node & Transmitters	69,743,997	55,637,924
Tap Offs/Splitters	13,256,008	7,035,938
Digital Satellite Receivers & Set Top Boxes	17,044,055	6,353,439
Dish Antennas & other equipments	4,904,131	2,198,896

Contd....

Contd....

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
CATV, ITV & MATV Systems & Equipments	61,889,002	28,710,166
Cables	19,097,307	14,429,097
CCTV Camras & Monitoring Equipments	271,830	1,258,910
Energy Control System & Equipments	31,121,820	11,570,473
Other Miscellaneous Items	11,062,575	9,950,308
	276,972,330	187,552,938
NOTE 41 : DETAILS OF MATERIAL CONSUMED		
Integrated Circuits (Ics)	22,032,025	19,201,025
Transistors	1,151,632	806,757
Transformers	7,819,639	7,387,498
Crystals	167,140	156,298
Printed Circuit Boards	3,493,833	2,556,877
Diodes	558,744	399,605
Attenuators	773,527	824,315
Housings	11,016,609	9,107,910
Connectors	1,084,629	1,062,671
SMPS	399,441	294,629
Others (Including consumables and semi-finished-goods)	13,724,180	12,835,179
Packing material	2,780,142	2,839,728
	65,001,541	57,472,492
NOTE 42 : DETAILS OF PURCHASE OF TRADED GOODS		
Modulators	6,439,823	7,976,372
Amplifiers	4,215,393	804,443
Power Supplies	319,921	2,025,743
Optical Node & Transmitters	6,438,110	9,187,208
Tap-Offs/Splitters	5,757,235	73,192
Digital Sattelite Receivers & Set Top Boxes	12,984,549	3,345,236
Dish Antennas & other equipments	3,531,350	1,357,466
CATV, ITV & MATV Systems & Equipments	49,165,538	22,545,085
Cables	14,062,586	12,510,228
CCTV Camras & Monitoring Equipments	234,580	1,292,433
Energy Control System & Equipments	26,888,292	8,397,516
Other Miscellaneous Items	7,251,539	9,158,981
	137,288,916	78,673,903

NOTE 43 : VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL AND COMPONENTS CONSUMED

	Year Ended 31.03.2012		Year Ended 31.03.2011	
	% of Total Consumption	Value (₹)	% of Total Consumption	Value (₹)
Imported	18.96%	12,326,886	17.43%	10,020,297
Indigenous	81.04%	52,674,655	82.57%	47,452,195
	100.00%	65,001,541	100.00%	57,472,492

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
NOTE 44 : VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw Material & Traded Goods	123,463,998	70,367,198
NOTE 45 : EXPENDITURE IN FOREIGN CURRENCY		
Travelling & Other Administrative Expenses	2,866,199	3,297,394
Salary & Other Benefits	2,311,465	2,049,912
Rent	867,713	780,310
	6,045,377	6,127,616
NOTE 46 : EARNING IN FOREIGN CURRENCY		
FOB Value of Exports*	7,066,681*	7,413,842
Overseas Merchant Trade Sale	87,676,145	50,621,816
Channel Marketing & others	6,955,000	5,470,352
	101,697,826	63,506,010

* Including value of exports made to Rupee Countries.

** The figures given under note no. 43, 44 and 45 include the figures of overseas branch.

NOTE 47 :

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year does not impact recognition and measurement principles followed for preparation of financial statements.

NOTE 48 :

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

NOTE 49 :

The figures have been rounded off to the nearest Rupee.

For **GAUR & ASSOCIATES**

Chartered Accountants

R. K. Gaur
Partner
Membership No. 72146
Firm Regn. No. 005354C

G. S Butola
Company Secretary
Vinod Rawat
Chief Financial Officer

For and on behalf of the Board

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

Place : Noida-UP

Dated : 31st August, 2012



E-14 & 15, Sector-8, Noida - 201 301 (U.P.)

August 31, 2012

Dear Members,

Re: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs, vide its Circular No. 17/2011, dated 21.04.2011 followed and Circular No. 18/2011 dated 29.04.2012, has taken a "Green Initiative" in Corporate Governance by allowing paperless compliances by the companies through electronic mode and introduced email address as one of the modes of sending communication to the shareholders under section 53 of the Companies Act, 1856.

The new arena of interface with the members is a welcome step as it would not only help to save the environment and facilitate fast communication but will also lead to cost-savings for your company.

To implement the above, the company proposes to send in future various documents, including Notices, Balance Sheet, Profit and Loss Account, Directors' Reports, Auditors' Report etc. to the members in electronic form to the email addresses of the members provided by them and made available to us by the Depositories (NSDL/CDESL). You are advised to update the same by registering changes, if any, in your email address from time to time with the concerned Depository.

The company shall also display full text of these communications/documents/reports in its website www.catvisionindia.com and physical copies of such communication/documents/reports will be made available at the registered office of the company for inspection by the shareholders during office hours on working days.

Please note that as members of the company, upon receipt of request, you will be entitled to receive free of cost, copy of such communication/documents/reports and all other documents required to be attached thereto.

In case you desire to receive the documents mentioned above in physical form, please write to us at [catvision.gogreen@catvisionindia.com](mailto:gogreen@catvisionindia.com) quoting your Folio No./Client ID and DPID.

All those members who have not yet registered their email address, or are holding shares in physical form, are requested to immediately register their email address with NSDL/CDSL and/or with the company at [catvision.gogreen@catvisionindia.com](mailto:gogreen@catvisionindia.com) along with Folio No./Client ID and DPID.

Thanking you,

Your faithfully,

For **Catvision Limited**

(S. A. Abbas)

Managing Director



CATVISION LIMITED

Registered Office : 1515, Bhashampitamah Marg, Kotla Mubarakpur, New Delhi - 110003

PROXY FORM ANNUAL GENERAL MEETING

I/We _____
of _____ in the district of _____ being member/
member of the above named Company, hereby appoint _____
_____ of _____ in district of _____
_____ or failing him _____ of _____
_____ as my/out proxy to attend and vote for me/us on my/out behalf at the
Annual General Meeting of the Company to be held on Saturday the 29th September, 2012.

Signed this _____ day of _____ 2012

Folio/Client ID No. : _____

DP ID No. : _____

100 Paise
Revenue
Stamp

Signature : _____

Address : _____

Note : The proxy form duly completed should be deposited at the registered office of the Company not less than 48 hours before the time for commencement of the Meeting.



CATVISION LIMITED

Registered Office : 1515, Bhashampitamah Marg, Kotla Mubarakpur, New Delhi - 110003

ATTENDANCE SLIP

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company at "Riverside Sports & Recreation Club", Club Avenue, Mayur Vihar, Phase-I, New Delhi - 110091, at 11.30 A.M. on Saturday, the 29th September, 2012

Full name of the shareholder :
(in block letters)

Signature

Folio/Client ID No. : _____

DP ID No. : _____

Full Name of Proxy
(in block letters)

Signature

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



