



HATHWAY BHAWANI
CABLETEL & DATACOM LIMITED

29th

Annual Report
2012-2013

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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

29th Annual Report : 2012-2013

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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

BOARD OF DIRECTORS

Mr. Jagdish Kumar G. Pillai
Mr. Kuldeep Puri
Mr. Milind Karnik
Mr. Dilip Worah
Mr. L. K. Kannan
Mr. Hetal Thakore

Chairman
Managing Director

AUDITORS

G.M. Kapadia & Co.
Chartered Accountants

COST AUDITORS

Dr. Ashok kumar Agarwal

REGISTERED OFFICE

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

BANKERS

Bank of Maharashtra
Axis Bank Limited

ADMINISTRATIVE OFFICE

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

REGISTRAR & TRANSFER AGENT

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

DETAILS OF DEMATERIALISATION OF SHARES

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 26TH, SEPTEMBER, 2013, AT 4:00 P.M. AT SANJONA COMPLEX, 5TH FLOOR, HEMU KALANI MARG, PLOT 11-A, SINDHI SOCIETY, CHEMBUR, MUMBAI – 400071, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. L. K. Kannan, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Milind Karnik, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint the retiring statutory auditors, M/s. G. M Kapadia & Co., Chartered Accountants (Registration No. 104767W) as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 311 other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Kuldeep Puri as the Managing Director of the Company for a period of 1 years with effect from June 01, 2013 to May 31, 2014 on a remuneration of Rs. 1,20,000/- per month together with re-imbusement of Telephone and Motor Car and Fuel expenses incurred by him up to a limit of Rs. 20,000/- per month with liberty to the Board of the Directors to alter and vary terms and conditions of the aforesaid appointment and/or remuneration, as may be agreed to between the Directors and Mr. Kuldeep Puri.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the currency of tenure of Mr. Kuldeep Puri, Managing Director of the Company, he shall be paid

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remuneration at the same substantive level as specified herein above and that such remuneration shall be treated as the Minimum Remuneration payable to him in accordance with Part II of Section II of Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto.”

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

“**RESOLVED THAT** Mr. Jagdish Kumar G. Pillai, who was appointed as an Additional Director of the Company with effect from 22nd December, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the said Act) and in accordance with the Article 32 of the Articles of Association of the Company to hold office up to the date of the ensuing Annual General Meeting of the Company and for whose appointment, the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Jagdish Kumar G. Pillai, for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be subject to retirement by rotation.”

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

“**RESOLVED THAT** Mr. Hetal Thakore, who was appointed as an Additional Director of the Company with effect from 28th May, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the said Act) and in accordance with the Article 32 of the Articles of Association of the Company to hold office up to the date of the ensuing Annual General Meeting of the Company and for whose appointment, the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Hetal Thakore, for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be subject to retirement by rotation.”

REGISTERED OFFICE:

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

BY ORDER OF THE BOARD

Kuldeep Puri
Managing Director

Place: Mumbai

Date: August 13, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the meeting. Proxies submitted on behalf of the companies, etc, must be supported by appropriate resolution/authority, as applicable.
3. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
4. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
5. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
6. The Register of the Members and the Share Transfer Books of the Company will remain closed from, Tuesday, 24th September 2013 to Thursday, 26th September 2013 (Both days inclusive).
7. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, for Special Business, setting out all material facts and the statement of particulars of Directors seeking appointment/re-appointment, as required under Clause 49 of the Listing Agreement are annexed hereto.
8. Members are requested to bring their copy of Annual Report and attendance slip to the meeting.
9. The Annual Accounts of the Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder.
10. Hard copy of the details of accounts of subsidiaries required by any shareholders can be obtained with a written request to the Company Secretary of the Company at the Registered Office of the Company.
11. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold in physical form are requested to write their folio number in the attendance slip.

Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent in respect of shares held in physical form and with respective Depository Participants (DP) where the shares are held in dematerialized form. Shareholders holding shares in physical form can send their email address for registration to bigshare@bom7.vsnl.net.in quoting the Folio Number and Name of the Company.

Important Communication to Shareholders

Ministry of Corporate Affairs (MCA) vide Circular bearing Nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively has taken steps towards Green Initiatives by allowing companies to service the documents including Annual Report to its shareholders through electronic mode.

In support to the said initiative of the MCA, the Company also requested to the shareholders by issuing individual notices to all the shareholders to register their e-mail address with the Company's Registrar and Share Transfer Agent and in response to the said request, many shareholders has registered their e-mail addresses with the Registrar and Share Transfer Agent.

We hereby further request to all the shareholders who have so far not registered their e-mail address with the Registrar and Share Transfer Agent to register their e-mail address and support the Green Initiative movement of MCA. Shareholders can avail the said facility either by filling E-communication Registration Form available on the website of the Company or updating e-mail address with the Depository through their concerned Depository Participant.

We are sure you will also join and support Green Initiative movement of MCA.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item No. 5:**

Mr. Kuldeep Puri was appointed as Managing Director of the Company for a period of 3 years with effect from June 1, 2010 to May 31, 2013 such terms and conditions as approved by the Shareholders at the 23rd Annual General Meeting of the Company.

Considering the dynamic role, Mr. Kuldeep Puri is expected to play in the near future and the benefits expected to be reaped under his supervision, re-appointment of Mr. Kuldeep Puri is recommended for a period of 1 (one) year with effect from June 1, 2013 on the terms and conditions as mentioned in the resolution set out in the notice.

Mr. Kuldeep Puri has a B Tech degree from BHU - IT, Varanasi. He has been instrumental in providing professional Cable Television Operating services and other related activities formulating the cable television operation of the Company. He has Nineteen years experience in the field of Cable Television Operations, Installation of Cable TV systems/maintenance and marketing of telecom and electronic equipments products. He has played an important role by providing able leadership and direction to the Company in its business activity of running of Cable Television Network, providing ISP Services, Data Communications facilities and allied activities with his sound knowledge and experience.

In the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Managing Director shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof."

DETAILS OF APPOINTEE AND OTHER INFORMATION AS PER PROVISIONS OF SCHEDULE XIII PART B OF SECTION II OF PART II OF SCHEDULE XIII

Sr. No.		
I	GENERAL INFORMATION	
1.	Nature of industry	Cable & Internet services
2.	Date or expected date of commencement of commercial production	Not applicable. Since the Company has already commenced its commercial operations.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable

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4.	Financial performance based on given indicators	Financial performance based on the Audited Accounts for the year ended 31st March 2013 is as under:
		Revenue from Operations 1739 Lacs Profit after Tax (94.09) Lacs Assets Turnover Ratio 3.10 Current Ratio 0.79 Profit to Net Sales —
5.	Export performance and net foreign exchange collaboration	The Company is engaged in cable TV & Internet services in Chembur, Mumbai and hence the Company has no foreign exchange earnings.
6.	Foreign investments or collaborations, if any.	None
II INFORMATION ABOUT APPOINTEE		
1.	Background detail	Mr. Kuldeep Puri has a B Tech degree from BHU - IT, Varanasi. He has been instrumental in providing professional Cable Television Operating services and other related activities formulating the cable television operation of the Company. He has Nineteen years experience in the field of Cable Television Operations, Installation of Cable TV systems/maintenance and marketing of telecom and electronic equipments products. He has played an important role by providing able leadership and direction to the Company in its business activity of running of Cable Television Network, providing ISP Services, Data Communications facilities and allied activities with his sound knowledge and experience.
2.	Past remuneration	Rs. 10.20 Lacs p.a and reimbursement of Rs. 3.68 lacs p.a.
3.	Recongnition or awards	None
4.	Job profile and his suitability	The Managing Director is responsible for the overall management of the Company. Mr. Kuldeep Puri is expected to play pivotal role in formulating the Company's long term business strategies and policies.

	<p>5. Remuneration proposed</p> <p>6. Comparative remuneration profile with respect of industry, size of the company, profile of the position and person</p> <p>7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</p>	<p>Monthly basic salary of Rs. 1,20,000 per month plus re-imbusement of Telephone and Motor Car and Fuel expenses incurred by him up to a limit of Rs. 20,000/- per month</p> <p>The proposed remuneration of the Managing Director is comparable with the other companies in the Industries.</p> <p>Mr. Kuldeep Puri is one of the Promoters of the Company holding 6.30 % of the paid up capital of the Company.</p> <p>Mr. Kuldeep Puri is neither having directly or indirectly any relationship with the managerial personnel.</p>
<p>III. OTHER INFORMATION</p>		
	<p>1. Reasons for loss or in adequacy of profit</p> <p>2. Steps taken or proposed to be taken for improvement</p> <p>3. Expected increase in productivity and profits in measurable items.</p>	<p>Due to steep increase in operating expenses during the year and increase in pay channel cost.</p> <p>As the Company is in an expansion stage with implementation of Digital Addressable Cable TV system and broadband, , the depreciation is on the higher side</p> <p>The Company proposes to acquire the last mile from the cable operators and rapidly expand its digital cable tv services and the broadband internet access business. Both these segments have better ebitda margins</p> <p>With the notification of Government for digitalization of cable in phase manner the Company is expected to generate more revenue after full implementation of digitalization.</p> <p>No other directors except Mr. Kuldeep Puri, Managing Director, draw any remuneration from the Company.</p> <p>Either of the party can terminate the arrangement with notice of one month.</p> <p>The Managing Director shall not be entitled for any severance fees, performance linked incentives or Stock Option.</p>

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The resolution vide Item No. 5 is therefore proposed for the approval of the Members.

Except Mr. Kuldeep Puri, no other director shall be deemed to be concerned or interested in the resolution.

Item No. 6

Mr. Jagdish Kumar G. Pillai was appointed as an Additional Director of the Company with effect from 22nd December, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Article 32 of the Articles of Association of the Company, Mr. Jagdish Kumar G. Pillai shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received notice along with requisite deposit amount under Section 257 of the said Companies Act, 1956 from a shareholder proposing the candidature of Mr. Jagdish Kumar G. Pillai, for the office of a Director of the Company.

None of the Directors, except Mr. Jagdish Kumar G. Pillai, is interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolution for your approval.

Item No. 6

Mr. Hetal Thakore was appointed as an Additional Director of the Company with effect from 28th May, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Article 32 of the Articles of Association of the Company, Mr. Hetal Thakore shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received notice along with requisite deposit amount under Section 257 of the said Companies Act, 1956 from a shareholder proposing the candidature of Mr. Hetal Thakore, for the office of a Director of the Company.

None of the Directors, except Mr. Hetal Thakore, is interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolution for your approval.

REGISTERED OFFICE:

'Rahejas', 4th Floor,
Corner of Main Avenue &
V. P. Road, Santacruz (W),
Mumbai - 400 054
Place: Mumbai
Date: August 13, 2013

BY ORDER OF THE BOARD

Kuldeep Puri
Managing Director

Additional information pursuant to Clause 49 of the Listing Agreement**PROFILES OF DIRECTORS**

1. **Name** : **Mr. L. K. Kannan**
Father's name : Late Mr. Krishna Moorthy
Date of Birth : 29th March 1956
Qualification & Experience :

Mr. L. K. Kannan is a Commerce Graduate. He is in service since last 25 years. He was appointed as a Director on the Board of the Company on 30th December, 2005. Mr. L. K. Kannan is also Director in Integra Unisource Private Limited.

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

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

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

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

3. **Name** : **Mr. Kuldeep Puri**
Father's name : Mr. Surajswarup Puri
Date of Birth : 17th November, 1959.

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Qualification & Experience :

Mr. Kuldeep Puri has a B Tech degree from BHU - IT, Varanasi. He has been instrumental in providing professional Cable Television Operating services and other related activities formulating the cable television operation of the Company. He has Nineteen years experience in the field of Cable Television Operations, Installation of Cable TV systems/maintenance and marketing of telecom and electronic equipments products. He has played an important role by providing able leadership and direction to the Company in its business activity of running of Cable Television Network, providing ISP Services, Data Communications facilities and allied activities with his sound knowledge and experience. He was appointed as Managing Director of the Company since 1st June, 1999.

4. **Name** : **Mr. Jagdish Kumar G. Pillai**

Father's name : Mr. Krishna Govinda Pillai

Date of Birth : 18th January 1962

Qualification & Experience :

Mr. Jagdish Kumar is a Chartered Accountant and has more than 25 years of professional experience having worked in numerous leadership positions with blue chip companies like ITC Ltd, STAR TV and Reliance Industries Ltd. Mr. Jagdish Kumar is an experienced media professional having worked in various roles within STAR TV (a Newscorp venture) both in India and the headquarters in Hong Kong. During his stint with STAR TV he has worked on several aspects of the TV Broadcast business including, Content, Distribution, Marketing, Broadcast Infrastructure, Digital Platforms, Business Development and Finance. He also represented STAR TV's interests on the Board of Hathway Cable & Datacom Limited as a director. Lately he worked with Reliance Industries Limited, as President Media & Entertainment. He was part of the Digital services (including 4G wireless services) project team set up to launch a high speed Broadband service across the whole of India. He was responsible in devising Content plans and forging relationships with numerous Content providers for Films, TV channels, Music, Gaming and New Media.

5. **Name** : **Mr. Hetal Thakore**

Father's name : Mr. Naren Thakore

Date of Birth : 08th February 1963

Qualification & Experience :

Mr. Hetal Thakore is a Senior Partner with M/s. Thakore Jariwala & Associates - a firm of Advocates & Solicitors. He is a Science Graduate and holds LL.B. degree. Further he is also a Solicitor with Bombay High Court and London and Wales (not practicing). Mr. Thakore has over 25 years of experience in law practice. Before starting his career with M/s. Thakore Jariwala & Associates, he was associated with Kanga & Co. - a leading law firm in Mumbai for 5 years

DIRECTORS' REPORT

Dear Members,

Your Directors take the pleasure of presenting the Twenty Ninth Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended March 31, 2013.

Financial Highlights

The Financial Results of the Company for the year ended March 31, 2013 are given below:

(Rs. In Lacs)

Particulars	Consolidated		Standalone	
	2012-13	2011-12	2012-13	2011-12
Operating & Other Income	1831.62	1651.98	1747.44	1576.60
Earnings before interest, depreciation, amortization & taxes	(39.65)	238.91	(37.68)	243.24
Interest	3.46	2.85	3.28	1.90
Depreciation & Amortization	106.90	109.96	76.04	78.99
Prior period adjustments & Exceptional Items	16.27	(15.34)	(16.15)	(15.34)
Minority Interest	16.16	17.84	-	-
Excess/Short provision for taxation in earlier years	(11.50)	2.07	(11.51)	2.07
Provision for Taxation Current Tax & Deferred Tax	(5.25)	24.37	(5.25)	24.37
Net Profit	(110.83)	97.15	(94.09)	151.25

Business Operations

During the year under review, the total income of your Company increased to Rs 1747.44 Lakhs as compared to last year's income of Rs. 1576.60 Lakhs on standalone basis. During the year under review the Company incurred a net loss of Rs. 110.83 lakhs due to steep increase in operating expenses during the year. The company is adhering to its policy of focused growth and as a result of which the total subscription income vis a vis the gross operating profit of the company had increased.

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Consolidated Financial Statements

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

Dividend

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

Business Prospects & Management Discussion and Analysis Report

During the year under review, your Company has undertaken various steps to expand its Cable TV and ISP business. During the last year the Telecom Regulatory Authorities of India (TRAI) recommended a digitalization plan to the Ministry of Information & Broadcasting (MIB) that involves introduction of digital cable services across India. The MIB has since notified the implementation Digital Addressable System (DAS) throughout the country in four phases ,commencing from November 2012 and completion by the year 2014. The primary means for distributing television services in a predominantly urban landscape will be cable. Digitalization that was mandated by the Cable Television Network Regulation (Amendment) Act, 2011, contemplates a phased roll out of Digital Addressable System (DAS) commencing November 2012 through to December 2014

Your Company has successfully implemented the DAS plan. Your Company has also undertaken to expand ISP business.

The performance of your Company covering various aspects of the business operations for the year ended March 31, 2013 and prospects for the Company's business in the future has been dealt with at length in a separate section titled "Management Discussion and Analysis Report" forming part of the Corporate Governance Report.

Corporate Governance

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

Personnel

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

Directors

Mr. Jagdish Kumar G. Pillai was appointed as an additional director on the Board of Directors of your Company with effect from 22nd December 2012. The Company has received the notice along with requisite deposit, from a member of the Company pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Jagdish Kumar G. Pillai for the office of Director of the Company.

Mr. Hetal Thakore was appointed as an additional independent director on the Board of Directors of your Company with effect from 28th May 2013. The Company has received the notice along with requisite deposit, from a member of the Company pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Hetal Thakore for the office of Director of the Company.

Pursuant to the provisions of Section 255 read with Section 256 of the Companies Act, 1956, Mr. L. K. Kannan and Mr. Milind Karnik, Directors would retire by rotation at the ensuing Annual General Meeting. Being eligible, Mr. L. K. Kannan and Mr. Milind Karnik have offered themselves for reappointment.

Mr. Kuldeep Puri was reappointed as a Managing Director of the Company w.e.f. from June 1, 2013 for a period of one year, subject to the approval of shareholders.

Mr. K. Jayaraman and Mr. Krishna Parolia ceases to be Directors of the Company w.e.f. 28th May 2013.

As required, the requisite details of Directors seeking appointment/re-appointment are included in this Annual Report.

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

Audit Committee

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

Subsidiary Companies

Pursuant to the Circular No. 51/12/2007- CL-III dated February 8, 2011, the Board of Directors of the Company have consented in their meeting held on May 28, 2013 that the Company will not attach the balance sheet of the subsidiary companies and has complied with the conditions stated in the afore-stated circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies. The consolidated financial statements presented by the Company include financial results of its subsidiary companies.

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

Considering the nature of operations of the Company, your Directors have nothing to state as regards the requirement of disclosures in terms of Section 217(1) (e) of the Companies Act, 1956, pertaining

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to the conservation of energy and technology absorption.

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

Directors' Responsibilities Statement

Your Directors in compliance with Section 217(2AA) of the Companies Act, 1956 confirms that in the preparation of the Annual Accounts for the year ended March 31, 2013:

- (a) the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013 and the profit of the Company for the year;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts of the Company has been prepared on a going concern basis.

Auditors

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

Comments on Auditors' Report

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

Acknowledgements

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

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Dated: May 28, 2013

Jagdish Kumar G. Pillai
Chairman

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures precision, spirit and accountability in all its transactions and meets its stakeholder's expectations. Corporate Governance requires professionals to raise their competence and capability level to manage the enterprise and its resources effectively. The Board of Directors is at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all our stakeholders.

At Hathway Bhawani, we have made sincere and continuous efforts to institutionalise the best Corporate Governance practices and firmly believe that our efforts will go far beyond complying with the regulatory framework. As a listed Company we are in compliance with all the applicable provisions of the Listing Agreements pertaining to Corporate Governance, including the appointment of Independent Directors and constitution of Committees. The Board firmly believes in achieving the highest standards of transparency in all facets of its working; prompt and adequate disclosures of all the material information; fixing accountability; ensuring the compliance of all the applicable laws, rules and regulations; conducting the affairs of the Company in an ethical manner, thereby ensuring an increase in the value of all stakeholders.

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

2. Board of Directors

a) Composition of the Board of Directors

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

Name of the Directors	Relation ship with other Directors	Designation	Category of Directorship	No. of Other Directorships ¹	No. of Other Committee Memberships ²	
					Chairman	Member
Mr. Jagdish Kumar G. Pillai ³	None	Chairman	Non-Executive & Non Independent	1	1	-

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Mr. K. Jayaraman	None	Director	Non-Executive & Non Independent	1	Nil	-
Mr. Kuldeep Puri	None	Managing Director	Executive & Non Independent	-	Nil	Nil
Mr. Milind Karnik	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil
Mr. Dilip Worah	None	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. L. K. Kannan	None	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Krishna Parolia	None	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Hetal Thakore	None	Additional Director	Non-Executive & Independent	1	Nil	Nil

¹ Directorships in Private and Foreign Companies, if any, are excluded.

² Memberships of only Audit Committee and Shareholders' Grievance Committee have been considered.

³ Appointed as Additional Director & Chairman of the Company w.e.f. 22nd December, 2012.

b) Re-appointment of Directors:

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

Mr. Jagdish Kumar G. Pillai was appointed as an additional director on the Board of Directors of your Company with effect from 22nd December, 2012. The Company has received the notice along with requisite deposit, from a member of the Company pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Jagdish Kumar G. Pillai for the office of Director of the Company.

Mr. Hetal Thakore was appointed as an additional independent director on the Board of Directors of your Company with effect from 28th May, 2013. The Company has received the notice along with requisite deposit, from a member of the Company pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Hetal Thakore for the office of Director of the Company.

The Board has recommended to the Shareholders, appointment/ re-appointment of the aforesaid Director. The detailed resume of the aforesaid proposed appointees who have offered themselves for appointment/ re-appointment are provided in the explanatory statement annexed to the notice of the Annual General Meeting.

c) Board Meetings and Annual General Meeting:

During the financial year 2012-2013, Six (6) Board Meetings were held on May 12, 2012, August 13, 2012, September 28, 2012, November 10, 2012, December 22, 2012 and February 14, 2013. The last Annual General Meeting of the Company was held on 28th September, 2012. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows.

Name of the Director(s)	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Jagdish Kumar G. Pillai *	1	NA
Mr. K. Jayaraman	2	Yes
Mr. Kuldeep Puri	6	Yes
Mr. Milind Karnik	6	Yes
Mr. Dilip Worah	5	Yes
Mr. L. K. Kannan	6	No
Mr. Krishna Parolia	0	No
Mr. Hetal Thakore**	0	No

* Appointed as Additional Director w.e.f. 22nd December, 2012.

** Appointed as Additional Director w.e.f. 28th May, 2013.

d) Code of Conduct

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

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

3. Audit Committee

a) Constitution of Audit Committee:

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

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

During the Financial year 2012-2013, four (4) Audit Committee Meetings were held on May 12, 2012, August 13, 2012, November 10, 2012 and February 14, 2013. The composition of the Audit Committee and the number of meeting attended members of the audit committee were as under:

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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

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

c) Attendees:

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

d) The Terms of Reference of the Audit Committee:

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

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

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

e) Powers of the Audit Committee:

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

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

4. Remuneration Committee

a) Constitution of Remuneration Committee:

The Remuneration Committee comprises of four members. All the members are Non-Executive Directors of which three are Independent Directors and the Chairman is Non-Independent Director.

Committee Members Attending the Meeting	Designation
Jagdish Kumar G. Pillai	Chairman
Mr. Dilip Worah	Member
Mr. L. K. Kannan	Member

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

No meeting of the Remuneration Committee was held during the Financial Year 2012-2013.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

c) Terms of reference:

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

d) Remuneration Policy:

i) Management Staff:

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

ii) Directors:

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

Name of the Director	Sitting Fees Paid (Amt. in Rs.)
Mr. Dilip Worah	41,000
Mr. L. K. Kannan	46,000
Mr. Krishna Parolia	NIL
Mr. Milind Karnik	46,000
Mr. Kuldeep Puri	30,000
Mr. K .Jayaraman	10,000
Mr. Jagdishlumar G. Pillai	5,000
Total	1,78,000

Shareholding of the Non-executive Directors as on 31st March 2013:

Sr. No.	Name of the Director	No. of Shares held
1	Mr. K. Jayaraman	Nil
2	Mr. Milind Karnik	66,985
3	Mr. Dilip Worah	Nil
4	Mr. L. K. Kannan	Nil
5	Mr. Krishna Parolia	Nil

iii) Executive Director:

Mr. Kuldeep Puri, Managing Director, is the only Executive Director in the Company. The tenure of Mr. Kuldeep Puri is for a period of one (1) year with effect from 1st June, 2013. The remuneration of the Executive Director for the period commencing from June 1, 2013 to May 31, 2014, has been approved by the Remuneration Committee of the Board of Directors, the Board of Directors subject to approval of Shareholders in the Annual General Meeting.

Details of remuneration paid to the Executive Director during Financial Year 2012-2013 is given below:

Name of the Executive Director	Designation	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Kuldeep Puri	Managing Director	1,335,000/-	Nil	1,335,000/-

5. Shareholders' / Investors' Grievance Committee

a) Constitution and Composition of Shareholders' Grievance Committee:

The Shareholders'/Investors' Grievance Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and to take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Milind Karnik, a Non-Executive Director. No meeting of shareholders'/investors' grievance committee was held during the financial year 2012-2013.

The present composition of the Shareholders/ Investors' Grievance Committee is as under:

Name of Director	Designation	No. of Meetings Attended
Jagdish Kumar G. Pillai	Chairman	N.A
Mr. Milind Karnik	Member	N.A

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

c) During the year 2012-2013, the Company has not received any investor complaints. There were no complaints pending as at end of the year.

Received from	Received During 2012-13	Redressed during 2012-13	Pending as on 31.03.2013
SEBI	0	0	0
NSE	0	0	0
BSE	0	0	0
NSDL/CDSL	0	0	0
Direct from Investors	0	0	0
Total	0	0	0

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d) Share Transfers in Physical Mode:

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

6. General Body Meetings

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

Year	Date	Venue	Time
2009 - 2010	30.09.2010	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4:00 p.m.
2010- 2011	30.09.2011	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4:00 p.m.
2011- 2012	28.09.2012	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4:00 p.m.

ii) Particulars of Special Resolutions passed in the previous three Annual General Meetings.

Financial Year	Particulars of Special Resolution passed
2009-2010	Amendment in Articles of Association of the Company
2010-2011	Nil
2011-2012	Amendment in Articles of Association of the Company

During last three Financial Years, the Company did not hold any Extra-Ordinary General Meeting.

iii) Postal Ballot:

The Company did not pass any resolution by way of shareholders approval through Postal Ballot during the year ended March 31, 2013. No Special Resolution has been proposed to be passed by way of Postal Ballot.

7. Means of Communication

(i) The quarterly results of the Company are generally published in Mahanayak (*Marathi Newspaper*) and Business Standard (*English Newspaper*). The Company proposes that all quarterly, half-yearly and full year financial results be published at least in 2 newspapers. The quarterly results are further submitted to the Bombay Stock Exchange Limited immediately after the conclusion of the respective meetings.

(ii) No presentations were made to institutional investors or to the analysts during the year under review.

iii) The Management Discussion and Analysis Report forms a part of this Annual Report.

8. General Shareholder Information

- a. *Date, time and venue of Annual General Meeting of Shareholders* September 26 , 2013 at 4:00 p.m. at Sanjona Complex, 5th Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400 071.
- b. *Dates of book closures* 24th September , 2013 to 26th September 2013 (Both days inclusive)
- c. *Dividend Payment* Not Applicable
- d. *Financial Calendar* The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter as per the listing agreement.
- e. *Listing on stock exchanges* Bombay Stock Exchange Limited
- f. *Listing fees* Paid to Bombay Stock Exchange Limited for the Financial Year 2013-2014.
- g. *Registered office* “Rahejas”, 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai- 400 054. Tel: (022) 26001306 Fax: (022) 26001307
- h. *Registrar and Share Transfer agents* **Bigshare Services Private Ltd.**E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072Tel.: (022) 28470652/28470653 Fax: (022) 28525207 Email: bigshare@bom7.vsnl.net.in
- i. *Share Transfer System* Shares sent for physical transfer are generally registered and returned within a period of 15days from the date of receipt, if the documents are clear in all respects. The Shareholders/Investor Grievance committee of the Company meets as often as required.
- J. *Plant Locations* The Company does not have any manufacturing activities.
- k. *Disclosures regarding appointment or-reappointment of Directors:* Pursuant to provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Mr. L. K. Kannan and Mr. Milind Karnik retire by rotation in the forthcoming general Annual general Meeting. Mr. Jagdish Kumar G. Pillai, Additional Director of the Company is eligible to hold office upto the date of ensuing Annual General Meeting. The detailed resume of the Directors

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

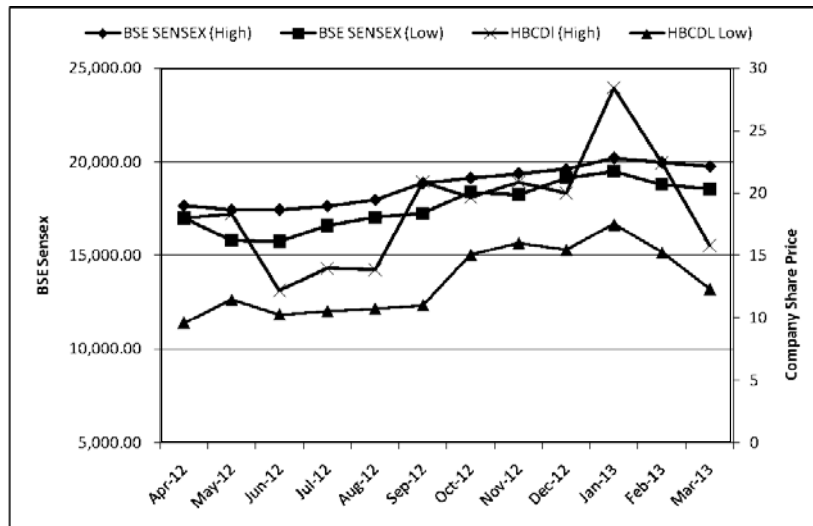
proposed to be re-appointed is provided in the Notice of the Annual General Meeting. The Board has recommended the re-appointment of the said Directors to the Shareholders.

j. Stock Market price data

Monthly high and low at Bombay Stock Exchange Limited, for financial year ended March 31, 2013:

Month	BSE SENSEX (High)	BSE SENSEX (Low)	HBCDL High (Rs.)	HBCDL Low (Rs.)
Apr-12	17,664.10	17,010.16	18.00	9.61
May-12	17,432.33	15,809.71	18.30	11.45
Jun-12	17,448.48	15,748.98	12.18	10.26
Jul-12	17,631.19	16,598.48	13.97	10.52
Aug-12	17,972.54	17,026.97	13.85	10.72
Sep-12	18,869.94	17,250.80	20.90	11.00
Oct-12	19,137.29	18,393.42	19.65	15.05
Nov-12	19,372.70	18,255.69	20.90	16.00
Dec-12	19,612.18	19,149.03	20.00	15.45
Jan-13	20,203.66	19,508.93	28.45	17.50
Feb-13	19,966.69	18,793.97	22.40	15.25
Mar-13	19,754.66	18,568.43	15.80	12.30

Monthly High-Low Share Price/BSE SENSEX



k. a) *Distribution of Shareholding as on March 31, 2013:*

Range in Rupees	No. of Shareholders	% of Shareholders	Amount (in Rs.)	% of Total
1 - 5,000	1,205	66.03	24,41,770	3.05
5,001 - 10,000	273	14.96	24,59,590	3.07
10,001 - 20,000	128	7.01	21,10,610	2.64
20,001 - 30,000	62	3.40	16,06,520	2.02
30,001 - 40,000	32	1.75	11,61,600	1.45
40,001 - 50,000	26	1.42	12,70,330	1.59
50,001 - 1,00,000	52	2.85	37,94,400	4.74
1,00,001 & above	47	2.58	6,51,55,180	81.44
Total	1,825	100.00	8,00,00,000	100.00

b) *Category wise Distribution Schedule as on March 31, 2013*

Sr. No.	Category	No. of Shares held	%
1.	Promoter and Promoter Group	50,87,356	63.59
2.	Private Bodies Corporate	2,65,321	3.32
3.	Indian Public	26,41,888	33.02
4.	NRIs/OCBs	3,360	0.04
5.	Clearing Members	2,075	0.03
	Total	80,00,000	100.00

i. Dematerialisation of shares and liquidity

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE 525B01016. As on 31st March 2013, 78,64,129 Equity Shares representing 98.30% had been dematerialized.

m. The Company has no outstanding GDR's/ADR's/Warrants or any convertible instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.

n. *Address for correspondence*

For general Correspondence

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

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

For matters related to Share transfers Dematerialisation, etc.

Bigshare Services Private Ltd.

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072

Tel.: (022) 28470652/28470653

Fax: (022) 28525207

Email: bigshare@bom7.vsnl.net.in

n Stock Exchange Code:- 509073

o Details as per clause 5A of Listing Agreement

Unclaimed Shares as on 1st April, 2012		Details of Shareholders approached during the FY 2012-13 for the claiming of shares		Details of Shareholders to whom the shares have been transferred during the FY 2012-13		Unclaimed Shares as on 31st March, 2013	
No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1. Other Disclosures

a. Related Party Transactions:

The Company has arrangement with Hathway Cable & Datacom Limited, for revenue sharing for its Internet through Cable Division. The Company also had transactions with Hathway Cable & Datacom Limited for advertisement revenue, purchased of assets and purchase of Set-Top-Boxes. The details of related party transactions are given at _____ forming part of Accounts. The transactions with other related parties are as per the table given below.

Sr. No.	Name	Nature of Relationship	Amount (in Rs)	Nature of Payment
1.	Mr. Kuldeep Puri	Managing Director– Key Management Personnel	14,74,877	Salary, Perquisites & Reimbursements
2.	Mr. Kulbhushan Puri as Karta of M/s Kulbhushan Puri HUF	Relative of Managing Director	17,94,671	Consultancy fees & Reimbursements

Except as stated above, there were no related party transactions for the year ended March 31, 2013, which have potential conflict with the interests of the Company at large.

c. **Compliance by the Company:**

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty / stricture was imposed on the Company during the last three years.

d. **Compliance with the Mandatory requirements and implementation of the Non-Mandatory Requirements:**

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement excepting the constitution of Remuneration Committee.

e. The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under the code of the Corporate Governance

2. Request to investors:

a) Investors are requested to communicate change of address, if any, directly to the share transfer agent of the Company at the above address.

b) As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

c) The shareholders are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification / assistance on the subject may contact the Company's share transfer agent.

d) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.

e) Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number etc.

f) Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will be transferred to "Investors Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956.

g) Ministry of Corporate Affairs (MCA) vide Circular bearing Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively has taken steps towards "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail) by companies to its shareholders. As an enlightened corporate citizen, going forward we propose to send

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

all future shareholders' communications like Notices, Company's Annual Report etc. through electronic mode. This will also ensure prompt receipt of communication; avoid loss in postal transit and saving of huge cost incurred in printing and postage.

In support to the "Green Initiative" introduced by MCA, your Company's desire to participate in the same. We therefore request you to kindly provide your e-mail address to our Registrar, Link Intime India Private Limited.

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

The Shareholders who still hold the shares in the physical mode are requested to convert their respective holding in Dematerialization form and get their e-mail registered with the Company / Registrar & Share Transfer Agent to enable your Company to actively participate in the said Green Initiative.

CODE OF CONDUCT DECLARATION

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

Kuldeep Puri
Managing Director

Place: Mumbai
Date: May 28, 2013

To
The Members of
HATHWAY BHAWANI CABLETEL AND DATACOM LIMITED

Corporate Governance Certificate

We have examined the compliance of conditions of Corporate Governance by **HATHWAY BHAWANI CABLETEL AND DATACOM LIMITED** ("Company") for the financial year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For RATHI & ASSOCIATES,
COMPANY SECRETARIES**

**Date: 28th May, 2013
Place: Mumbai**

**HIMANSHU KAMDAR
Partner
FCS No. 5171
C.P. No.3030**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERALL REVIEW

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

CATV is well penetrated, particularly in urban regions. Media Partners Asia (MPA) 2013 estimates, that the total universe of TV Households in India will grow to 205 Million in 2020. Cable will continue to be a significant proportion of this universe and is expected to grow from 97 Million TVHH in 2012 to 106 Million TVHH in 2020. While the growth of the cable universe is modest the real opportunity lies in the implementation of mandatory Digital Addressable Systems (DAS) consequent to the enactment of the Cable Television Networks (Regulation) Amendment Act 2011.

OPPORTUNITIES, THREATS AND BUSINESS OUTLOOK

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

Our early focus has been on digitally enabling our universe of subscribers in the Phase I and Phase II cities that we serve. This has involved partnering with our Local Cable Operators / Distributors in adequately seeding Set Top Boxes (STBs), establishing back end infrastructure such as Digital Head-ends, Subscriber Management Systems (SMS), Conditional Access Systems (CAS) and Customer Contact Centers that are commensurate with the scaling up of operations.

RISKS AND CONCERNS

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

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

- a) Improving efficiency through innovative solutions
- b) Curtailing overheads by exercising strict control and regular review mechanism.
- c) Stringent control procedures for fast recoveries.
- d) Retiring off expensive loans.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

HUMAN RESOURCES

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

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

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

(Rs In Lacs)

Particulars	Year 2012-2013		Year 2011-2012	
	Amount	% of Total Income	Amount	% of Total Income
INCOME				
Income from Operations	1739.39	99.54	1570.53	99.61
Other Income	8.06	0.46	6.07	0.39
TOTAL	1747.45	100.00	1576.60	100.00
EXPENDITURE				
Operational Expenses	1372.99	78.57	935.59	59.34
Staff Cost	172.70	9.88	148.59	9.42
Other Expenses	239.43	13.70	249.18	15.80
Finance Charges	3.28	0.19	1.90	0.12
Depreciation / Amortization	76.05	4.35	78.99	5.01
TOTAL	1864.45	106.70	1414.25	89.70
Profit / (Loss) Before Taxation and Exceptional Items	(117.00)	(6.70)	162.35	10.30
Provision for Diminution of Investments	0	0.00	0	0.00
Exceptional Items	10.00	0.57	0	0.00
Profit / (Loss) Before Taxation	(127.00)	(7.27)	162.35	10.30
Provision for taxation				
Deferred Tax	5.26	0.30	7.53	0.48
Income Tax(MAT)	0.00	0.00	(31.90)	(2.02)
Profit / (Loss) After taxation	(121.74)	(6.97)	137.98	8.75

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITOR'S REPORT**To the Members of HATHWAY BHAWANI CABLETEL & DATACOM LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of HATHWAY BHAWANI CABLETEL & DATACOM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Emphasis of Matter

We draw attention to:

Note no. 4.12 to the accounts relating to basis of recognition of income in view of introduction of Digital Addressable System (DAS) by the Central Government in the metropolitan cities. In view of the prevailing circumstances, as explained in the said note, the Company has estimated its income from its networks located in these cities.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G.M.Kapadia & Co.
Chartered Accountants
Firm's Registration Number : 104767W

K. Y. Narayana
Membership Number : 60639

Place of Signature : Mumbai

Date : May 28, 2013

ANNEXURE TO THE AUDITOR'S REPORT

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief in our opinion, we further report that:

- (i) (a) The Company has maintained records of fixed assets, other than distribution equipments, showing particulars of assets, including quantitative details and location, except the following:-

location-wise particulars of some of the Distribution Equipments like cabling and other line equipments. As explained to us, nature of such assets is such that maintaining location-wise particulars is impractical; and-

location-wise particulars of Access Devices with the subscribers.

- (b) According to the information and explanations given to us, fixed assets, other than distribution equipments including Cable TV/ Internet Access Devices with the subscribers, were physically verified during the year as per the programme of verification which, in our opinion, is reasonable. Material discrepancies arising on such physical verification have been properly dealt within the books of accounts. *However, in absence of physical verification for distribution equipments and access devices, discrepancies have not been ascertained and not dealt within the books of accounts.*
- (c) During the year, Company has not disposed off any substantial/major part of fixed assets.
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management.
- (b) The procedures of physical verification, in our opinion, are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the sub-clauses (a) to (g) of the clause 4 (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system with regards to purchase of inventory and fixed assets and for the sale of goods and services. The management is in process of further strengthening the internal controls over documentation in certain areas so as to make it commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any other area of continuing failure to correct major weakness in internal controls *except internal controls relating to revenue recognition to the extent it relates to identification/ registration of ultimate subscribers.*

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

- (v) (a) According to the information and explanations given to us, we are of the opinion the transactions for the year that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time to the extent the same are available with the Company and / or in accordance with the approvals obtained from the Central Government, wherever applicable.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
- (vii) The Company has an internal audit system. However there is scope for increasing the coverage so as to commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Act in respect of certain service activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained subject to our comments as stated above. We have not, however, made a detailed examination of the same.
- (ix) (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as Provident Fund, investor education and protection fund, employees state insurance, income Tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues wherever applicable. According to the information and explanations given to us, there are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they become payable.
- (b) According to the information and explanation given to us, there are no dues payable by the Company on account of any dispute in case of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess as on 31st March 2013. Hence the question of depositing such dues on account of any dispute does not arise.
- (x) The accumulated losses at the end of the financial year are not in excess of fifty percent of Net Worth of the Company. The Company has neither incurred cash losses during the financial year covered by our audit nor in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment of dues to financial institution or bank or debenture holders.

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

For G.M.Kapadia & Co.
Chartered Accountants
Firm's Registration Number : 104767W

K. Y. Narayana
Membership Number : 60639

Place of Signature : Mumbai

Date : May 28, 2013

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

(Amount in Rupees)

	Note No.	As at March 31,	
		2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.01	80,000,000	80,000,000
Reserves and Surplus	2.02	(25,955,314)	(16,546,129)
Non-Current Liabilities			
Long-Term Borrowings	2.03	661,917	1,004,752
Deferred Tax Liabilities (Net)	2.04	2,403,278	2,928,929
Long-Term Provisions	2.07	1,963,894	1,447,873
Current Liabilities			
Short-Term Borrowings	2.08	4,391,150	-
Trade Payables	2.05	45,294,772	17,765,484
Other Current Liabilities	2.06	20,706,220	23,074,273
Short-Term Provisions	2.07	158,269	128,146
		129,624,186	109,803,328
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.09	38,834,297	37,599,385
Intangible Assets	2.10	8,893,909	10,303,031
Capital Work In Progress		1,012,359	477,914
		48,740,565	48,380,330
Non-Current Investments	2.11	8,084,157	8,084,157
Long-Term Loans and Advances	2.12	12,296,802	9,145,499
Trade Receivables	2.15	289,205	1,021,337
Other Non Current Assets	2.13	4,131,737	3,688,324
Current Assets			
Inventories	2.14	20,450	905,998
Trade Receivables	2.15	44,895,086	29,449,823
Cash and Bank Balances	2.16	1,813,485	4,454,516
Short Term Loans and Advances	2.12	9,241,909	4,452,698
Other Current Assets	2.13	110,790	220,646
		129,624,186	109,803,328
Summary of Significant Accounting Policies			
Refer accompanying notes, These notes are an integral part of the financial statements			
As per our Report of even Date			
For G. M. Kapadia & Co.		For and on behalf of the Board	
Chartered Accountants			
(K.Y. NARAYANA) Partner	(KULDEEP PURI) Managing Director	(JAGDISH KUMAR G. PILLAI) Chairman	
	(MILIND KARNIK) Director		
Place : Mumbai Dated : May 28, 2013		Place : Mumbai Dated : May 28, 2013	

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rupees)

	Note No.	For the year ended on March31,	
		2013	2012
INCOME			
Revenue from Operations	3.01	173,939,051	157,053,243
Other Income	3.02	805,817	606,704
		174,744,868	157,659,947
EXPENDITURE			
Purchase of Stock In Trade		10,009,025	2,785,236
Changes In Inventory of Stock In Trade	3.03	926,449	(388,202)
Operational Expenses	3.04	126,363,701	91,162,254
Employee Benefit Expenses	3.05	17,270,174	14,858,776
Other Expenses	3.06	23,943,430	24,917,659
		178,512,779	133,335,723
Earnings Before Finance Cost, Depreciation, Amortisation & Tax			
Depreciation / Amortisation	3.07	(3,767,911)	24,324,224
Finance Cost	3.08	7,604,347	7,898,756
		328,307	189,950
Profit / (Loss) before Prior Period Items, Exceptional Items and Tax			
Prior Period Adjustment (Net)	3.09	(11,700,565)	16,235,518
		(1,615,137)	(1,533,819)
Exceptional Items			
Provision for Doubtful Advances / Investments		1,000,000	-
Net Profit / (Loss) before Tax			
		(11,085,428)	17,769,337
Tax Expense			
Current Tax		-	3,190,034
Deferred Tax	2.04	(525,651)	(752,598)
Short/(Excess) Provision for Tax of Previous Years		(1,150,592)	207,114
Net Profit / (Loss) for the Year from Continuing Operations			
		(9,409,185)	15,124,787
Earnings per equity share (nominal value of share Rs. 10 each) from Continuing and Total operation			
Weighted Average Number of Shares		8,000,000	8,000,000
Earning/(Loss) Per Share (In Rs.) - Basic & Diluted	4.11	(1.18)	1.89
Summary of Significant Accounting Policies			
Refer accompanying notes. These notes are integral part of the financial statements.			
As per our Report of even Date		For and on behalf of the Board	
For G. M. Kapadia & Co.			
Chartered Accountants			
(K.Y. NARAYANA) Partner	(KULDEEP PURI) Managing Director	(JAGDISH KUMAR G. PILLAI) Chairman	
	(MILIND KARNIK) Director		
Place : Mumbai		Place : Mumbai	
Dated : May 28, 2013		Dated : May 28, 2013	

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rupees)

	Year ended March 31, 2013		Year ended March 31, 2013	
	Rupees	Rupees	Rupees	Rupees
1 CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT / (LOSS) BEFORE TAX PRIOR PERIOD		(11,085,428)		17,769,337
AND ADJUSTMENTS				
A Adjustment for :				
Depreciation \ Amortisation	7,604,347		7,898,754	
Provision Towards Shortage of Assets	-		432,217	
Assets Written Off.	-		70,717	
Irrecoverable Amount W/off (Net)	-		7,350,590	
Provision for Bad Debts	4,100,000		1,013,021	
Provision for Doubtful Advances / Investments	1,000,000			
Sundry Balance Written Back	-		(493)	
(Profit) / Loss on Sale of Fixed Assets Net	44,325		312,730	
Interest Expenses	155,299		189,950	
		12,903,971		17,267,486
Operating Profit Before Change in Working Capital		1,818,543		35,036,823
B Change in Working Capital				
(Increase) / Decrease in Inventories	885,548		(388,201)	
(Increase) / Decrease in Trade Receivable	(18,813,131)		(7,050,632)	
(Increase) / Decrease in Loans & Advances	(4,709,940)		(1,880,679)	
Increase / (Decrease) in Current Liabilities & Provisions	26,560,578		(9,885,584)	
		3,923,055		(19,205,096)
Cash Generated from Operations		5,741,598		15,831,727
Taxes Paid (Net)		(3,331,457)		(6,169,167)
Net Cash Flow from / (used in) Operating Activities		2,410,141		9,662,560
2 CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds for Sale of Fixed Assets	15,391		145,803	
Purchase of Fixed Assets	(8,877,496)		(8,912,096)	
Payment Towards Capital Advances	(82,083)		4,323,544	
Purchase of Investments	-		(61,000)	
Net Cash Flow from / (used in) Investing Activity		(8,944,188)		(4,503,749)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rupees)

	Year ended March 31, 2013		Year ended March 31, 2013	
	Rupees	Rupees	Rupees	Rupees
3 CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings (Net)	4,391,150		-	
Loan Term Borrowings Repaid	(342,835)		(1,747,622)	
Interest Charges	(155,299)		(189,950)	
Net Cash Flow from / (used in) Financing activity		3,893,016		(1,937,572)
Net Increase in Cash and Cash equivalent		(2,641,031)		3,221,239
Cash & Cash equivalents at the beginning of year		4,454,516		1,233,277
Cash & Cash equivalents at the end of year		1,813,485		4,454,516
Components of cash and cash equivalents				
Balances with banks:				
In Current Accounts		1,278,265		4,249,037
Fixed Deposits with original maturity of less than 3 months		-		-
Cash in hand		535,220		205,479
Total cash and cash equivalents		1,813,485		4,454,516

As per our Report of even Date

For G. M. Kapadia & Co.
Chartered Accountants

(K.Y. NARAYANA)
Partner

Place : Mumbai
Dated : May 28, 2013

For and on behalf of the Board

(KULDEEP PURI)
Managing Director
(MILIND KARNIK)
Director

(JAGDISH KUMAR G. PILLAI)
Chairman

Place : Mumbai
Dated : May 28, 2013

Significant Accounting Policies and Notes Forming Part of Accounts for the year ended 31st March 2013.

1 Method Of Accounting

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of services rendered by the Company and realization of consideration in cash and cash equivalents, the Company has ascertained its Operating Cycle as less than 12 months for the purpose of current – non-current classification of assets and liabilities.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2 Use of estimates

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

3 Fixed assets and intangible assets

(a) Intangible Assets

- (i) Intangible assets are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortisation and impairment, if any. Internally Generated assets are not recognised in the books of accounts.
- (ii) Intangible assets comprises of Cable Television Franchise, Goodwill and Software's.
- (iii) The aggregate consideration paid to acquire CATV / ISP Subscribers connected to a network along with Network assets and all the rights attached thereto are disclosed under the head Cable Television Franchise. In cases where value for assets acquired along with Subscribers

connected to the network is separately ascertained, the assets are capitalised under the relevant heads. The consideration paid for non-compete as per the underlying agreements is included in Goodwill.

(b) Tangible Assets

- (i) The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of purchase price, non refundable taxes and all expenses incurred in bringing the assets to its present location and condition for its intended use and includes installation and commissioning expenses. The indirect expenditure incurred during the pre-commencement period is allocated proportionately over the cost of the relevant assets.
- (ii) Cable Modems and Routers lying on hands at the year-end are included in capital Work in Progress. On installation, such devices are capitalized or treated as sale based on scheme opted by customers.
- (iii) Nature of some of the items included in Capital Work in Progress is such that the same may be used for repairs and maintenance.

4 Depreciation and amortisation

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

5 Investments

(a) Long-Term Investments:

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

(b) Current Investments:

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

6 Inventories

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

7 Borrowings cost

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

8 Provisions, contingent liabilities and contingent assets

- a) A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimation.
- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of
 - (i) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (ii) a possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent Assets are neither recognised, nor disclosed.

9 Employee benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits viz., gratuity, leave encashment, etc., are covered under Defined Benefit Plan. The cost of providing benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The amount of expense is determined on the basis actuarial valuation at each year-end by Projected Unit Credit Method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss in the period in which they occur. The Company presents the entire liability pertaining to leave encashment as a short term provision in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

10 Leases

Lease rentals in respect of assets taken on 'Operating Lease' are charged to statement of Profit and Loss over the lease term on systematic basis which is more representative of the time pattern of the Company's benefit.

11 Revenue recognition**(a) Income From Services**

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

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

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

Interest income is recognized on accrual basis.

(b) Sale of Goods

Revenue from sale of Access Devices 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.

12 Taxes on income

- a) Provision for Current Tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.
- b) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable income. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.
- c) 'Minimum Alternate Tax (MAT) credit is recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

effect that Company will pay normal Income Tax during the specified period. Tax on distributed profits payable in accordance with the provisions of section 115 O of the Income Tax Act, 1961 is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.'

13 Impairments

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

14 Cash & Cash Equivalent

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

15 Earning Per Share

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16 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.

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rupees)

2.01 SHARE CAPITAL	As at March 31,			
	2013		2012	
<p>Authorised Capital 10,000,000 (10,000,000) Equity Shares of face value of Rs. 10 Each</p>	100,000,000		100,000,000	
	100,000,000		100,000,000	
<p>Issued, Subscribed(fully paid) & Paid up Capital 8,000,000 (8,000,000) Equity Shares of face value of Rs. 10 each</p>	80,000,000		80,000,000	
	80,000,000		80,000,000	
a) Reconciliation of the number of shares outstanding as at the beginning and end of the reporting period :				
Particulars	As at March 31,			
	2013		2012	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	8,000,000	80,000,000	8,000,000	80,000,000
Shares Issued during the year	-	-	-	-
Shares bought back/ other movements during the year	-	-	-	-
Shares outstanding at the end of the year	8,000,000	80,000,000	8,000,000	80,000,000
b) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate				
Particulars	As at March 31,			
	2013		2012	
	No. of Shares Held		No. of Shares Held	
Its holding Company-				
Hathway Cable & Datacom Limited	1,920,000		1,920,000	
Hathway Media Vision Private Limited	2,160,000		2,160,000	
(100% Subsidiaries of HCDL)	4,080,000		4,080,000	

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rupees)

c) The details of shareholders holding more than 5% shares in the Company:				
Name of Shareholder	As at March 31,			
	2013		2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hathway Cable & Datacom Limited	1,920,000	24%	1,920,000	24%
Kuldeep Puri	504,339	6%	504,339	6%
Hathway Media Vision Private Limited	2,160,000	27%	2,160,000	27%

d) Rights, Preference and restrictions attached to Shares; Terms/ Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. 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 in proportion to the number of equity shares held by the share holders.

(Amount in Rupees)

2.02 RESERVES & SURPLUS	As at March 31,	
	2013	2012
Securities Premium Reserve		
Balance at the beginning of the year	15,000,000	15,000,000
Add: Securities premium credited on Share issue	-	-
Less: Deduction during the year	-	-
Balance at the end of the year	15,000,000	15,000,000
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(31,546,129)	(46,670,916)
Add : Net Profit / (Loss) after tax for the current year	(9,409,185)	15,124,787
Less : Transfer to Reserves	-	-
Deficit in the Statement of Profit and Loss	(40,955,314)	(31,546,129)
	(25,955,314)	(16,546,129)

(Amount in Rupees)

2.03 LONG TERM BORROWINGS:	Non- Current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Secured				
Vehicles Loans				
From Banks	49,010	158,593	109,582	99,116
From Financial Institutions	612,907	846,159	226,915	196,939
Total	661,917	1,004,752	336,497	296,055
Amount disclosed under the head 'Other Current Liabilities' (Note No. 2.06)			336,497	296,055
Net Amount	661,917	1,004,752	336,497	296,055

NOTES TO THE FINANCIAL STATEMENTS

Nature of Security and terms of repayment for secured borrowings:		
Nature of Security	Terms of Repayment	
(i) Vehicle Loans from Banks amounting to Rs.158,592 (March 31, 2012: Rs.257,709) are secured by Hypothecation of Vehicles.	Principal repayable in 60 equal monthly installments along with Interest. Applicable Rate of Interest is @ 11%/10.75%. 1st installment due from Nov.2010/ June.2011.	
(ii) Vehicle Loans from Financial Institute amounting to Rs.839,822 (March 31, 2012: Rs.1,043,098) are secured by Hypothecation of Vehicles.	Principal repayable in 60 equal monthly installments along with Interest. Applicable Rate of Interest is @ 11%/10.75%. 1st installment due from Nov.2010/ June.2011.	
<i>(Amount in Rupees)</i>		
2.04 DEFERRED TAX LIABILITIES (NET)	As at March 31,	
	2013	2012
Deferred Tax Assets		
Provision for Grauity	415802	308431
Disallowance under section 43B	239,946	178,559
Income earned during the pre-commencement period	237,267	237,267
Total(A)	893,015	724,257
Deferred Tax Liabilities		
Fixed Assets	3,296,293	3,653,186
Total(B)	3,296,293	3,653,186
Net Deferred Tax Liabilities (A-B)	2,403,278	2,928,929
<p>In the absence of virtual certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has not recognized deferred tax assets on unabsorbed depreciation and business losses.</p> <p style="text-align: right;"><i>(Amount in Rupees)</i></p>		
2.05 TRADE PAYABLES	Current	
	As at March 31,	
	2013	2012
Pay channel cost	40,079,553	14,173,236
Others	5,215,219	3,592,248
	45,294,772	17,765,484
<p>*As per the information available with the Company, none of the creditors qualify as supplier under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") and accordingly no disclosure is made pursuant to section 22 of the Act.</p>		

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.06 OTHER LIABILITIES	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Current Maturities of Long term borrowings (Ref.Note 2.3)	-	-	336,497	296,055
Payable for Capital Goods	-	-	1,993,588	2,846,783
Overdrawn Bank Balance as per Books	-	-	2,096,440	972,594
Security Deposits Received	-	-	5,479,821	6,014,208
Other Payables				
Income Received in Advance	-	-	3,539,847	7,494,243
Service Tax accrued but not due	-	-	288,137	508,811
Statutory Payable	-	-	1,210,817	539,083
Other Current Liabilites-				
Hathway Bhawani Sai Network Pvt Ltd	-	-	-	39,700
Payables to Employees	-	-	3,423,968	2,032,042
Outstanding Liabilities for Expenses	-	-	2,337,105	2,330,754
	-	-	20,706,220	23,074,273
<i>(Amount in Rupees)</i>				
2.07 PROVISIONS	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Provision for employee benefits				
Gratuity	1,277,483	940,413	68,156	57,744
Leave Encashment	686,411	507,460	90,113	70,402
	1,963,894	1,447,873	158,269	128,146
<i>(Amount in Rupees)</i>				
2.08 SHORT TERM BORROWINGS	As at March 31,			
	2013		2012	
	2013	2012	2013	2012
Secured				
Loans repayable on demand				
Term Loans from Banks			2,504,939	-
Cash Credit - Bank of Maharashtra			1,886,211	-
			4,391,150	-
The Loan is secured against Hypothecation of Book Debts, Headend Equipments & Fixed Deposit Receipt of Rs. 33.61 Lakhs				

FIXED ASSETS

(Amount in Rupees)

	←-----Gross Block (at Cost)-----→				←-----Depreciation/Amortisation/Impairment-----→				←-----Net Block-----→	
	As at 1-Apr-12	Additions During the year	Deductions During the year	As at 31-Mar-13	As at 1-Apr-12	Additions During the year	Deductions During the year	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
2.09 TANGIBLE ASSETS										
Distribution Equipments	68,160,305	6,416,279	194,687	74,381,897	40,333,815	4,324,908	134,978	44,523,745	29,858,152	27,826,489
Headend Equipments	18,852,395	158,581	-	19,010,976	13,472,465	761,986	-	14,234,461	4,776,515	5,379,930
Furniture & Fixtures	4,614,692	212,505	-	4,827,197	3,629,251	184,103	-	3,813,354	1,013,843	985,441
Office Equipment	791,774	37,780	-	829,554	335,347	66,729	-	402,076	427,478	456,427
Electrical Fittings	307,774	15,630	-	323,404	191,045	17,887	-	208,932	114,472	116,729
Structural Fittings	108,275	-	-	108,275	108,275	-	-	108,275	-	-
Air conditioners	618,112	487,886	-	1,105,998	409,971	64,108	-	474,079	631,919	208,141
Pagers & Mobiles	424,367	1,250	-	425,617	324,611	15,127	-	339,738	85,879	99,756
Computers	2,946,186	156,750	675	3,102,261	2,394,789	245,825	668	2,639,946	462,314	551,397
Vehicles	3,578,591	3,200	-	3,581,791	1,603,521	514,545	-	2,118,066	1,463,725	1,975,070
Total	100,402,471	7,489,861	195,362	107,686,970	62,803,090	6,195,228	135,646	68,862,672	38,834,297	37,599,380
Previous year	96,733,167	8,784,075	5,114,772	100,402,471	60,834,817	6,121,578	4,153,305	62,803,090	37,599,385	35,898,350
CWIP	-	-	-	-	-	-	-	-	1,012,359	477,914
Total	-	-	-	-	-	-	-	-	1,012,359	477,914
Previous year	-	-	-	-	-	-	-	-	477,914	490,450

FIXED ASSETS

(Amount in Rupees)

	Gross Block (at Cost)				Depreciation/Amortisation/Impairment				Net Block	
	As at 1-Apr-12	Additions During the year	Deductions During the year	As at 31-Mar-13	As at 1-Apr-12	Additions During the year	Deductions During the year	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
2.10 INTANGIBLE ASSETS										
Cable TV Franchise	26,346,020	-	-	26,346,020	16,358,045	1,317,301	-	17,675,346	8,670,674	9,987,975
Good Will	100,000	-	-	100,000	72,224	20,000	-	92,224	7,776	27,776
Computer software	624,660	-	-	624,660	337,380	71,821	-	409,201	215,459	287,280
Total	27,070,680	-	-	27,070,680	16,767,649	1,409,122	-	18,176,771	8,893,909	10,303,031
Previous year	27,340,530	140,550	410,400	27,070,680	15,400,873	1,777,176	410,400	16,767,649	10,303,031	11,939,657

Note:

1) Range of remaining period of amortisation of Intangible Assets is as below:	1 to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		Total WDV	
Goodwill	7776	-	-	-	-	-	-	-	-	7,776
Cable Television Franchise	6,586,500	2,084,174	-	-	-	-	-	-	-	8,670,674
Softwares	164,330	38,996	-	-	9,254	-	2,879	-	-	215,459

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

NOTES TO THE FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.11 NON-CURRENT INVESTMENTS	As at March 31,		As at March 31,	
	2013	2012	2013	2012
	Quantity	Rupees	Quantity	Rupees
Trade Investments				
Unquoted equity instruments (Fully Paid)				
Investment in Subsidiary				
Hathway Bhawani NDS Network Pvt.Ltd.	15810	7,905,157	15810	7,905,157
Hathway Bhawani Sai Network Pvt.Ltd.	116	58,000	116	58,000
Investments in Government or trust securities				
National Saving Certificates		121,000		121,000
(Pledged with Government Authorities)				
		8,084,157		8,084,157
<i>(Amount in Rupees)</i>				
2.12 LOANS AND ADVANCES	Long - Term		Short - Term	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Capital Advances				
Unsecured, considered good unless stated otherwise				
Advances to other Cable Ventures	1,000,000	1,000,000	-	-
Advances for Network Acquisitions	3,405,627	3,323,544	-	-
	4,405,627	4,323,544	-	-
Less: Provision for doubtful Advances	1,000,000	-	-	-
Total (A)	3,405,627	4,323,544	-	-
Security Deposits				
Unsecured, considered good				
Sundry Deposits	3,016,115	2,712,524	-	-
Total (B)	3,016,115	2,712,524	-	-
Other Loans and advances				
Unsecured, considered good unless stated otherwise				
Taxes Paid (Net of Provision)	5,875,060	2,109,179	3,264,959	1,463,232
Prepaid Expenses	-	252	1,056,255	289,537
Sundry Advances	-	-	10,000	335,380
Staff Advances	-	-	222,294	134,819
Service Tax Claimable	-	-	1,580,281	964,270
Cenvat Receivable	-	-	3,108,120	1,265,460
Total (C)	5,875,060	2,109,431	9,241,909	4,452,698
Total (A+B+C)	12,296,802	9,145,499	9,241,909	4,452,698

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.13 OTHER ASSETS	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Unsecured, considered good unless stated otherwise				
Fixed Deposit with Bank (Refer Note No. 2.16)	3,990,219	3,333,326	-	-
Interest Accrued and Not Due	141,518	354,998	110,790	220,646
	4,131,737	3,688,324	110,790	220,646
<i>(Amount in Rupees)</i>				
2.14 INVENTORIES	As at March 31,			
	2013		2012	
	2013	2012	2013	2012
CATV - Set Top Boxes	20,450	905,998	20,450	905,998
Set Top Boxes are valued at lower of cost or net realizable value.				
<i>(Amount in Rupees)</i>				
2.15 TRADE RECEIVABLES	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Unsecured, considered good unless stated otherwise				
- Unsecured, considered good	-	-	44,895,086	29,449,823
- Doubtful	12,416,331	11,898,523		
	12,416,331	11,898,523	44,895,086	29,449,823
Less: Provision for doubtful receivables	12,127,126	10,877,186	-	-
	289,205	1,021,337	44,895,086	29,449,823
Outstanding for a period exceeding six months from the date they are due for payment	-	-	21,327,351	6,893,584
Others receivables	-	-	23,567,735	22,556,239
	289,205	1,021,337	44,895,086	29,449,823

NOTES TO THE FINANCIAL STATEMENTS

Trade Receivables include receivable from private companies in which director of the Company is a director or member as detailed below: <i>(Amount in Rupees)</i>				
Particulars			Current Year	Previous Year
Private Company in which Director is a member			3,415,638	2,601,188
<i>(Amount in Rupees)</i>				
2.16 CASH AND BANK BALANCES	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Cash and Cash Equivalents				
Balances with Banks				
In current Accounts	-	-	1,278,265	4,249,037
Cash on hand	-	-	535,220	205,479
Total (A)	-	-	1,813,485	4,454,516
Other Bank Balances				
Deposits with more than 12 months maturity	3,990,219	3,333,326	-	-
Total (B)	3,990,219	3,333,326	-	-
Less: Amount disclosed under Other non current assets (Refer Note No.2.13) (C)	(3,990,219)	(3,333,326)	-	-
Total (A +B +C)	-	-	1,813,485	4,454,516
1) Out of the above Fixed deposits with Bank of Maharashtra, deposits of Rs. 582,662 (Previous year Rs.575,032) is given as security against Outstanding Bank Guarantees and deposits of Rs. 3,361,440 (Previous year Rs. 2,758,294) is given as security against cash credit limit with the said bank.				

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

<i>(Amount in Rupees)</i>		
3.01 REVENUE FROM OPERATIONS	For the year ended March 31,	
	2013	2012
<u>Sale of services</u>		
Subscription Income	159,382,592	151,305,466
Advertisement Income	511,242	2,052,000
Rental Income on Equipments	688,709	661,772
<u>Sale of products</u>		
Sale of Devices	13,356,508	3,034,005
	173,939,051	157,053,243
<i>(Amount in Rupees)</i>		
3.02 OTHER INCOME	For the year ended March 31,	
	2013	2012
Interest on Fixed Deposit	322,890	275,221
Interest on Loans	11,067	102,836
Interest on Income Tax Refund	373,841	-
Amount No Longer Payable Written Back	-	493
Miscellaneous Income	98,019	228,154
	805,817	606,704
<i>(Amount in Rupees)</i>		
3.03 CHANGES IN INVENTORY OF STOCK IN TRADE	For the year ended March 31,	
	2013	2012
Opening stock	905,999	517,797
(Less) Closing stock	(20,450)	905,999
	926,449	(388,202)

NOTES TO THE FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>		
3.04 OPERATIONAL EXPENSES	For the year ended March 31,	
	2013	2012
Bandwidth & Lease Line Cost	11,842,429	8,058,047
Consultancy Charges	1,792,100	1,492,650
Commission	322,685	187,459
Feed Charges	1,239,294	1,356,606
Pay Channel Cost	84,496,610	66,429,100
Repairs & Mainenance - Machinery	1,846,427	408,878
Rent	4,040,339	3,676,492
Software & Programming Cost	3,303,748	101,270
Transport Charges	46,710	36,415
Other Operating Expenses	17,433,359	9,415,337
	126,363,701	91,162,254
<i>(Amount in Rupees)</i>		
3.05 EMPLOYEE BENEFITS EXPENSE	For the year ended March 31,	
	2013	2012
Salaries and wages	14,880,787	13,132,799
Contribution to Provident fund and other funds	1,264,808	780,485
Other Staff Cost	889,563	518,780
Staff welfare expenses	235,016	426,712
	17,270,174	14,858,776

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

3.06 OTHER EXPENSES	<i>(Amount in Rupees)</i>	
	For the year ended March 31,	
	2013	2012
Advertisement & Promotion expenses	1,302,930	748,693
Business promotion expenses	636,837	588,872
Communication charges	671,360	558,576
Conveyance	2,838,533	2,159,620
Donation	17,752	22,500
Electricity charges	3,330,544	1,295,829
Insurance Others	45,530	111,455
Legal & Professional charges	271,036	491,858
Shortage of Fixed Assets	-	432,217
Loss on Sale of Asset (Net)	44,325	312,730
Assets Written off.	-	70,717
Miscellaneous Expenses	199,755	225,119
Printing and stationery	615,465	466,086
Rates and taxes	4,091,841	3,818,829
Repairs & Maintenance - Others	427,917	1,156,159
Services charges	2,088,000	1,878,500
Office expenses	2,803,605	1,879,288
Payment to Auditors		
- As Auditor	230,000	170,000
- For taxation matters	50,000	50,000
- For company law matters		
Managerial Remuneration		
Sitting Fees	178,000	117,000
Irrecoverable amounts written off (Net of Rs Nil (Previous year Rs.4,706,061 Adjusted against Provision for Doubtful Debts))	-	7,350,590
Provision for Doubtful Debts	4,100,000	1,013,021
	23,943,430	24,917,659

NOTES TO THE FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>		
3.07 DEPRECIATION AND AMORTISATION	For the year ended March 31,	
	2013	2012
Depreciation on Tangible Assets	6,267,046	6,223,895
Amortisation on Intangible Assets	1,337,301	1,674,861
	7,604,347	7,898,756
<i>(Amount in Rupees)</i>		
3.08 FINANCE COST	For the year ended March 31,	
	2013	2012
Interest Expenses & Finance Charges	155,299	141,588
Bank Charges	173,008	48,362
	328,307	189,950
<i>(Amount in Rupees)</i>		
3.09 PRIOR PERIOD ADJUSTMENTS	For the year ended March 31,	
	2013	2012
Expenses of earlier years debited to Statement of profit & loss	113,053	491,353
Reversal of income of earlier years debited to Statement of profit & loss	-	94,397
(A)	113,053	585,750
Income of earlier year credited to Statement of profit & loss	(250,000)	(124,397)
Reversal of Expense earlier years credited to Statement of profit & loss	(1,478,190)	(1,995,172)
(B)	(1,728,190)	(2,119,569)
Net Amount credited to Statement of profit & loss (A-B)	(1,615,137)	(1,533,819)

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Notes forming part of Accounts for the year ended 31st March 2013

- 4.1 Additional information as required under para 5 (viii) of part ii of Revised Schedule VI to the Companies Act, 1956 has been given to the extent applicable to the company.

<u>Particulars</u>	<u>Current Year</u> <u>Rs.</u>	<u>Previous Year</u> <u>Rs.</u>
CIF Value of Imports	Nil	Nil
Expenditure in foreign currency	Nil	Nil
Earning in foreign currency	Nil	Nil

- 4.2 Director's Remuneration:

<u>Particulars</u>	<u>Current Year</u> <u>Rs.</u>	<u>Previous Year</u> <u>Rs.</u>
Remuneration to Managing Director	1,335,000	1,020,000
Reimbursement of Expenses	139,887	368,165

- 4.3 In the opinion of the Board, the long term loans & advances, trade receivables and all current assets have a realizable value in the ordinary course of business not less than the amount at which they are stated in the Balance sheet

- 4.4 The Trade Receivables includes amount due from disconnected / inactive customers and outstanding in excess of one year. The Company is taking adequate steps for recovery of overdue debts and advances and wherever necessary, adequate provisions have been made. In the opinion of the Board, long-term Loans & Advances, Trade Receivables and Current Assets have a realizable value in the ordinary course of business not less than the amount at which they are stated in the Balance Sheet.

- 4.5 CAPITAL OTHER COMMITMENT

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

The Company in its ordinary course of business has promoted / acquired interest in various entities. Considering the long-term involvement of the Company in these entities and strategic impact it has on the business of the Company, the Company has committed to provide operating and financial support to these entities.

- 4.6 CONTINGENT LIABILITIES

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

4.7 EMPLOYEE BENEFITS

a) Defined Benefit Plans:

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

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

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

Category	As at 31 st March 2013 [Gratuity (Rs.)]	As at 31 st March 2012 [Gratuity (Rs.)]
1 Change in benefit obligations:		
Projected benefit obligations at beginning of the year	998,157	823,795
Current Service Cost	143,082	137,531
Interest Cost	96,220	77,693
Benefits Paid	(11,492)	(19,615)
Actuarial Gain / (Loss)	119,672	(21,247)
Past Service Cost	-	-
Projected benefit obligations at end of the year	1,345,639	998,157
2 Change in plan assets:		
Contributions by Employer	11,492	19,615
Benefits Paid	(11,492)	(19,615)
3 Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligations at the end of the year	1,345,639	998,157
Liability / (Asset) recognised in the Balance Sheet	1,345,639	998,157
4 Cost for the year		
Current Service Cost	143,082	137,531
Interest Cost	96,220	77,693
Actuarial Gain / (Loss)	119,672	(21,247)
Net Cost recognised in the Statement of Profit and Loss	358,974	193,977
5 Assumptions		
Interest rate for discount	8.05%	8.65%
Estimated rate of return on plan assets	0%	0%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
Salary Escalation	7%	3% - 7%

b) Defined Contribution Plans:

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

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Benefits	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	1,345,639	998,157	823,795	692,852	676,209
Plan assets	1,345,639	998,157	823,795	692,852	676,209
Surplus/(Deficit)	-	-	-	-	-
Experience adjustment on obligation - gain/(loss)	119,672	(21,247)	(6,412)	(203,500)	16,941
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-
Experience adjustment (best estimate) to funded plans in subsequent finance year	119,672	(21,247)	(6,412)	(203,500)	16,941

4.8 SEGMENTAL REPORTING

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

4.9 RELATED PARTY DISCLOSURES

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

Description	Enterprises where Control exists	Management Key Personnel	Relatives of Key Management Personnel
1. Remuneration paid Mr.Kuldeep Puri	Nil (Nil)	1,335,000 (1,020,000)	Nil (Nil)
2. Consultancy paid - Kulbhushan Puri	Nil (Nil)	Nil (Nil)	1,395,000 (1,080,000)
3. Professional Fees paid	Nil (Nil)	Nil (Nil)	Nil (Nil)
4. Reimbursement of expenses paid Mr.KuldeepPuri	Nil (Nil)	139,887 (368,165)	Nil (Nil)
Mr.Kulbhushan Puri	Nil (Nil)	Nil (Nil)	399,671 (376,771)

5. Purchase of Assets/ STB Hathway Cable & Datacom Ltd.	10,148,889 (2,824,444)	Nil (Nil)	Nil (Nil)
6. Other transactions/ Lease Rent CMTS Hathway Cable & Datacom Ltd.	18,711,787 (4,197,748)	Nil (Nil)	Nil (Nil)
7. Advertisement Revenue/Carriage fees Hathway Cable & Datacom Ltd.	29,333,331 (12,321,233)	Nil (Nil)	Nil (Nil)
8. Inputer charge earned/consultancy charges earned Hathway Bhawani NDS Network Pvt.Ltd.	2,611,410 (2,768,974)	Nil (Nil)	Nil (Nil)
9. Sale of assets/STB Hathway Bhawani NDS Network Pvt.Ltd.	287,200 (868,978)	Nil (Nil)	Nil (Nil)
10. ISP Access Expenses Hathway Cable & Datacom Ltd.	6,739,020 (7,773,577)	Nil (Nil)	Nil (Nil)
11. Outstanding balance:			
- Sundry Debtors Hathway Bhawani NDS Network Pvt.Ltd.	3,415,638 (2,601,188)	Nil (Nil)	Nil (Nil)
- Sundry Debtors Hathway Bhawani Sai Networks Pvt. Ltd.	55,591 (55,591)	Nil (Nil)	Nil (Nil)
- Sundry Creditors Hathway Cable & Datacom Ltd.	3,691,707 (368,374)	Nil (Nil)	Nil (Nil)
- Mr.Kuldeep Puri	Nil (Nil)	517,991 (68,612)	Nil (Nil)
- Mr.Kulbhushan Puri	Nil (Nil)	Nil (Nil)	534,258 (81,000)

4.10 LEASES

The Company has leasing arrangements in terms of Accounting Standard 19 on "Leases" as applicable. These leasing arrangements, which are cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. The amount of such lease rentals debited to the Statement of Profit and Loss for the year is Rs.4,040,339 (Previous Year Rs. 3,676,492/-).

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

4.11 EARNING PER SHARE

Particulars	Current Year	Previous Year
Profit \ (Loss) after tax (including prior period adjustment and adjustment for short provision of earlier years) – (Rs.)	(9,409,185)	15,124,787
No. of ordinary shares (No.'s)	8,000,000	8,000,000
Nominal value of ordinary shares (Rs.)	10	10
Basic and Diluted Earnings per share (Rs.)	(1.18)	1.89

4.12 With effect from November 01, 2012 vide notification no S.O.1408(E) dated June 21, 2012, DAS was introduced in the four metropolitan cities of the country. Under DAS scenario, the Company as well as other Multi System Operators are in the process of finalizing the fresh terms of revenue sharing arrangement with the Local Cable Operators through whom cable television services are rendered to ultimate subscribers. Pending finalization of legally enforceable contracts / arrangements, the Company has estimated activation fees and subscription and has raised invoices. Such estimation is based on ongoing discussions with LCOs, market trend and also considering the collections made till date. Since such estimation are on conservative basis, the management has reasonable certainty of collecting the amount billed to the LCOs. The management has reviewed the status on constant basis and wherever felt necessary, has issued credit notes to reverse the revenue.”

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

4.14 previous year figures have been rearranged and regrouped wherever necessary.

As per our Report of even Date

For G. M. Kapadia & Co.
Chartered Accountants

For and on behalf of the Board

(K.Y. NARAYANA)
Partner

(KULDEEP PURI)
Managing Director

(JAGDISH KUMAR G. PILLAI)
Chairman

(MILIND KARNIK)
Director

Place : Mumbai
Dated : May 28, 2013

Place : Mumbai
Dated : May 28, 2013

INDEPENDENT AUDITOR'S REPORT**To the Members of HATHWAY BHAWANI CABLETEL & DATACOM LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of HATHWAY BHAWANI CABLETEL & DATACOM LIMITED ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the Balance Sheet as at March 31, 2013 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to:

Note no. 4.10 to Consolidated Financial Statements relating to basis of recognition of income in view of introduction of Digital Addressable System (DAS) by the Central Government in the metropolitan

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

cities. In view of the prevailing circumstances, as explained in the said note, the Company has estimated its income from its networks located in these cities.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS)-21 "Consolidated Financial Statements".

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors on the financial statement of the components, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We have not audited the financial statements of subsidiaries whose audited financial statements reflect total assets of Rs. 17,794,656 as on March 31, 2013, total revenues of Rs. 11,316,575 and net cash outflows of Rs.431,555 for the year ended March 31, 2013; and these financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries is based solely on the report of other auditors.

For G.M.Kapadia & Co.
Chartered Accountants
Firm's Registration Number : 104767W

K. Y. Narayana
Membership Number : 60639

Place of Signature : Mumbai

Date : May 28, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013 (Amount in Rupees)

Particulars	Note No.	As at March 31,	
		2013	2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.01	80,000,000	80,000,000
Reserves and Surplus	2.02	(29,655,330)	(22,472,852)
Minority Interest		9,767,226	15,283,377
Share application money pending allotment		-	-
Non-Current liabilities			
Long-Term Borrowings	2.03	661,917	1,004,752
Deferred Tax Liabilities (Net)	2.04	2,403,278	2,928,929
Long-Term Provisions	2.07	1,963,894	1,447,873
Current liabilities			
Short-Term Borrowings	2.08	4,391,150	-
Trade Payables	2.05	45,239,181	17,765,484
Other Current Liabilities	2.06	21,015,159	23,334,504
Short-Term Provisions	2.07	158,269	128,146
		135,944,744	119,420,213
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.09	39,171,024	37,913,425
Intangible Assets	2.10	16,467,458	20,905,992
Capital Work in Progress		1,012,359	477,914
		56,650,841	59,297,331
Non-Current Investments	2.11	121,000	121,000
Long-Term Loans And Advances	2.12	18,267,806	15,148,054
Trade Receivables	2.15	289,205	1,021,337
Other Non Current Assets	2.13	4,131,737	3,688,324
Current Assets			
Inventories	2.14	60,450	1,121,198
Trade Receivables	2.15	43,515,757	27,911,865
Cash and Bank Balances	2.16	3,251,061	6,323,647
Short Term Loans & Advances	2.12	9,546,097	4,566,811
Other Current Assets	2.13	110,790	220,646
		135,944,744	119,420,213
Summary of Significant Accounting Policies	1.00		
The accompanying notes are an integral part of the financial statements			
As per our Report of even Date			
For G. M. Kapadia & Co.		For and on behalf of the Board	
Chartered Accountants			
(K.Y. NARAYANA)	(KULDEEP PURI)	(JAGDISH KUMAR G. PILLAI)	
Partner	Managing Director	Chairman	
	(MILIND KARNIK)		
	Director		
Place : Mumbai		Place : Mumbai	
Dated : May 28, 2013		Dated : May 28, 2013	

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rupees)

Particulars	Note No.	For the year ended on March31,	
		2013	2012
INCOME			
Revenue from Operations	3.01	182,357,016	164,591,780
Other Income	3.02	805,817	606,704
		183,162,833	165,198,484
EXPENDITURE			
Purchase of Stock in Trade		10,220,125	2,911,423
Changes In Inventory of Stock In Trade	3.03	926,449	(388,202)
Operational Expenses	3.04	128,674,251	90,917,946
Employee Benefits Expenses	3.05	20,200,514	17,573,466
Other Expenses	3.06	27,106,930	30,292,877
		187,128,269	141,307,510
Earnings Before Finance cost, Depreciation, Amortisation and Tax		(3,965,436)	23,890,974
Depreciation / Amortisation	3.07	10,690,822	10,996,104
Finance Cost	3.08	346,056	284,769
Profit / (Loss) Before Prior Period Items, Exceptional Items and Tax		(15,002,314)	12,610,101
Prior Period Adjustments	3.09	(1,627,443)	(1,533,819)
Exceptional Items			
Provision for Doubtful Advances / Investments / Receivables		1,000,000	-
Net Profit / (Loss) before Tax		(14,374,871)	14,143,920
Tax Expenses			
Current Tax		-	3,190,034
Deferred Tax	2.04	(525,651)	(752,598)
Short / (Excess) Provision for Tax of Previous Years		(1,150,592)	207,114
		-	-
Net Profit / (Loss) for the Year		(12,698,628)	11,499,370
Minority Interest		1,615,657	1,783,994
Net Profit / (Loss) for the Year from Continuing Operations		(11,082,971)	9,715,376
Earnings per equity share (nominal value of share Rs. 10 each) from Continuing and Total operation			
Weighted Average Number of Shares - Basic		8,000,000	8,000,000
Earning / (Loss) Per Share (In Rs.) - Basic	4.09	(1.59)	1.44
Weighted Average Number of Shares - Diluted		8,000,000	8,000,000
Earning / (Loss) Per Share (In Rs.) - Diluted		(1.39)	1.21
Summary of Significant Accounting Policies	1.00		
The accompanying notes are an integral part of the financial statements			
As per our Report of even Date			
For G. M. Kapadia & Co.		For and on behalf of the Board	
Chartered Accountants			
(K. Y. NARAYANA)	(KULDEEP PURI)	(JAGDISH KUMAR G. PILLAI)	
Partner	Managing Director	Chairman	
	(MILIND KARNIK)		
	Director		
Place : Mumbai		Place : Mumbai	
Dated : May 28, 2013		Dated : May 28, 2013	

29th ANNUAL REPORT

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 (Amount in Rupees)

	Year ended March 31, 2013		Year ended March 31, 2013	
	Rupees	Rupees	Rupees	Rupees
1 CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT / (LOSS) AFTER TAX PRIOR PERIOD AND ADJUSTMENTS		(12,759,214)		12,359,926
A Adjustment for :				
Depreciation \ Amortisation	10,690,822		10,996,104	
Provision Towards Shortage of Fixed Assets	-		432,217	
Assets Written off	-		70,717	
Preliminary Exp Written off	35,211		31,550	
Minority Interest	(1,615,657)		1,783,994	
Irrecoverable Amount w/off (Net)	-		7,350,590	
Provision for Bad Debts	4,100,000		1,013,021	
Sundry Balance Written back	-		493	
Provision for Doubtful Advances / Investments / Receivables	1,000,000		-	
(Profit) / Loss on Sale of Fixed Assets Net	44,325		312,730	
Interest Expense	172,459		235,495	
		14,427,160		22,226,911
Operating Profit Before Change in Working Capital		1,667,946		34,586,837
B Change in Working Capital				
(Increase) / Decrease in Inventories	1,060,748		(460,334)	
(Increase) / Decrease in Trade Receivable	(18,971,760)		(4,983,954)	
(Increase) / Decrease in Loans & Advances	(4,868,464)		(7,708,900)	
Increase / (Decrease) in Liabilities & Provisions	26,518,483		(4,776,030)	
		3,739,007		(17,929,218)
Cash Generated from Operations		5,406,953		16,657,619
Taxes Paid (Net)		(3,331,456)		(6,169,171)
Net Cash Flow from / (used in) Operating Activities		2,075,497		10,488,448
2 CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds for Sale of Fixed Assets	15,391		145,803	
Purchase of Fixed Assets	(8,957,247)		(8,912,094)	
Payment Towards Capital Advances	(82,083)		4,323,544	
Purchase of Investments	-		(3,000)	
Net Cash Flow from / (used in) Investing Activities		(9,023,939)		(4,445,747)

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rupees)

	Year ended March 31, 2013		Year ended March 31, 2013	
	Rupees	Rupees	Rupees	Rupees
3 CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowing (net)	4,391,150			
Loan Term Borrowing repaid	(342,835)		(1,747,622)	
Interest Charges	(172,459)		(235,495)	
Net Cash Flow from / (used in) Financing Activities		3,875,856		(1,983,117)
Net Increase in Cash and Cash equivalent		(3,072,586)		4,059,586
Cash & Cash equivalents at the beginning of year		6,323,647		2,264,061
Cash & Cash equivalents at the end of year		3,251,061		6,323,647
Components of cash and cash equivalents				
Balances with banks:				
In Current Accounts		1,577,319		4,370,499
Credit balance in Bank Accounts		-		-
Fixed Deposits with original maturity of less than 3 months		-		-
Cash in hand		1,673,742		1,953,148
Total of cash and cash equivalents		3,251,061		6,323,647

As per our Report of even Date

For G. M. Kapadia & Co.
Chartered Accountants

(K.Y. NARAYANA)
Partner

Place : Mumbai
Dated : May 28, 2013

For and on behalf of the Board

(KULDEEP PURI)
Managing Director
(MILIND KARNIK)
Director

(JAGDISH KUMAR G. PILLAI)
Chairman

Place : Mumbai
Dated : May 28, 2013

Significant accounting policies and notes on accounts to consolidated financial statements

These Significant Accounting policies and notes to accounts form part of, the Consolidated Financial Statements for the year ended 31 March 2013. The consolidated financial statement comprises of Hathway Bhawani Cabletel & Datacom Limited ("The Company") and its subsidiaries, (collectively referred to as "The Group").

BACKGROUND

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

Significant Accounting Policies**1 Method Of Accounting**

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of services rendered by the Company and realization of consideration in cash and cash equivalents, the Company has ascertained its Operating Cycle as less than 12 months for the purpose of current – non-current classification of assets and liabilities.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2 Principles Of Consolidation

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

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements. The

figures pertaining to the Subsidiary Companies have been recast/ reclassified wherever necessary to bring them in line with the parent Company's financial statements.

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

The Notes and Significant accounting policies to the Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Group. In this respect, the Company has disclosed such notes and policies which fairly present the needed disclosures, and such other notes and statutory information disclosed in the financial statements of the parent and the subsidiary companies which are not having any effect on the true and fair view of the Consolidated Financial Statements are excluded.

Subsidiaries

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions. The unrealized profits or losses resulting from the intra-group transactions have been eliminated and unrealised losses resulting from the intra-group transactions have also been eliminated unless cost cannot be recovered.

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

3 Use of estimates

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

4 Fixed assets and intangible assets

(a) Intangible Assets

- (i) Intangible assets are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortisation and impairment, if any. Internally Generated assets are not recognised in the books of accounts.

- (ii) Intangible assets comprises of Cable Television Franchise, Goodwill and Software's.
- (iii) The aggregate consideration paid to acquire CATV / ISP Subscribers connected to a network along with Network assets and all the rights attached thereto are disclosed under the head Cable Television Franchise. In cases where value for assets acquired along with Subscribers connected to the network is separately ascertained, the assets are capitalised under the relevant heads. The consideration paid for non-compete as per the underlying agreements is included in Goodwill.

(b) Tangible Assets

- (i) The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of purchase price, non refundable taxes and all expenses incurred in bringing the assets to its present location and condition for its intended use and includes installation and commissioning expenses. The indirect expenditure incurred during the pre-commencement period is allocated proportionately over the cost of the relevant assets.
- (ii) Cable Modems and Routers lying on hands at the year-end are included in capital Work in Progress. On installation, such devices are capitalized or treated as sale based on scheme opted by customers.
- (iii) Nature of some of the items included in Capital Work in Progress is such that the same may be used for repairs and maintenance.

5 Depreciation and Amortisation

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

6 Investments

(a) Long-Term Investments:

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

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On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

(b) Current Investments:

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

7 Inventories

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

8 Borrowings cost

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

9 Provisions, contingent liabilities and contingent assets

- a) A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimation.
- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of
 - (i) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (ii) a possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent Assets are neither recognised, nor disclosed.

10 Employee benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits viz., gratuity, leave encashment, etc., are covered under Defined Benefit Plan. The cost of providing benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The amount of expense is determined on the basis actuarial valuation at each year-end by Projected Unit Credit Method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss in the period in which they occur. The Company presents the entire liability pertaining to leave encashment as a short term provision in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date

11 Leases

Lease rentals in respect of assets taken on 'Operating Lease' are charged to statement of Profit and Loss over the lease term on systematic basis which is more representative of the time pattern of the Company's benefit.

12 Revenue recognition**(a) INCOME FROM SERVICES**

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

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

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

Interest income is recognized on accrual basis.

(b) SALE OF GOODS

Revenue from sale of Access Devices 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.

13 Taxes on income

- a) Provision for Current Tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.
- b) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable income. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.
- c) 'Minimum Alternate Tax (MAT) credit is recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The said asset is created

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by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period. Tax on distributed profits payable in accordance with the provisions of section 115 O of the Income Tax Act, 1961 is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.'

14 Impairments

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

15 Cash & Cash Equivalent

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

16 Earning Per Share

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

17 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

2.01 SHARE CAPITAL		As at March 31,		
		2013	2012	
Authorised Capital 10,000,000 (10,000,000) Equity Shares of face value of Rs. 10 Each		100,000,000	100,000,000	
		100,000,000	100,000,000	
Issued, Subscribed(fully paid) & Paid up Capital 8,000,000 (8,000,000) Equity Shares of face value of Rs. 10 each		80,000,000	80,000,000	
		80,000,000	80,000,000	
a) Reconciliation of the number of shares outstanding as at the beginning and end of the reporting period :				
Particulars	As at March 31,			
	2013		2012	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	8,000,000	80,000,000	8,000,000	80,000,000
Shares Issued during the year	-	-	-	-
Shares bought back/ other movements during the year	-	-	-	-
Shares outstanding at the end of the year	8,000,000	80,000,000	8,000,000	80,000,000
b) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate				
Particulars	As at March 31,			
	2013		2012	
	No. of Shares Held		No. of Shares Held	
Its holding Company- Hathway Cable & Datacom Limited	1,920,000		1,920,000	
Hathway Media Vision Private Limited (100% Subsidiaries of HCDL)	2,160,000		2,160,000	
	4,080,000		4,080,000	

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

c) The details of shareholders holding more than 5% shares in the Company:				
Name of Shareholder	As at March 31,			
	2013		2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hathway Cable & Datacom Limited	1,920,000	24%	1,920,000	24%
Kuldeep Puri	504,339	6%	504,339	6%
Hathway Media Vision Private Limited	2,160,000	27%	2,160,000	27%

**d) Rights, Preference and restrictions attached to Shares;
Terms/ Rights attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. 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 in proportion to the number of equity shares held by the share holders.

(Amount in Rupees)

2.02 RESERVES & SURPLUS	As at March 31,	
	2013	2012
Securities Premium Reserve		
Balance at the beginning of the year	15,000,000	15,000,000
Add: Securities premium credited on Share issue	-	-
Less: Deduction during the year	-	-
Balance at the end of the year	15,000,000	15,000,000
Surplus		
Balance at the beginning of the year	(37,472,852)	(47,188,228)
Add : Net Profit/(Loss) after tax for the current year	(11,082,971)	9,715,376
Less: Minority Interest adjustments pertaining to earlier year	(3,900,493)	-
Deficit in the Statement of Profit and Loss	(44,655,330)	(37,472,852)
	(29,655,330)	(22,472,852)

(Amount in Rupees)

2.03 LONG TERM BORROWINGS:	Non- Current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Secured				
Vehicles Loans				
From Banks	49,010	158,593	109,582	99,116
From Financial Institutions	612,907	846,159	226,915	196,939
Total	661,917	1,004,752	336,497	296,055
Amount disclosed under the head ‘ Other Current Liabilities’ (Note No. 2.06)			336,497	296,055
Net Amount	661,917	1,004,752	336,497	296,055

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of Security and terms of repayment for secured borrowings:		
Nature of Security	Terms of Repayment	
(i) Vehicle Loans from Banks amounting to Rs.158,592 (March 31, 2012: Rs.257,709) are secured by Hypothecation of Vehicles.	Principal repayable in 60 equal monthly installments along with Interest. Applicable Rate of Interest is @ 11%/10.75%. 1st installment due from Nov.2010/ June.2011.	
(ii) Vehicle Loans from Financial Institute amounting to Rs.839,822 (March 31, 2012: Rs.1,043,098) are secured by Hypothecation of Vehicles.	Principal repayable in 60 equal monthly installments along with Interest. Applicable Rate of Interest is @ 11%/10.75%. 1st installment due from Nov.2010/ June.2011.	
<i>(Amount in Rupees)</i>		
2.04 DEFERRED TAX LIABILITIES (NET)	As at March 31,	
	2013	2012
Deferred Tax Assets		
Provision for Grauity	415,802	308,431
Disallowance under section 43B	239,946	178,559
Income earned during the pre-commencement period	237,267	237,267
Total(A)	893,015	724,257
Deferred Tax Liabilities		
Fixed Assets	3,296,293	3,653,186
Total(B)	3,296,293	3,653,186
Net Deferred Tax Liabilities (A-B)	2,403,278	2,928,929
<p>In the absence of virtual certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has not recognized deferred tax assets on unabsorbed depreciation and business losses.</p> <p style="text-align: right;"><i>(Amount in Rupees)</i></p>		
2.05 TRADE PAYABLES	Current	
	As at March 31,	
	2013	2012
Pay Channel Cost	40,023,962	14,173,236
Others	5,215,219	3,592,248
	45,239,181	17,765,484

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.06 OTHER CURRENT LIABILITIES	Current			
	As at March 31,			
	2013	2012	2013	2012
Current Maturities of Long term borrowings (Ref Note 2.3)	336,497	296,055		
Payable for Capital Goods	1,993,588	2,846,783		
Overdrawn Bank Balance as per Books	2,096,440	972,594		
Security Deposits Received	5,479,821	6,014,208		
Other Payables				
Income Received in Advance	3,539,847	7,494,244		
Service Tax accrued but not due	288,137	508,811		
Statutory Payable	1,512,956	785,013		
Payables to Employees	3,423,968	2,032,042		
Outstanding Liabilities for Expenses	2,343,905	2,384,754		
	21,015,159	23,334,504		
<i>(Amount in Rupees)</i>				
2.07 PROVISIONS	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Provision for employee benefits				
Gratuity	1,277,483	940,413	68,156	57,744
Leave Encashment	686,411	507,460	90,113	70,402
	1,963,894	1,447,873	158,269	128,146
<i>(Amount in Rupees)</i>				
2.08 SHORT TERM BORROWINGS	As at March 31,			
	2013		2012	
	2013	2012	2013	2012
Secured				
Loans repayable on demand				
Cash Credit - Bank of Maharashtra	2,504,939	-		
Cash Credit - Bank of Maharashtra	1,886,211	-		
	4,391,150	-		
The Loan is secured against Hypothecation of Book Debts, Headend Equipments & Fixed Deposit Receipt of Rs. 33.61 Lakhs				

FIXED ASSETS

(Amount in Rupees)

2.9 TANGIBLE ASSETS	Gross Block (at Cost)					Accumulated Depreciation/Amortisation/Impairment					Net Block	
	As at 1-Apr-12	Additions during the year	Deductions during the year	As at 31-Mar-13	Up to 1-Apr-12	Additions during the year	Deductions during the year	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12		
Particulars												
Distribution Equipments	66,480,302	6,475,675	194,687	74,761,290	40,392,771	4,364,839	134,978	44,622,632	30,138,659	28,087,530		
Headend Equipments	18,852,395	158,581	-	19,010,976	13,472,463	761,996	-	14,234,459	4,776,517	5,379,932		
Furniture & Fixtures	4,614,692	212,505	-	4,827,197	3,629,251	184,103	-	3,813,354	1,013,843	985,441		
Office Equipment	814,052	58,130	-	872,182	339,689	70,103	-	409,792	462,390	474,363		
Electrical Fittings	307,774	15,630	-	323,404	191,046	17,887	-	208,933	114,471	116,728		
Structural Fittings	108,275	-	-	108,275	108,275	-	-	108,275	-	-		
Air conditioners	618,112	487,886	-	1,105,998	409,972	64,108	-	474,080	631,919	208,140		
Pagers & Mobiles	425,638	1,250	-	426,888	324,859	15,269	-	340,128	86,761	100,779		
Computers	3,012,843	156,750	675	3,168,918	2,427,406	259,441	668	2,686,179	482,739	585,487		
Vehicles	3,578,591	3,200	-	3,581,791	1,603,521	514,545	-	2,118,066	1,463,725	1,975,070		
Total	100,812,674	7,569,607	195,362	108,186,919	62,899,253	6,252,291	135,646	69,015,898	39,171,024	37,913,420		
Previous year	97,143,371	8,784,075	5,114,772	100,812,674	60,863,043	6,189,515	4,153,305	62,899,253	37,913,425	36,280,327		
CWIP	-	-	-	-	-	-	-	-	1,012,359	477,914		
Total	-	-	-	-	-	-	-	-	1,012,359	477,914		
Previous year	-	-	-	-	-	-	-	-	477,914	490,450		

(Amount in Rupees)

2.10 INTANGIBLE ASSETS	Gross Block (at Cost)				Accumulated Depreciation/Amortisation/ Impairment >				Net Block	
	As at 1-Apr-12	Additions during the year	Deductions during the year	As at 31-Mar-13	Up to 1-Apr-12	Additions during the year	Deductions during the year	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Cable TV Franchise	26,346,020	-	-	26,346,020	16,358,045	1,317,301	-	17,675,346	8,670,674	9,987,975
Good Will	15,247,081	-	-	15,247,081	4,616,344	3,049,412	-	7,665,756	7,581,325	10,630,737
Computer software	624,660	-	-	624,660	337,380	71,821	-	409,201	215,459	287,280
Total	42,217,761	-	-	42,217,761	21,311,769	4,438,534	-	25,750,303	16,467,458	20,905,992
Previous year	42,487,611	140,550	410,400	42,217,761	16,915,581	4,806,588	410,400	21,311,769	20,905,992	25,572,030

Note:

1) Range of remaining period of amortisation of Intangible Assets is as below:	0 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Total WDV
Goodwill	7,581,325	-	-	-	7,581,325
Cable Television Franchisee	6,586,500	2,084,174	-	-	8,670,674
Softwares	164,330	38,996	9,254	2,879	215,459

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.11 NON-CURRENT INVESTMENTS	As at March 31,		As at March 31,	
	2013	2013	2012	2012
	Quantity	Rupees	Quantity	Rupees
Trade Investments				
Unquoted equity instruments (Fully Paid)				
Investments in Government or trust securities				
National Saving Certificates	-	121,000	-	121,000
	-	121,000	-	121,000
<i>(Amount in Rupees)</i>				
2.12 LOANS AND ADVANCES	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Capital Advances				
Unsecured, considered good unless stated otherwise				
Advances to Other Cable Ventures	3,405,627	3,323,544	-	-
Advances for Network Acquisitions	6,742,000	6,742,000	-	-
	10,147,627	10,065,544	-	-
Less: Provision for Doubtful Advances	1,000,000	-	-	-
Total (A)	9,147,627	10,065,544	-	-
SECURITY DEPOSITS				
Unsecured, considered good				
Sundry Deposits	3,020,615	2,717,024	-	-
Total (B)	3,020,615	2,717,024	-	-
Other Loans and advances				
Secured, considered good				
Unsecured, considered good unless stated otherwise				
Taxes Paid (Net of Provision)	5,875,060	2,109,179	3,264,959	1,463,232
Prepaid Expenses	-	252	1,056,255	289,537
Sundry Advances	-	-	10,000	335,380
Staff Advances	-	-	519,162	134,819
Preliminary Expenses	224,504	256,055	7,320	10,980
Service Tax Claimable	-	-	1,664,797	1,067,403
Cenvat Receivable	-	-	3,023,604	1,265,460
Total (C)	6,099,564	2,365,486	9,546,097	4,566,811
Total (A+B+C)	18,267,806	15,148,054	9,546,097	4,566,811

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.13 OTHER ASSETS	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Fixed Deposit with Bank (Refer Note No. 2.16)	3,990,219	3,333,326	-	-
Interest Accured and Not Due	141,518	354,998	110,790	220,646
	4,131,737	3,688,324	110,790	220,646
<i>(Amount in Rupees)</i>				
2.14 INVENTORIES	Current			
	As at March 31,			
	2013	2012		
CATV - Set Top Boxes	60,450	1,121,198		
	60,450	1,121,198		
<i>(Amount in Rupees)</i>				
2.15 TRADE RECEIVABLES	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Unsecured (considered good to the extent not provided for)			43,515,757	27,911,865
- Unsecured,considered goods			-	-
- Doubtful	12,416,331	11,898,523	-	-
	12,416,331	11,898,523	43,515,757	27,911,865
Less: Provision for Doubtful Receivables	12,127,126	10,877,186	-	-
	289,205	1,021,337	43,515,757	27,911,865
Outstanding for More than 6 Months	-	1,021,337	21,271,760	6,893,584
Others	-	-	22,243,997	21,018,281
	289,205	1,021,337	43,515,757	27,911,865

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>				
2.16 CASH AND BANK BALANCES	Non- current		Current	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Cash and Cash Equivalents				
Balances with Banks				
In current Accounts	-	-	1,577,319	4,370,499
Cash on hand	-	-	1,673,742	1,953,148
Total (A)	-	-	3,251,061	6,323,647
Other Bank Balances				
Deposits with less than 12 months maturity	3,990,219	3,333,326		
Total (B)	3,990,219	3,333,326	-	-
Less: Amount disclosed under Other non current assets (Refer Note No.2.13) (C)	(3,990,219)	(3,333,326)		
Total (A +B +C)	-	-	3,251,061	6,323,647
<p>1) Out of the above Fixed deposits with Bank of Maharashtra, deposits of Rs. 575,032 is given as security against Outstanding Bank Guarantees and deposits of Rs. 2,758,294 is given as security against cash credit limit with the said bank.</p>				

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

<i>(Amount in Rupees)</i>		
3.01 REVENUE FROM OPERATIONS	For the year ended March 31,	
	2013	2012
<u>Sale of Services</u>		
Subscription Income	167,617,481	158,979,105
Advertisement Income	511,242	2,052,000
Rental Income on Equipments	688,709	661,772
<u>Sale of Goods</u>		
Sale of Devices	13,539,584	2,898,903
	182,357,016	164,591,780
<i>(Amount in Rupees)</i>		
3.02 OTHER INCOME	For the year ended March 31,	
	2013	2012
Interest on Fixed Deposits	322,890	275,221
Interest on Loans	11,067	102,836
Interest on Income Tax Refund	373,841	-
Amount No Longer Payable Written Back	-	493
Miscellaneous Income	98,019	228,154
	805,817	606,704
<i>(Amount in Rupees)</i>		
3.03 CHANGES IN INVENTORY OF STOCK IN TRADE	For the year ended March 31,	
	2013	2012
Opening stock	905,999	517,797
(Less) Closing stock	(20,450)	905,999
	926,449	(388,202)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>		
3.04 OPERATIONAL EXPENSES	For the year ended March 31,	
	2013	2012
Bandwidth & Lease Line Cost	11,842,428	8,058,047
Consultancy Charges	1,792,100	1,492,650
Commission	322,685	187,459
Feed Charges	1,239,300	1,356,606
Other Operating Expenses	19,251,359	11,153,100
Pay Channel Cost	84,496,610	66,429,100
Repairs & Mainenance - Machinery	2,261,552	813,701
Rent	4,040,339	1,182,949
Software & Programming Cost	3,381,168	207,919
Transport Charges	46,710	36,415
	128,674,251	90,917,946
<i>(Amount in Rupees)</i>		
3.05 EMPLOYEE BENEFITS EXPENSE	For the year ended March 31,	
	2013	2012
Salaries and wages	17,693,361	15,780,649
Contribution to Provident fund and other funds	1,264,808	780,485
Other Staff Cost	889,563	518,780
Staff welfare expenses	352,782	493,552
	20,200,514	17,573,466

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

<i>(Amount in Rupees)</i>		
3.06 OTHER EXPENSES	For the year ended March 31,	
	2013	2012
Advertisement & Promotion Expenses	1,302,930	748,693
Business Promotion Expenses	636,837	588,872
Communication Chreges	752,541	558,576
Conveyance	3,173,652	2,159,620
Donation	42,452	22,500
Electricity Charges	3,584,004	1,781,529
Insurance Others	45,530	111,455
Legal & Professional Charges	300,036	511,858
Provision Towards Shortage Of Assets	-	432,217
Loss on Sale of Asset (Net)	44,325	312,730
Assets Written Off.	-	70,717
Miscellaneous Expenses	349,700	933,026
Printing and Stationery	655,801	466,086
Preliminary Exp Written Off	35,210	31,550
Rates and Taxes	5,516,781	5,228,769
Rent - Offices	240,500	2,720,043
Repairs & Maintence - Others	958,026	1,156,159
Services Charges	2,088,000	1,878,500
Office Expenses	2,803,605	1,879,366
Payment To Auditors		
- As Auditor	249,000	170,000
- For Taxation Matters	50,000	50,000
- For Company Law Matters	-	-
Sitting Fees	178,000	117,000
Irrecoverable Amounts Written off (Net of Rs. Nil (Previous Year Rs. 4,706,061) Adjusted Against Provision For Doubtful Debts)	-	7,350,590
Provision For Bad & Doubtful Advances	-	-
Provision For Doubtful Debts	4,100,000	1,013,021
	27,106,930	30,292,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>(Amount in Rupees)</i>		
3.07 DEPRECIATION AND AMORTISATION	For the year ended March 31,	
	2013	2012
Depreciation on Tangible Assets	6,324,109	6,189,516
Amortisation on Intangible Assets	4,366,713	4,806,588
	10,690,822	10,996,104
<i>(Amount in Rupees)</i>		
3.08 FINANCE COST	For the year ended March 31,	
	2013	2012
Interest Expenses & Finance Charges	172,459	235,495
Bank Charges	173,597	49,274
	346,056	284,769
<i>(Amount in Rupees)</i>		
3.09 PRIOR PERIOD ADJUSTMENTS	For the year ended March 31,	
	2013	2012
Expenses of earlier years debited to Statement of profit & loss	113,053	491,353
Reversal of income of earlier years debited to Statement of profit & loss	-	94,397
(A)	113,053	585,750
Income of earlier year credited to Statement of profit & loss	(250,000)	(124,397)
Reversal of Expense earlier years credited to Statement of profit & loss	(1,490,496)	(1,995,172)
(B)	(1,740,496)	(2,119,569)
Net Amount credited to Statement of profit & loss (A-B)	(1,627,443)	(1,533,819)

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Notes forming part of Accounts for the year ended 31st March 2013

4.1 List of Subsidiary held directly and Company's effective Ownership

Subsidiary directly held and Company's effective Shareholding therein	Date of Investment	31 st March 2013	31 st March 2012
Hathway Bhawani NDS Network Pvt. Ltd.	13.10.2010	51.00%	51.00%
Hathway Bhawani Sai Network Pvt. Ltd. *	03.11.2011	1.00%	1.00%

* The company is consolidated on account of Board control.

4.2 The Trade Receivables includes amount due from disconnected / inactive customers and outstanding in excess of one year. The Company is taking adequate steps for recovery of overdue debts and advances and wherever necessary, adequate provisions have been made. In the opinion of the Board, long-term Loans & Advances, Trade Receivables and Current Assets have a realizable value in the ordinary course of business not less than the amount at which they are stated in the Balance Sheet.

4.3 CAPITAL AND OTHER COMMITMENTS

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

The Company in its ordinary course of business has promoted / acquired interest in various entities. Considering the long-term involvement of the Company in these entities and strategic impact it has on the business of the Company, the Company has committed to provide operating and financial support to these entities.

4.4 CONTINGENT LIABILITIES

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

4.5 EMPLOYEE BENEFITS

- a) Defined Benefit Plans:

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

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

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

Category	As at 31 st March 2013 [Gratuity (Rs.)]	As at 31 st March 2012 [Gratuity (Rs.)]
1 Change in benefit obligations:		
Projected benefit obligations at beginning of the year	998,157	823,795
Current Service Cost	143,082	137,531
Interest Cost	96,220	77,693
Benefits Paid	(11,492)	(19,615)
Actuarial Gain / (Loss)	119,672	(21,247)
Past Service Cost	-	-
Projected benefit obligations at end of the year	1,345,639	998,157
2 Change in plan assets:		
Contributions by Employer	11,492	19,615
Benefits Paid	(11,492)	(19,615)
3 Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligations at the end of the year	1,345,639	998,157
Liability / (Asset) recognised in the Balance Sheet	1,345,639	998,157
4 Cost for the year		
Current Service Cost	143,082	137,531
Interest Cost	96,220	77,693
Actuarial Gain / (Loss)	119,672	(21,247)
Net Cost recognised in the Profit and Loss Account	358,974	193,977
5 Assumptions		
Interest rate for discount	8.05%	8.65%
Estimated rate of return on plan assets	0%	0%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
Salary Escalation	7%	3% - 7%

a) Defined Contribution Plans:

“Contribution to provident and other funds” is recognised as an expense in Note No.3.5 of the Statement of Profit and Loss Account.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Benefits	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	1,345,639	998,157	823,795	692,852	676,209
Plan assets	1,345,639	998,157	823,795	692,852	676,209
Surplus/(Deficit)	-	-	-	-	-
Experience adjustment on obligation - gain/(loss)	119,672	(21,247)	(6,412)	(203,500)	16,941
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-
Experience adjustment (best estimate) to funded plans in subsequent finance year	119,672	(21,247)	(6,412)	(203,500)	16,941

4.6 SEGMENTAL REPORTING

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

4.7 RELATED PARTY DISCLOSURES

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

Description	Enterprises where Control exists	Management Key Personnel	Relatives of Key Management Personnel
1. Remuneration paid Mr.Kuldeep Puri	Nil (Nil)	1,335,000 (1,020,000)	Nil (Nil)
2. Consultancy paid - Kulbhushan Puri	Nil (Nil)	Nil (Nil)	1,395,000 (1,080,000)
3. Reimbursement of expenses paid Mr.KuldeepPuri	Nil (Nil)	139,887 (368,165)	Nil (Nil)
Mr.Kulbhushan Puri	Nil (Nil)	Nil (Nil)	399,671 (376,771)

4. Purchase of Assets/ STB Hathway Cable & Datacom Ltd.	10,148,889 (2,824,444)	Nil (Nil)	Nil (Nil)
5. Other transactions/ Lease Rent CMTS Hathway Cable & Datacom Ltd.	18,711,787 (4,197,748)	Nil (Nil)	Nil (Nil)
6. Advertisement Revenue/Carriage fees Hathway Cable & Datacom Ltd.	29,333,331 (12,321,233)	Nil (Nil)	Nil (Nil)
7. ISP Access Expenses Hathway Cable & Datacom Ltd.	6,739,020 (7,773,577)	Nil (Nil)	Nil (Nil)
8. Outstanding balance:			
- Sundry Creditors Hathway Cable & Datacom Ltd.	3,691,707 (368,374)	Nil (Nil)	Nil (Nil)
Mr.Kuldeep Puri	Nil (Nil)	517,991 (68,612)	Nil (Nil)
Mr.Kulbhushan Puri	Nil (Nil)	Nil (Nil)	534,258 (81,000)

4.8 LEASES

The Company has leasing arrangements in terms of Accounting Standard 19 on "Leases as applicable. These leasing arrangements, which are cancellable, range between 11 month to 33 months and are usually renewable by mutual consent on mutually agreeable terms. The amount of such lease rentals Expenses debited to the Statement of Profit and Loss Rs.4,040,339/- (Previous Year Rs.3,676492).

4.9 EARNING PER SHARE

Particulars	Current Year	Previous Year
Profit \ (Loss) after tax (including prior period adjustment and adjustment for short provision of earlier years) – (Rs.)	(11,082,971)	9,715,376
No. of ordinary shares (No.'s)	8,000,000	8,000,000
Nominal value of ordinary shares (Rs.)	10	10
Basic Earnings per share (Rs.)	(1.39)	1.22

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

4.10 With effect from November 01, 2012 vide notification no S.O.1408(E) dated June 21, 2012, DAS was introduced in the four metropolitan cities of the country. Under DAS scenario, the Company as well as other Multi System Operators are in the process of finalizing the fresh terms of revenue sharing arrangement with the Local Cable Operators through whom cable television services are rendered to ultimate subscribers. Pending finalization of legally enforceable contracts / arrangements, the Company has estimated activation fees and subscription and has raised invoices. Such estimation is based on ongoing discussions with LCOs, market trend and also considering the collections made till date. Since such estimation are on conservative basis, the management has reasonable certainty of collecting the amount billed to the LCOs. The management has reviewed the status on constant basis and wherever felt necessary, has issued credit notes to reverse the revenue.”

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

4.12 previous year figures have been rearranged and regrouped wherever necessary.

As per our Report of even Date

For G. M. Kapadia & Co.
Chartered Accountants

For and on behalf of the Board

(K.Y. NARAYANA)
Partner

(KULDEEP PURI)
Managing Director

(JAGDISH KUMAR G. PILLAI)
Chairman

(MILIND KARNIK)
Director

Place : Mumbai
Dated : May 28, 2013

Place : Mumbai
Dated : May 28, 2013

Hathway Bhawani Cabletel & Datacom Limited

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

Attendance Slip

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

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

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

DP ID No.*: _____

Name of the Proxy (In Block Letters): _____

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

I hereby record my presence at the 29th Annual General Meeting of the Company at Sanjona Complex, 5th Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400 071, at 4.00 P.M. on Thursday, 26th day of September, 2013.

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

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

* Applicable if the shares are held in dematerialised form.

_____ Please cut here _____

Hathway Bhawani Cabletel & Datacom Limited

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

Proxy Form

I/We _____ of _____ being a Member / Members of the above named Company, hereby appoint _____ or failing him _____ as my/ our Proxy to attend and vote for me/us and on my /our behalf at the 29th Annual General Meeting of the Company to be held on Thursday, 26th day of September, 2013 at 4.00 P.M. and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this _____ day of _____ 2013.

Folio No/ Client ID no*.: _____

DP ID No.*: _____

No. of Shares: _____

Signature

affix
1 Rupee
Revenue
Stamp

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

* Applicable if the shares are held in dematerialised form.

BOOK-POST

If Undelivered, Please Return to :

Hathway Bhawani Cabletel & Datacom Ltd.

Sanjona Complex, 5th Floor, Hemu Kalani Marg,
Plot No. 11-A, Sindhi Society,
Chembur, Mumbai – 400 071.

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