

32nd Annual Report 2015-2016



**HATHWAY BHAWANI
CABLETEL & DATACOM LIMITED**

hathw@ybhawani



HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

BOARD OF DIRECTORS

Mr. Samson Jesudas	(DIN:02539442)	Managing Director & CEO
Mr. Vineet Garg	(DIN:06935347)	Director
Mr. Shyam P V	(DIN:07247247)	Director
Mr. Dilip Worah	(DIN:00047252)	Independent Director
Mr. L. K. Kannan	(DIN:00110428)	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Basant Haritwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Manoj Dere - FCS No. 7652

AUDITORS

G.M. Kapadia & Co. - Chartered Accountants

REGISTERED OFFICE

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

Tel.: (022) 2600 1306 • Fax : (022) 2600 1307 • E-mail : investors.bhawani@hathway.net

ADMINISTRATIVE OFFICE

805/806, Windsor, Off. CST Road, Kalina, Santacruz (East), Mumbai - 400 098.

Tel : (022) 67742500 • Fax : (022) 6774 2400

BANKERS

Bank of Maharashtra

Axis Bank Limited

REGISTRAR & TRANSFER AGENT

M/s. Bigshare Services Private Limited

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

Tel.: (022) 28470652 • Fax: (022) 28525207 • E-mail : investor@bigshareonline.com

DETAILS OF DEMATERIALISATION OF SHARES

Company's ISIN number for Dematerialization is **INE525B01016**

CORPORATE IDENTIFICATION NUMBER

L65910MH1984PLC034514



**HATHWAY BHAWANI
CABLETEL & DATACOM LIMITED**

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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

'Rahejas', 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai – 400054

Tel: 91-22-26001306 Fax: 91-22-26001307

CIN: L65910MH1984PLC034514

Email: investors.bhawani@hathway.net

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON TUESDAY, 27TH SEPTEMBER, 2016, AT 3:00 P.M. AT GROUND FLOOR, WINDSOR, OFF CST ROAD, KALINA, SANTACRUZ EAST, MUMBAI 400 098, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Directors' Report and the Report of the Auditors' thereon.

2. 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 Section 152 of the Companies Act, 2013 read with rules there under, Mr. Shyam P. V., (DIN 07247247), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

3. 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 Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Audit and Auditors) Rules, 2014 the appointment of M/s. G M Kapadia & Co., Chartered Accountants (Firm Registration No. 104767W) as the Statutory Auditors of the Company, which has been approved at the Annual General Meeting held on September 10, 2014, for a term of 3 years i.e. from the conclusion of the Thirtieth Annual General Meeting until the conclusion of the Thirty Third Annual General Meeting, be and is hereby ratified for a period of one year i.e. from the conclusion of this Annual General Meeting until the conclusion of the Thirty Third Annual General Meeting at such remuneration plus reimbursement of out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this resolution.”

BY ORDER OF THE BOARD

MANOJ DERE

Company Secretary & Compliance Officer

FCS No: 7652

Place : Mumbai

Date : August 23, 2016

Rahejas', 4th Floor, Corner of Main Avenue &
V. P. Road, Santacruz (West), Mumbai - 400054.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS 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, must be supported by appropriate resolution / authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate Members intending to send their Authorized Representatives to attend the AGM are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
5. Any member proposing to seek any clarification on the accounts is requested to send the queries 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.
6. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting as per provision of Section 171 of the Companies Act, 2013.
7. The statement of particulars of Directors seeking appointment/re-appointment, as required under Regulation 36(3) of the Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 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 Company shall be available at the Registered Office of the Company for inspection by any shareholder.
10. Hard copy of the details of accounts of subsidiary required by any shareholders can be obtained with a written request to the Managing Director of the Company at the Registered Office of the Company.
11. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
12. 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.
13. 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 investor@bighshareonline.com quoting the Folio Number and Name of the Company.

14. THE COMPANY IS PROVIDING FACILITY FOR VOTING BY ELECTRONIC MEANS AND THE BUSINESS MAY BE TRANSACTED THROUGH E-VOTING.
15. THE FACILITY FOR VOTING THROUGH BALLOT OR POLLING PAPER SHALL BE MADE AVAILABLE AT THE MEETING AND THE MEMBERS ATTENDING THE MEETING WHO HAVE NOT ALREADY CAST THEIR VOTES BY REMOTE EVOTING SHALL BE ABLE TO EXERCISE THEIR RIGHT AT THE MEETING.

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER :

- (i) The voting period begins on Saturday, 24th September, 2016 at 10.00 am and ends on Monday, 26th September, 2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 20th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0' before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Hathway Bhawani Cabletel & Datacom Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) / folio numbers for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of **Tuesday, 20th September, 2016**.

Mr. Himanshu S. Kamdar, Practicing Company Secretary (Membership No. 5171) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the conclusion of the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hathwaybhawani.com and on the website of CDSL. The results will also be communicated to the Stock Exchanges on which the Company's equity shares are listed.

BY ORDER OF THE BOARD

MANOJ DERE

Company Secretary & Compliance Officer

Place : Mumbai

FCS No: 7652

Date : August 23, 2016

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

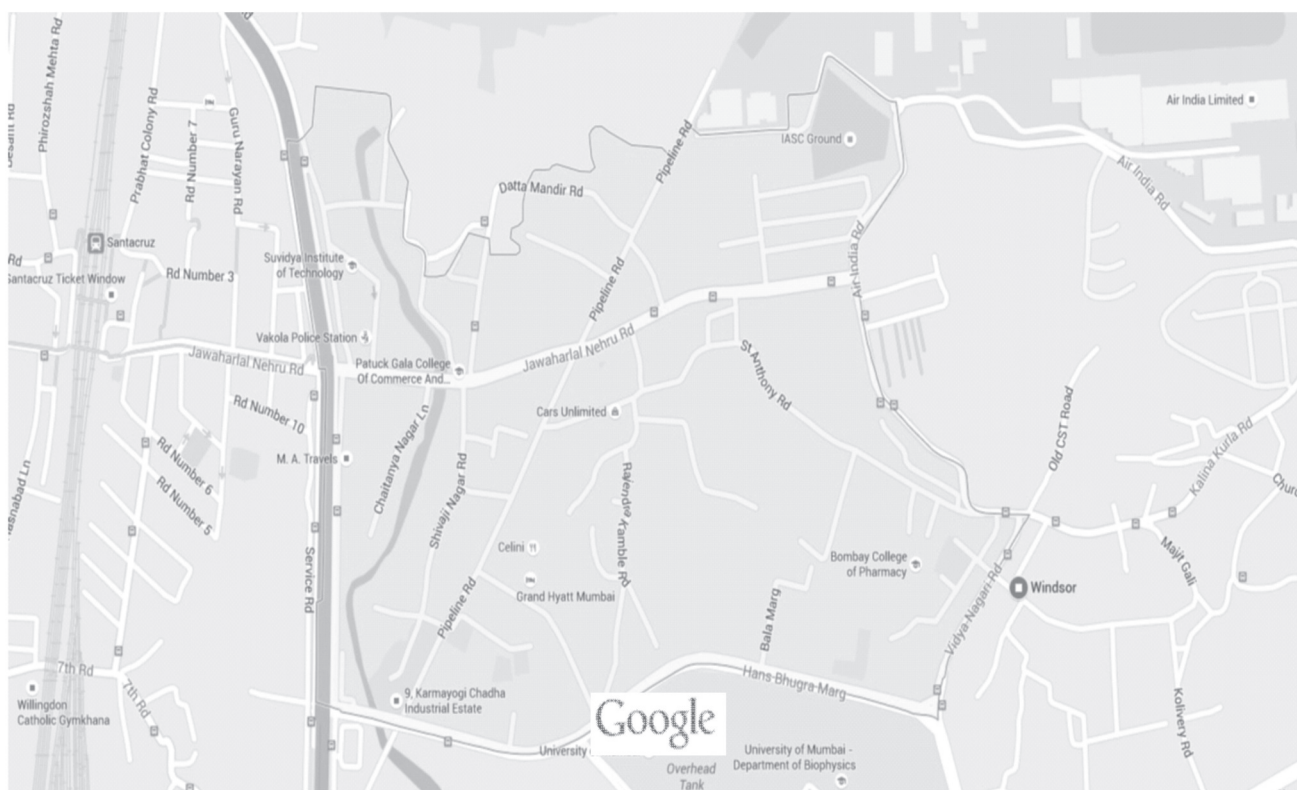
Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting:

Name of Director	Mr. Shyam P V
Date of Birth	28 th January, 1973
Age	43
Nationality	Indian
Date of first Appointment on the Board	30 th July, 2015
Qualifications	Graduate from Indian Institute of Engineering & Management.
Expertise in Specific Functional Area	He is a Media professional with 20 years of experience in Broadcasting Industry. He has worked in companies like British Broadcasting Corporation (BBC), DEN Networks, National Geographic Channel (NGC), Channel V, ISKYB (DTH Division of STAR TV), Srishti Video Corp and Asia Television. He is currently working as Vice President – Operations with Holding Company Hathway Cable & Datacom Limited and looking after business operations for Mumbai.
Number of shares held in the Company	Nil

List of the directorships held in other companies*	Nil
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
Terms and conditions of appointment, if any.	N.A
Relationship, if any, with other Directors and Key Managerial Personnel	N.A
No. of Board Meetings attended during the year	Nil
No. of Committee meetings attended during the year	Nil

*Directorships includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not).

ROAD MAP TO VENUE OF ANNUAL GENERAL MEETING



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Second (32nd) Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2016.

1. FINANCIAL & OPERATION OVERVIEW

a. Financial Highlights

The Company's performance during the year ended 31st March, 2016 as compared to the previous financial year, is summarized below:

(₹ In Lakhs)

	Consolidated		Standalone	
Particulars	2015-16	2014-15	2015-16	2014-15
Operating & Other Income	1870.60	1636.11	1734.80	1550.97
Earnings before interest, depreciation, amortization & taxes	(65.04)	(214.40)	(62.44)	(221.07)
Interest	19.74	19.93	19.52	19.76
Depreciation & Amortization	85.33	108.50	69.60	77.64
Prior period expenses & Exceptional Items	(7.47)	(25.52)	7.05	(0.66)
Minority Interest	9.06	12.00	-	-
Provision for Taxation - Current Tax & Deferred Tax	(10.15)	(4.69)	(10.15)	(4.69)
Net Profit/(Loss)	(143.43)	(300.62)	(148.46)	(313.12)

During the year under review, the total income of your Company marginally increased to ₹ 1,734.80 Lakhs as compared to last year's income of ₹ 1,550.97 Lakhs on standalone basis. During the year under review, the Company incurred a net loss of ₹ 148.46 Lakhs on standalone basis due to steep increase in operating expenses mainly on account of pay channel cost, services charges and provision for bad and doubtful debts 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 has increased during the year under review.

b. Operational Highlights :

(I) Cable TV Business :

During the year under review, your Company has seeded 1,500 Set Top Boxes (STB) cumulatively totaling to approximate 72,000 STB seeded. Your Company will continue to seed boxes at a rapid pace in near future as well.

The strategy of your Company is to seed more High Definition (HD) STB's in order to increase the average rate per unit ("ARPU"). We anticipate that with smarter packaging the Company will be able to drive higher ARPU.

Your Company has received a good feedback on HD product proposition. The proposition is priced at Rs. 152/- per month in which the customer can view 50 high quality HD channels.

We believe that value added services and innovative content will give a further fillip to

ARPU in the future.

(ii) Broadband Business

As of 31st March 2016, your Company has over 1,500 plus broadband subscribers. With a high quality and high capacity HFC Network, your Company is well placed to garner a larger share of the growing broadband market. Based on continuous customer service improvement, we could also improve customer ARPU by ₹ 400/- on monthly basis.

c. Change in the nature of business

During the year under review, there has been no change in the nature of business.

d. Consolidated Accounts

The consolidated financial statements of your Company for the financial year 2015-2016, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Management Discussion and Analysis

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry overview, business overview, and performance review and state of affairs of the Company in Cable Television business and Broadband business during the year under review.

f. Report on performance of subsidiaries, associates and joint venture Companies

A statement containing the performance and financial position of the Subsidiary Company, associates and joint venture companies for the year ended 31st March, 2016 is given, pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014 in AOC-1 in **Annexure – I** to this report.

The details of the subsidiary are as follows :

PARTICULARS OF SUBSIDIARY COMPANY					
Sl. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of Share-holding	Applicable section
1	Hathway Bhawani NDS Network Pvt. Ltd. Rahejas, 4 th Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400054	U74990MH2010P TC208960	Subsidiary	51%	2(87)(ii)

The financial statements of the subsidiary company and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

g. Dividend

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

h. Transfer to reserves

In view of losses incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

i. Revision of financial statement

There was no revision of the financial statements during the year under review.

j. Deposits

The Company has not accepted any public deposits during the year under review.

k. Disclosures under section 134(3)(i) of the Companies Act, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

l. Disclosure of Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observations has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

m. Particulars of loans, guarantees, investments and securities

There are no loans given, investments made, guarantees given and securities provided during the year under review.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) CHANGE IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Nandita Swamy (DIN: 03181823), Independent Director of the Company resigned from the Board with effect from January 22, 2016.

In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Shyam P. V. (DIN: 07247247), shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend the same for your approval.

Mr. Dilip Vaidya, Company Secretary & Compliance Officer, a Key Managerial Personnel (KMP) of the company resigned with effect from February 11, 2016 and Mr. Manoj Dere was appointed as a Company Secretary & Compliance Officer, a Key Managerial Personnel (KMP) in his place as on that date.

b. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS

The Board of Directors met 4 times during the financial year ended 31st March, 2016 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Sr. No.	Date of the Board Meeting
1	25 th May, 2015
2	12 th August, 2015
3	5 th November 2015
4	11 th February 2016

The dates on which the Board of Directors met during the financial year under review are as under :

b. AUDIT COMMITTEE

Sr. No.	Name of the Member	Designation
1	Mr. Dilip Worah	Chairman
2	Mr. Vineet Garg	Member
3	Mr. L K Kannan	Member

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee as on the date of this report comprises of :

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

c. NOMINATION AND REMUNERATION COMMITTEE

Sr. No.	Name of the Member	Designation
1	Mr. L K Kannan	Chairman
2	Mr. Vineet Garg	Member
3	Mr. Dilip Worah	Member

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the committee as on the date of this report is as under :

The Board of Directors has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining credentials, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Sr. No.	Name of the Member	Designation
1	Mr. Vineet Garg	Chairman
2	Mr. Samson Jesudas	Member
3	Mr. Dilip Worah	Member

d. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of :

e. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the

presence of Executive Director or management personnel and is conducted informally. A meeting of Independent Director was held on 11th February, 2016, during the year under review.

f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

g. RISK MANAGEMENT POLICY

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

h. CORPORATE SOCIAL RESPONSIBILITY POLICY

Sr. No.	Name of the Member	Designation
1	Mr. Dilip Worah	Chairman
2	Mr. Samson Jesudas	Member
3	Mr. L. K Kannan	Member
4	Mr. Vineet Garg	Member

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under :

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. Since the Company has no profits in preceding 3 financial years, the Company was not required to spent any amount for corporate social responsibility activities.

i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

In accordance with the Companies Act, 2013, and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Policy for evaluation of performance of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors. A questionnaire was formulated for evaluation of performance of Board after taking into consideration the following aspects :

- Board Composition;

- Strategic Orientation;
- Board functioning and Team Dynamics.

Performance evaluation of Independent Directors was conducted by the Board of Directors, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors laid down by the Nomination, Remuneration and Compensation Committee is as below:

- Ethics and values,
- knowledge and proficiency,
- diligence,
- Behavioral traits and
- Efforts for personal development

Similarly, performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors at the meeting of the Board of Directors held on 11th February 2016.

j. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review has been marked as **Annexure II**.

k. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

4. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2016, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the loss of the Company for that year;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2016 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. FRAUD REPORTING

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2013, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

c. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s Rath and Associates, Company Secretaries was appointed to issue Secretarial Audit Report for the financial year 2015-2016.

Secretarial Audit Report issued by M/s Rath and Associates, Company Secretaries, for the financial year 2015-2016, in Form MR-3 has been marked as **Annexure III** and forms part to this report. The Secretarial Auditors in their report have commented that no explanation has been offered in the Directors Report 2014-2015 on their comments on uploading documents on the website of the Company. Your Directors state that the said error occurred purely due to inadvertence without any malafide intention. The Company has uploaded the relevant data as required under regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d. RATIFICATION OF APPOINTMENT OF AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. G. M. Kapadia & Co, Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 3 years. However, as per the provisions of Section 139, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

e. RELATED PARTY TRANSACTIONS

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

6. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under

a. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the 32nd Annual Report

Annual Return for the financial year ended 31st March, 2016 made under the provisions of Section 92(3) of the Act is attached as **Annexure IV** which forms part of this Report.

b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. have been furnished in **Annexure V** which forms part of this Report.

c. DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

d. DISCLOSURE RELATING TO SWEAT EQUITY SHARE

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

e. DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME:

The Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme. Hence no information as per the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

f. SHARE CAPITAL

During the year under review, the Company has not issued any shares and hence, disclosures under Section 43(a)(ii), Section 54(1)(d) and Section 62(1)(b) of the Companies Act, 2013 read with relevant rules are not required to be furnished. The Company does not have a scheme of ESOP and hence disclosures pursuant to Section 67(3) of the Companies Act, 2013 are also not required to be furnished.

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Not Applicable
Details of fixed component and performance linked incentives along with the performance criteria	Not Applicable
Service contracts, notice period, severance fees	Not Applicable
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Not Applicable

g. CORPORATE GOVERNANCE: (Applicable to Companies giving remuneration as per Section II of Schedule V)

7. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items

as there were no transactions on these items during the year under review :

1. Acceptance of deposits covered under Chapter V of the Act.
2. Payment of remuneration or commission from any of its Holding or subsidiary Companies to the Managing Director or the Whole-time Directors of the Company.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board

Samson Jesudas
Managing Director & CEO
(DIN: 02539442)

Vineet Garg
Director
(DIN:06935347)

Place : Mumbai
Date : August 23, 2016

Registered Office

Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai - 400 054.

CIN: L65910MH1984PLC034514

Tel.: 022- 2600 1306 • Fax : 022 - 2600 1307

E-mail: investors.bhawani@hathway.net

ANNEXURE - I

AOC - 1 - Part A													
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES, PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 AND 8 OF COMPANIES (ACCOUNTS) RULES, 2014													
		(Rs. in lakhs unless Otherwise Stated)											
Sl. No.	Name of the Subsidiary	Note	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Reporting period: 01/04/2015 to 31/03/2016 & Reporting Currency in INR				
									Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	Hathway Bhawani NDS Network Private Limited	-	155.00	(155.06)	53.74	53.81	-	104.23	(18.55)	-	(18.55)	Nil	51.00%

AOC - 1 - Part B
Statement Pursuant To section 129(3) of the Companies Act, 2013 Relating to Associate Companies and Joint Ventures

Sr. No	Name of Associates/Joint Ventures	
1	Latest Audited Balance Sheet	
2	Shares of Associate/Joint Ventures held by the Company on the year end No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the Associate/Joint Venture is not Consolidated	
5	Networth attributable to Shareholding as per latest audited Balance sheet	
6	Profit/Loss for the year	
	(i) Considered in Consolidation	
	(ii) Not Considered in Consolidation	

For and on behalf of the Board

Samson Jesudas
Managing Director & CEO
 (DIN: 02539442)

Vineet Garg
Director
 (DIN:06935347)

Place : Mumbai
 Date : August 23, 2016

Registered Office

Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
 Santacruz West, Mumbai - 400 054.

CIN: L65910MH1984PLC034514

Tel.: 022- 2600 1306 • **Fax :** 022 - 2600 1307

E-mail: investors.bhawani@hathway.net

Nil

ANNEXURE II

DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

Median Remuneration: ₹ 2,02,416/- per annum

Director : Remuneration paid to Managing Director & CEO: Rs. Nil/- per annum

The percentage decrease in the median remuneration of employees in the financial year: 40.27%

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name of the Director/KMP & their Designation	Remuneration of Managing Director for financial year 2015-16 (Amount in ₹)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the Directors/KMP against the performance of the Company
1.	*Mr. Samson Jesudas, Managing Director & CEO	Nil	Nil	Nil	Nil
2.	*Mr. Basant Haritwal, Chief Financial Officer	Nil	Nil	Nil	Nil
3.	*Mr. Manoj Dere, Company Secretary	Nil	Nil	Nil	Nil

**Note 1: The Managing Director/KMP's are getting remuneration from the holding Company*

There were 44 permanent employees on the rolls of the Company.

Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year :

	As on 31st March, 2016 (Current F.Y.)	As on 31st March, 2015 (Previous F.Y.)
Market Capitalization	Rs. 5.37 Crores	Rs. 8.63 Crores
Price Earnings Ratio	Not Applicable	Not Applicable

	As on 31st March, 2016 (Current F.Y.)					As on 31st March, 2015 (Previous F.Y.)				
	As on	Market Value (RS.)	Face Value (Rs.)	% increase	Year on Year % increase	As on	Market Value (RS.)	Face Value (Rs.)	% increase	Year on Year % increase
Percentage increase over decrease in the market quotations of the shares of the Company as compared with last public offer rate	31.03.2016	6.63	10.00	(37.74)	(57.13)	31.03.2015	10.65	10.00	19.39	(11.66)
Rate at which the Company came out with the last public offer	Rs. 10/- (at par)					Rs. 10/- (at par)				

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: **Nil**

Percentile increase in the managerial remuneration: **Nil**

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Highest paid Director		Employees other than directors receiving remuneration in excess of the highest paid Director		Ratio of remuneration
Name of Director	Remuneration received	Name of Employee	Remuneration received	
Not Applicable				

The Company hereby affirms that the remuneration is as per the remuneration policy of the Company.

STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :

A. List of employees of the Company employed throughout the financial year 2015-16 and were paid remuneration not less than Rs. 60 Lakhs per annum:

Sr. No.	Name	Designation	Date of Joining	Remuneration	Age (years)	Experience (Years)	Qualification	Last employment and designation held
Nil								

B. Employees employed for the part of the year and were paid remuneration during the financial year 2015-16 at a rate which in aggregate was not less than Rs. 5 Lakhs per month

Sr. No.	Name	Designation	Date of Joining	Remuneration	Age (years)	Experience (Years)	Qualification	Last employment and designation held
Nil								

For and on behalf of the Board

Samson Jesudas
Managing Director & CEO
DIN: 02539442

Vineet Garg
Director
DIN: 06935347

Date: 23rd August, 2016

Place: Mumbai

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

CIN: L65910MH1984PLC034514
Tel No. 022-26001306 Fax No. 022-26001307
Mail: investors.bhawani@hathway.net



ANNEXURE III
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,

The Members

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Hathway Bhawani Cabletel & Datacom Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hathway Bhawani Cabletel & Datacom Limited (hereinafter called "**the Company**") as given in **Annexure I**, for the Financial Year ended on 31st March, 2016, according to the provisions of :
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective upto 14th May 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May 2015); and
 - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the Financial Year

under report:-

- (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted to the Company under the financial year under report.
4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable to the Company:
1. Cable Television Networks (Regulation) Act, 1995, Cable Television Network (Regulation) Rules, 1994 and Content Certification Rules, 2008;
 2. The Cinematography Act, 1952;
 3. Telecom Regulatory Authority of India Act, 1997;
 4. Indecent Representation of Women (Prohibition) Act, 1986.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) (upto 30th November, 2015) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015);

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observation:

In the Directors' Report for the year ended 31st March, 2015, no response has been furnished to the observation in the Secretarial Audit Report as required under Section 134(3) of the Companies Act, 2013.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Ms. Nandita Swamy, a Woman Director resigned with effect from 22nd January 2016. The Company is yet to appoint a Woman Director in her place.

Adequate Notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the

meeting.

Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has not undertaken any event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

Place : Mumbai

Date : 24th May 2016

**HIMANSHU S. KAMDAR
PARTNER
FCS : 5171
COP: 3030**

Note : This report should be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

Annexure - I

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March, 2015;
3. Minutes of the Board of Directors and Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee of the Company along with the respective Attendance Registers for meetings held during the Financial Year under report;
4. Minutes of General Body Meeting(s) held during the Financial Year under report;
5. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee Meetings.
6. Policies framed by the Company under the SEBI (Listing Obligations and Disclosure Requirements), 2015
7. Statutory Registers viz.
 - Register of Directors & Key Managerial Personnel and their Shareholding,
 - Register of Directors' Shareholding,
 - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2),
 - Register of Contracts with related party (Form No. MBP-4)
 - Register of Charges (Form No. CHG-7);
8. Copies of Notice, Agenda and Notes to Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings;
9. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;
10. e-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report;
11. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered with the Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
12. Internal Code of Conduct for prevention of Insider Trading by Employee/Directors/ Designated Persons of the Company;
13. Compliance Certificate placed before the Board of Directors from time to time; Quarterly Related Party Transactions statements;
14. Documents filed with Stock Exchanges;
15. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

Annexure – II

To

The Members

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai

Date : 24th May 2016

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR
PARTNER
FCS: 5171
COP: 3030**

ANNEXURE IV

MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L65910MH1984PLC034514
Registration Date	:	12 th November, 1984
Name of the Company	:	Hathway Bhawani Cabletel & Datacom Limited
Category / Sub-Category of the Company	:	Public Limited Company
Address of the Registered office and contact details	:	Rahejas, 4 th Floor, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054
Whether listed company	:	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Bigshare Services Private Limited E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072. Tel : 28470652 Fax : 28475207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	Cable TV Service	Division 61- 61103 and 61104 (NIC Code of 2008).	99%
2	Broadband Service		1%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of Share holding	Applicable section
1	Hathway Cable & Datacom Limited 'Rahejas', 4 th Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400054	L64204MH1959PLC01 1421	Holding	51.60%	2(46)
2	Hathway Bhawani NDS Network Pvt. Ltd. 'Rahejas', 4 th Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400054	U74990MH2010PTC20 8960	Subsidiary	51%	2(87)(ii)

III SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Statement Showing Shareholding Pattern										
Code	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015				No. of Shares held at the end of the year :31/03/2016				% Change during the year (XI)
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Shareholding of Promoter and Promoter Group									
1.	Indian									
(a)	Individual / HUF	9,30,722	77,735	10,08,457	12.45	9,30,722	77,735	10,08,457	12.45	-
(b)	Central / State Government(S)	0	0	0	0.00	0	0	0	0.00	-
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others (Specify)									
(i)	Directors Relatives	0	0	0	0.00	0	0	0	0.00	-
(ii)	Group Companies	41,80,000	0	41,80,000	51.60	41,80,000	0	41,80,000	51.60	-
(iii)	Trusts	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (A)(1) :	51,10,722	77,735	51,88,457	64.06	51,10,722	77,735	51,88,457	64.06	-
2.	Foreign									
(a)	Individual	0	0	0	0.00	0	0	0	0.00	-
(b)	Bodies corporate	0	0	0	0.00	0	0	0	0.00	-
(c)	Institutions									
(d)	Qualified foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (a)(2) :	0	0	0	0.00	0	0	0	0.00	-
	Total holding for promoters and Promoter Group									
	(A)=(A)(1) + (A)(2)	51,10,722	77,735	51,88,457	64.06	51,10,722	77,735	51,88,457	64.06	-
(B)	Public Shareholding									
1.	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(c)	Central / State Government(S)	0	0	0	0.00	0	0	0	0.00	-
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(f)	FII'S	0	0	0	0.00	0	0	0	0.00	-
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(h)	Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (B)(1) :	0	0	0	0.00	0	0	0	0.00	-
(B)	Non-Institutions									
(a)	Bodies Corporate	2,36,386	15,100	2,51,486	3.10	1,46,698	15,100	1,61,798	2.00	-1.10
(b)	Individual									
(i)	(Capital up to Rs. 1 Lakh)	13,53,320	19,836	13,73,156	16.95	15,74,454	39,836	16,14,290	19.93	2.98
(ii)	(Capital greater than Rs. 1 Lakh)	11,93,020	20,000	12,13,020	14.97	11,23,058	0	11,23,058	13.86	-1.11
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Others (Specify)									
(i)	Trusts	0	0	0	0.00	0	0	0	0.00	-
(ii)	Clearing member	3,086	0	3,086	0.04	3,087	0	3,087	0.04	-
(iii)	Directors relatives	66,985	0	66,985	0.83	0	0	0	0.00	-0.83
(iv)	Employee	0	0	0	0.00	0	0	0	0.00	-
(v)	Non-resident Indians (NRIs)	3,810	0	3,810	0.05	9,310	0	9,310	0.11	0.06
(vi)	Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	-
(vii)	Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	-
	SUB TOTAL (B)(2) :	28,56,607	54,936	29,11,543	35.94	28,56,607	54,936	29,11,543	35.94	-

	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	28,56,607	54,936	29,11,543	35.94	28,56,607	54,936	29,11,543	35.94	-
	Total (A) + (B) :	79,67,329	1,32,671	81,00,000	100.00	7,967,329	1,32,671	81,00,000	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	-
(ii)	Public	0	0	0	0.00	0	0	0	0.00	-
	SUB TOTAL (C)(1) :	0	0	0	0.00	0	0	0	0.00	-
	(C)=(C)(1)		0		0.00	0	0	0	0.00	-
	Total (A) + (B) :	79,67,329	1,32,671	81,00,000	100.00	79,67,329	1,32,671	81,00,000	100.00	-
	Grand Total (A) + (B) + (C)	79,67,329	1,32,671	81,00,000	100.00	79,67,329	1,32,671	81,00,000	100.00	-

ii. Shareholding of Promoters :

Sr.No	Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Kapil Puri	29,135	0.36	0.0000	29,135	0.36	0.0000	-
2	Ketan Chokshi	1,000	0.01	0.0000	1,000	0.01	0.0000	-
3	Kavita Puri	42,600	0.53	0.0000	42,600	0.53	0.0000	-
4	Malka Sanjiv Chainani	5,000	0.06	0.0000	5,000	0.06	0.0000	-
5	Kulbushan Puri	4,26,383	5.26	0.0000	4,26,383	5.26	0.0000	-
6	Kuldeep Puri	5,04,339	6.23	0.0000	5,04,339	6.234	0.0000	-
7	Hathway Cable and Datacom Limited	20,20,000	24.93	0.0000	20,20,000	24.93	0.0000	-
8	Hathway Media Vision Private Limited	21,60,000	26.67	0.0000	21,60,000	26.67	0.0000	-
		51,88,457	64.05	0.0000	51,88,457	64.05	0.0000	-

iii. Change In Promoters' Shareholding:

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
					N.A.			

iv. **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning/End of the year	% of total shares of the company				Number of Shares	% of total shares of the company
1	Minal B. Patel	1,35,004	1.67	01.04.2015	-	No Change		
		1,35,004	1.67	31.03.2016			1,35,004	1.67
2	Bharat Bhushan Kapur	1,00,000	1.23	01.04.2015	-	No Change		
		1,00,000	1.23	31.03.2016			1,00,000	1.23
3	Ashok Mittal	88,288	1.09	01.04.2015	-	No Change		
		88,288	1.09	31.03.2016			88,288	1.09
4	Religare Finvest Ltd	82,950	1.02	01.04.2015				
				26.06.2015	-300	Sale	82,650	1.02
				18.03.2016	-82,650	Sale	0	0.00
		0	0.00	31.03.2016			0	0.00
5	Shailesh Amarchand Jhaveri	0	0.00	01.04.2015				
				18.03.2016	82,650	Acquisition	82,650	1.02
		82,650	1.02	31.03.2016			82,650	1.02
6	Rakesh Jagdish Bahal	79,092	0.98	01.04.2015	-	No Change	79,092	0.98
		79,092	0.98	31.03.2016			79,092	0.98
7	Yogesh Laxmidas Bhatia	59,971	0.74	01.04.2015	-	No Change	59,971	0.74
		59,971	0.74	31.03.2016			59,971	0.74
8	Mala Bhatia	58,021	0.72	01.04.2015	-	No Change	58,021	0.72
		58,021	0.72	31.03.2016			58,021	0.72
9	Vipul Jayraj	55,312	0.68	01.04.2015	-	No Change	55,312	0.68
		55,312	0.68	31.03.2016			55,312	0.68
10	Milind Dattatraya Karnik	66,985	0.83	01.04.2015	-			
				17.04.2015	-200	Sale	66,785	0.82
		66,785	0.82	31.03.2016			66,785	0.82
11	Vipul Priyakant Dalal	50,000	0.62	01.04.2015	-	No Change	50,000	0.62
		50,000	0.62	31.03.2016			50,000	0.62

Note: The aforesaid details includes top 10 shareholders as on 31.03.2015, changes therein and as on 31.03.2016.

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No	Name	Shareholding		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15) / end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Samson Jesudas	Nil	-	-	-	-	-	-
2	Mr. Dilip Worah	Nil	-	-	-	-	-	-
3	Mr. L .K. Kannan	Nil	-	-	-	-	-	-
4	Mr. Vineet Garg	Nil	-	-	-	-	-	-
5	Mr. Shyam P V	Nil	-	-	-	-	-	-
6	Mr. Manoj Dere ¹	1	0.00	31.03.2016	-	-	1	0.00
7	Mr. Basant Haritwal	Nil	-	-	-	-	-	-

¹appointed as Key Managerial Personnel (KMP) with effect from 11.02.2016.

IV INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rs.)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	3,59,315	1,42,65,448	0	1,46,24,763
i) Principal Amount	3,59,315	1,42,65,448	0	1,46,24,763
ii) Interest due but not paid	0	37,04,174	0	37,04,174
iii) Interest accrued but not due	0	0	0	
Total (i + ii + iii)	3,59,315	1,79,69,622	0	1,83,28,937
Change in Indebtedness during the financial year				
· Addition	0	0	0	0
· Reduction	3,59,315	1,42,65,448	0	1,46,24,763
Net Change	3,59,315	1,42,65,448	0	1,46,24,763
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	37,04,174	0	37,04,174
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	37,04,174	0	37,04,174

V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company has not paid any remuneration its executive director.

B. Remuneration to other Directors :

None of the other Directors are receiving remuneration except sitting fees.

C. Remuneration To key Managerial Personnel other than Md/ Manager/ Wtd

The Company has not paid any remuneration to its Key Managerial Personnel.

VI PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were neither any penalties/punishment levied on the Company nor the compounding of offences was done during the year under review.

For and on behalf of the Board

Samson Jesudas
Managing Director & CEO
DIN: 02539442

Vineet Garg
Director
DIN: 06935347

Place : Mumbai
Date : August 23, 2016

Registered Office

Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai - 400 054.

CIN: L65910MH1984PLC034514

Tel .: 022-2600 1306 • **Fax :** 022-2600 1307

Mail: investors.bhawani@hathway.net

ANNEXURE V**DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH
RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014****(A) Conservation of energy:**

Steps taken or impact on conservation of energy	Not Applicable
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

(B) Technology absorption:

Efforts made towards technology absorption	Not Applicable
Benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Not Applicable
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
Expenditure incurred on Research and Development	

(C) Foreign exchange earnings and Outgo:

	1 st April, 2015 to 31 st March, 2016 [Current F.Y.]	1 st April, 2014 to 31 st March, 2015 [Previous F.Y.]
	Amount (Rs. In Crores)	Amount (Rs. In Crores)
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	Nil	Nil

For and on behalf of the Board

Samson Jesudas
Managing Director & CEO
DIN: 02539442

Vineet Garg
Director
DIN: 06935347

Date: 23/08/2016
Place: Mumbai

Registered Office
Rahejas, 4th Floor, Corner of Main Avenue
& V. P. Road, Santacruz West, Mumbai - 400 054.

CIN: L65910MH1984PLC034514
Tel No. 022-26001306 Fax No. 022-26001307
Mail: investors.bhawani@hathway.net

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

The Company envisages attainment of higher levels of transparency, accountability and ethical conduct in all facets of its operations and interactions with its stakeholders including shareholders, employees, customers, suppliers, government, lenders and the community at large.

It aims to increase and sustain its corporate value through growth and innovation. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

Corporate Governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximizing long-term shareholders' value. Corporate Governance is beyond the realm of law.

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

In accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 [**SEBI (LODR)**], 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

As on 31st March, 2016, in compliance with regulation 17 of SEBI (LODR), the Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors, who are having indepth 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 Four Non-Executive Directors out of which two directors are Independent Directors. The composition of the Board and other relevant details relating to Directors for the Financial Year ended 31st March, 2016 are given below:

Name of the Director(s)	Relationship with other Directors	Designation	Category of Directors	No of Other Directorships ¹	No. of Other Committee Memberships ²	
					Chairman	Member
Mr. Samson Jesudas	None	Managing Director & CEO	Executive & Non Independent	Nil	Nil	Nil
Mr. Vineet Garg ³	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil
Mr. Shyam P. V. ³	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil

Mr. Dilip Worah	None	Independent Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. L. K. Kannan	None	Independent Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Hetal Thakore ⁴	None	Director	Non-Executive & Independent	1	Nil	Nil
Mr. Milind Karnik ⁵	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil
Ms. Nandita Swamy ⁶	None	Independent Director	Non-Executive & Independent	Nil	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 an Additional Director with effect from July 30, 2015.

4 Ceased to be a Director with effect from April 6, 2015.

5 Ceased to be a Director with effect from July 30, 2015.

6 Ceased to be a Director with effect from January 22, 2016.

b) Appointment/Re-appointment of Directors :

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Shyam P. V., Director shall retire by rotation at the forthcoming Annual General Meeting.

The Board has recommended to the shareholders the re-appointment of the aforesaid director retiring by rotation, as in the opinion of the Board, he fulfills the condition specified in this Act for holding of office of director. The detailed resume of the aforesaid proposed appointee who has offered himself for re-appointment is 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 2015-2016, 4 (Four) Board Meetings were held on May 25, 2015, August 12, 2015, November 05, 2015 and February 11, 2016. The last Annual General Meeting of the Company was held on September 25, 2015. 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. Samson Jesudas	4	Yes
Mr. Vineet Garg*	2	Yes
Mr. Shyam P. V.*	3	Yes
Mr. Dilip Worah	4	Yes
Mr. L. K. Kannan	4	Yes
Mr. Hetal Thakore**	0	No
Mr. Milind Karnik***	1	No
Ms. Nandita Swamy****	1	No

* Appointed as a Director with effect from July 30, 2015.

**Ceased to be a Director with effect from April 6, 2015.

*** Ceased to be a Director with effect from July 30, 2015.

****Ceased to be a Director with effect from January 22, 2016.

d) Separate meeting of Independent Directors :

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR), a separate meeting of the Independent Directors of the Company was held on February 11, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

e) Familiarization Programme :

The details of the Familiarization Programme for Independent Directors is provided in the web link <http://hathwaybhawani.com/wp-content/uploads/2016/05/Hathway-Bhawani-Familiarization-program-of-Independent-Directors.pdf>

f) 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 (a) of sub-regulation (5) of Regulation 17 of SEBI (LODR), declaration on compliance of the Company's code of conduct signed by Managing Director forms a part of this Annual Report.

g) Prevention of Insider Trading Code:

In compliance with SEBI's regulation on prohibition and prevention of Insider Trading, the Company has established comprehensive Code of Conduct for prohibition and prevention of Insider Trading for its designated employees/persons and Directors. The said Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

The Company has also established the Code of Practices and Procedures of fair disclosure of Unpublished Price Sensitive Information.

h) Shares and convertible instruments held by non-executive directors :

None of the non-executive directors hold any Shares and/or convertible instruments in the Company.

3. **Audit Committee**

a) 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. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 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 and auditor's report thereon 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 (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (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) related party transactions;
 - (g) modified opinion(s) 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - viii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - ix. approval or any subsequent modification of transactions of the Company with related parties;
 - x. scrutiny of inter-corporate loans and investments;
 - xi. valuation of undertakings or assets of the Company, wherever it is necessary;
 - xii. evaluation of internal financial controls and risk management systems;
 - xiii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiv. 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;
 - xv. discussion with internal auditors of any significant findings and follow up there on;
 - xvi. 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;
 - xvii. 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;

- xviii. 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;
- xix. to review the functioning of the whistle blower mechanism;
- xx. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

b) Composition of Audit Committee

The Committee comprises of 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. During the financial year 2015-2016, 4 (Four) Audit Committee Meetings were held. The composition of the Audit Committee and the number of meetings attended by the members of the audit committee are as under:

Committee Members Attending the Meeting	Category	Designation	No. of Meetings Attended
Mr. Dilip Worah	Independent Director	Chairman	4
Mr. L. K. Kannan	Independent Director	Member	4
Mr. Vineet Garg*	Director	Member	2
Mr. Milind Karnik**	Director	Member	1

* Appointed as a member with effect from July 30, 2015.

** Ceased to be director with effect from July 30, 2015.

c) Attendees:

The Audit Committee invites such of the Board members and Senior Management team, as it considers appropriate to be present at its meetings. The Statutory Auditors are also invited to the meetings.

4. **Nomination and Remuneration Committee:**

a) Terms of reference:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (3) devising a policy on diversity of Board of Directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (5) to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

b) Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three members. All the members

are Non-Executive Directors of which two directors are Independent Directors. The Chairman of the Committee is an Independent Director.

The details of the Committee members are as under:

Committee Members	Designation
Mr. Dilip Worah – Independent Director	Chairman
Mr. L. K. Kannan – Independent Director	Member
Mr. Vineet Garg* - Director	Member

* Appointed as a member with effect from July 30, 2015.

Only 1 (one) meeting of the Nomination and Remuneration Committee was held on February 11, 2016 during the financial Year 2015-2016 and the said meeting was attended by two members of the Committee.

c) Performance Evaluation criteria :

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

5. Remuneration of Directors:

i) Criteria of making payments to Non-executive Directors and disclosure with respect to remuneration:

Except sitting fees no remuneration is paid to Non-executive directors. The sitting fees paid is within the limits prescribed under the Companies Act, 2013. The details of the sitting fees paid to the Independent Directors during the year 2015-16 are as under:

Name of the Director	Sitting Fees Paid (Amt. in Rs.)
Mr. Dilip Worah	64,000
Mr. L. K. Kannan	64,000
Mr. Milind Karnik*	16,000
Ms. Nandita Swamy**	10,000
Mr. Vineet Garg	0
Mr. Shyam P V	0
Total	1,54,000

*Ceased to be a Director with effect from July 30, 2015

** Ceased to be Director with effect from January 22, 2016.

ii) Executive Directors:

Mr. Samson Jesudas, Managing Director & CEO is the only Executive Director of the Company. Mr. Samson Jesudas does not receive any remuneration from the Company.

6. Stakeholders' Relationship Committee :

a) Constitution and Composition of Stakeholders' Relationship Committee :

The Stakeholders' 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. Vineet Garg, a Non-Executive Director. A meeting of the members of Stakeholders' Relationship Committee was held on February 11, 2016, during the Financial Year 2015-2016.

The composition of the Stakeholders' Relationship Committee as on 31st March 2016 is as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Vineet Garg	Chairman	Nil
Mr. Samson Jesudas	Member	1
Mr. Dilip Worah	Member	1

- b) Mr. Dilip Vaidya, Company Secretary & Compliance Officer, of the Company resigned with effect from February 11, 2016 and Mr. Manoj Dere was appointed as Company Secretary & Compliance Officer, in his place as on that date.
- c) During the year 2015-2016, the Company has not received any investor complaints. There were no complaints pending as at end of the year.

Received from	Received During 2015-16	Redressed during 2015-16	Pending as on 31.03.2016
SEBI	0	0	0
BSE	0	0	0
NSDL/CDSL	0	0	0
Direct from Investors	0	0	0
Total	0	0	0

7. General Body Meetings :

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

Financial Year	Date	Venue	Time
2012-13	26.09.2013	Sanjona Complex, 3 rd Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071	4.00 p.m.
2013-14	10.09.2014	Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098	3.00 p.m.
2014-15	25.09.2015	Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098	3.00 p.m.

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

Financial Year	Particulars of Special Resolution passed
2012-13	Nil
2013-14	1. Amendment in Articles of Association of the Company 2. Issue of Equity Shares on preferential basis
2014-15	Nil

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

iii) Postal Ballot:

During the Financial Year 2015–16 no resolutions were passed through postal ballot. No Special Resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

8. Means of Communication :

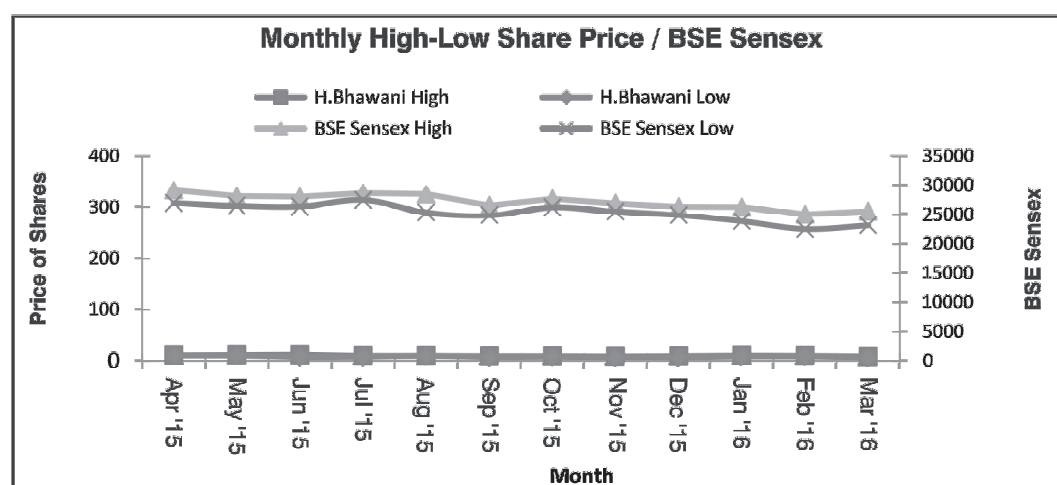
- (i) The quarterly results of the Company are generally published in Mumbai Laxadweep (*Marathi Newspaper*) and Financial Express (*English Newspaper*). The Company proposes that all quarterly, half-yearly and full year financial results be published at least in 2 newspapers. The quarterly results are further submitted to BSE Limited immediately after the conclusion of the respective meetings and the said results are also displayed on the website of the Company.
- (ii) No presentations were made to institutional investors or to the analysts during the year under review.
- (iii) All information required to be uploaded on the website pursuant to Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, is disseminated on the website of the Company, www.hathwaybhawani.com

9. General Shareholder Information :

a.	<i>Date, time and venue of Annual General Meeting of Shareholders</i>	September 27, 2016 at 3:00 p.m. at Ground Floor, Windsor, off CST Road, Kalina, Santacruz (East), Mumbai - 400 098.
b.	<i>Financial Year</i>	The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the stipulated time after the end of respective quarter as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
c.	<i>Dividend Payment</i>	The Board of Directors of the Company has not recommended any dividend for the financial year ended 31 st March, 2016.
d.	<i>Name and Address of the Stock Exchange</i>	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
e.	<i>Payment of Listing Fees</i>	Paid for the Financial Year 2016-2017.
f.	<i>Stock Code</i>	509073
g.	<i>Stock Market price data</i>	
	Monthly high and low at BSE Limited, for financial year ended March 31, 2016:	

Monthly High-Low Share Price/BSE SENSEX

Month	BSE SENSEX (High)	BSE SENSEX (Low)	HBCDL (High)	HBCDL (Low) (Rs.)
Apr-15	29094.61	26897.54	10.99	10.12
May-15	28071.16	26423.99	11.7	10.35
Jun-15	27968.75	26307.07	11.85	7.73
Jul-15	28578.33	27416.39	9.95	7.84
Aug-15	28417.59	25298.42	9.95	9.49
Sep-15	26471.82	24833.54	9.46	7.29
Oct-15	27618.14	26168.71	9.42	8.17
Nov-15	26824.3	25451.42	8.9	6.88
Dec-15	26256.42	24867.73	9.22	6.69
Jan-16	26197.27	23839.76	10.6	8.76
Feb-16	25002.32	22494.61	9.95	8.81
Mar-16	25479.62	23133.18	8.54	6.78



h. a) Distribution of Shareholding as on March 31, 2016:					
	Range (in Rs.)	No. of Share holders	% of total number of Share holders	Amount (in Rs.)	% of Total Shareholding
	1 - 5000	1208	66.63	23,37,230	2.89
	5001 – 10000	254	14.01	22,94,230	2.83
	10001 -- 20000	132	7.28	22,13,970	2.73
	20001 -- 30000	57	3.14	14,72,060	1.82
	30001 -- 40000	29	1.60	10,34,130	1.28
	40001 -- 50000	30	1.65	14,38,060	1.77
	50001 -- 100000	55	3.03	40,93,830	5.05
	100001 & above	48	2.66	6,61,16,490	81.63
	Total	1,813	100.00	8,10,00,000	100.00

<i>b) Category wise Distribution Schedule as on March 31, 2016</i>				
	Sr. No.	Category	No. of Shares held	%
	1.	Promoters	10,08,457	12.45
	2.	Corporate Bodies (Promoter Companies)	41,80,000	51.60
	3.	Clearing Members	3,087	0.04
	4.	Other Bodies Corporate	1,61,798	2.00
	5.	Foreign Company	0	0
	6.	Financial Institutions	0	0
	7.	Foreign Institutional Investor	0	0
	8.	Mutual Funds	0	0
	9.	Nationalised Banks	0	0
	10.	Non Resident Indians	9,310	0.11
	11.	Non Resident Indians (Non Repatriable)	0	0
	12.	Office Bearers	0	0
	13.	Public	27,37,348	33.80
	14.	Directors and Relatives of Director	0	0
		Total	81,00,000	100.00

<i>i.</i>	<i>Registrar and Share Transfer agent</i>	Bigshare Services Private Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel.: (022) 28470652/28470653 Fax: (022) 28525207 Email: bigshare@bom7.vsnl.net.in
<i>j.</i>	<i>Share Transfer System</i>	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 Stakeholders' Relationship Committee of the Company meets as often as required.
<i>k.</i>	<i>Dematerialisation of Shares and Liquidity</i>	The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE525B01016. As on 31 st March 2016, 79,67,329 Equity Shares representing 98.36% had been dematerialized.
<i>l.</i>	<i>Outstanding ADR/GDR/Warrants</i>	The Company has no outstanding ADR/GDR/Warrants or any convertible instruments, pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.

m.	Commodity price risk, foreign exchange risk and hedging activities	Nil
n.	Plant Locations	The Company is not engaged in manufacturing activities.
o.	Address for correspondence	<p><u>For general Correspondence:</u> “Rahejas”, 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai – 400 054. Tel: (022) 26001306 Fax: (022) 26001307</p> <p><u>For matters related to Share transfers Dematerialisation, etc.:</u> 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</p>

10. Other Disclosures :

a. Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large. The transactions mentioned under the Section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31st March, 2016 are non-material in nature.

b. Details of Non – compliance and penalties, strictures imposed during the last three years :

There was no non-compliance by the Company and no penalties, strictures were imposed on the Company or its promoters by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

c. Details of establishment of Vigil Mechanism/whistle blower policy etc.:

The Company has framed a Whistle Blower Policy which was approved by the Board of Directors on May 26, 2014. The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

d. Details of Compliance with mandatory requirements and adoption of non – mandatory requirements :

The Company has complied with the mandatory requirements of the Corporate Governance Clause of SEBI (LODR). The Company has not implemented the non-mandatory requirements.

e. Web links :

- Policy for determining materiality
- Policy on dealing with related party transactions

f. Commodity price risk and commodity hedging activities : Nil

11. Compliance requirement :

The Company has complied with all the requirements of Corporate Governance as mentioned in sub-

paras (2) to (10) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except appointment of woman director under regulation 17. The Company is in the process of complying with the aforesaid requirement.

12. Adoption of Discretionary Requirements :

Sr. No.	Discretionary Requirements	Adoption (Yes/No)
1.	The Board	No
2.	Shareholder Rights	No
3.	Modified opinion(s) in Audit Report	No
4.	Separate posts of Chairperson and Chief Executive Officer	Yes
5.	Reporting of Internal Auditor	Yes

13. Disclosure of Compliance with Corporate Governance Requirements:

The Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR), except for appointment of Woman Director, in place of Ms. Nandita Swamy, who resigned w.e.f. January 22, 2016.

14. Request to Shareholders :

- Shareholders are requested to communicate change of address, if any, directly to the share transfer agent of the Company at the above address.*
- As required by SEBI, shareholders shall require to 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.*
- The Shareholders who still hold the shares in the physical mode are requested to convert their respective holding in Dematerialization form and get their email-id registered with the Company / Registrar & Share Transfer Agent to enable the company to send all the Communications / Correspondence through electronic mode.*
- Shareholders 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.*
- Shareholders 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.*

CODE OF CONDUCT DECLARATION

Pursuant to Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 entered into with the Stock Exchange, 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.

Samson Jesudas

Managing Director & CEO

DIN : 02539442

Place : Mumbai

Date : August 23, 2016



To

The Members of

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CORPORATE GOVERNANCE CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED** ("Company") for the financial year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange (upto 30th November, 2015) and Regulations 17 to 27, 46, Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December 2015) of the said Company with the Stock Exchange 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 Regulation 17 to 27, 46, Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for appointment of Woman Director in place of Ms. Nandita Swamy, who resigned w.e.f. January 22, 2016.

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 : August 23, 2016

Place : Mumbai

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERALL REVIEW

The Indian economy remained resilient and grew by 7.6% in FY2016, making it the world's fastest growing economy among the large economies, according to the data released by the Central Statistics Organisation (CSO) of India. This was higher than 7.2% economic growth recorded in FY2015, buoyed by improved performance in farm and manufacturing output and growth in consumption. Strong macro-economic fundamentals, favourable business sentiments and a downward trend in interest rates are significant positives for the economy. India has benefited from lower oil prices and remains on a strong recovery path, being the fastest-growing large economy in the world.

The International Monetary Fund (IMF) retained its growth forecast for India in FY2017 at 7.5%, largely driven by private consumption even as weak exports and sluggish credit growth continue to weigh on the economy. India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes. Robust reforms, push for Make in India and a better external environment indicate a double-digit growth trajectory.

India climbed 12 notches on the World Bank's Ease of Doing Business indicator and is a "haven of stability amid a turbulent global economy". The Government has taken several steps to improve the country's economic environment – including simplifying approval procedures, repealing obsolete laws, putting in place a non-adversarial tax regime and addressing the issue of subsidy leakage.

An integrated set of initiatives – including Make In India, Start-Up India, Mudra Yojana and Skill India – will help create a large number of jobs. A series of reforms is being initiated to help convert job seekers into job creators. The Government has launched the Start-Up India campaign, which will deepen, expand and support the innovation ecosystem in the country.

INDUSTRY REVIEW

India is the world's second largest television market after China but remains highly unstructured. Indian TV Distribution is one of the most fragmented industries, consisting of 600+ TV Channels, 50,000+ Local Cable Operators (LCO's) and 1900+ Multi System Operators (MSO's). Challenges in improving addressability and increasing monetization continue to trouble the industry.

The number of TV households in India increased to 175 million in CY2015, implying a penetration of 62%. The number of Cable & Satellite (C&S) subscribers is estimated to have reached 160 million. Excluding DD Free Dish, the number of paid C&S subscribers was estimated at 145 million in CY 2015, implying a paid C&S penetration of 83%. TV households are projected to increase to 200 million by 2020, with the paid C&S subscriber base expected to grow to 174 million by 2020, representing 87% of the TV households. (*Source: FICCI – KPMG India Media and Entertainment Industry Report 2016*)

While the Ministry of Information & Broadcasting extended the deadlines for DAS Phase III and IV implementation from the earlier combined deadline of December 2014 to December 2015 and December 2016, respectively, the rollout of Set Top Boxes (STBs) are not likely to be completed before December 2017. Further, the expected benefits, in terms of improved addressability and Average Revenue per User (ARPU) are expected to manifest with a delay too.

Since the advent of digitisation, there has been a continuous increase in net realisations for pan-India MSOs during Phase I and II. However, according to the Indian Media and Entertainment Industry Report – 2016 (KPMG-FICCI), while DTH revenue growth remains healthy, digital cable continues to face issues while raising consumer pricing. They ascribe the health of DTH to the increase in ARPUs, on the back of price increases, increasing high-definition (HD) penetration, and subscriber additions. Digital cable operators, on

the other hand, have not been successful in ensuring collection as per channel packages as the rolling out of tiered channel packages is still in process. Once this segment is able to monetize their services better, its ARPU is likely to grow at a CAGR of 10% over the 5-year period starting 2015, as opposed to a CAGR of 8% in the DTH space.

OPPORTUNITIES, THREATS AND BUSINESS OUTLOOK

- Delays in DAS III - Subscription revenue growth was slower due to delays in Phase 3 digitisation and further delays in availing the on-ground benefits of Phase 1 and 2. Delays in digitisation would mean that subscription growth would be slower than anticipated earlier.
- LCO Connect – In line with the parent company initiatives, the company has recently rolled an online portal for the Local Cable Operator (LCOs); christened “Hathway Connect”, which provide complete transparency to LCO about his customers and would facilitate managing its business efficiently and independently. This LCO portal is an extension of parent company backend system which supports LCO to service customer in real time, comply with Quality of Service guidelines, generate bills, receipts and reports etc.
- New Packaging - Your Company has introduced simplified package structure in line with parent company whereby customer can customize pack by choosing from the 6 Genre Add ons and 7 Regional Language Add ons packs with base FTA pack. The packaging is a first of its kind initiative for Cable Customers. To simplify selection of package, there are only 2 pre-customized packs for the customers. New packaging will not only help consumers to opt channel of their choice, but it will also help company to enhance its revenues.

The Company is taking various steps to improve performance by:

- a) Improving efficiency through combination of strategies such as channel packages, promoting HD and persuading LCO's and consumers to move towards higher packages.
- b) Curtailing overheads by exercising strict control and regular review mechanism.
- c) Stringent control procedures for fast recoveries.

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 is providing Cable Television Network Services & Internet Services which is considered as the only reportable segment. In terms of Accounting Standard 17 on segmental reporting, the company's operations are based in the state of Maharashtra, India.

HUMAN RESOURCES

An Orientation has been given to the personnel policy with emphasis on performance.

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.

COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS

(₹ In Lacs)

Particulars	Year 2015-16		Year 2014-15	
	Amount	% of Total Income	Amount	% of Total Income
INCOME				
Income from Operations	1725.25	99.44	1542.89	99.48
Other Income	9.55	0.56	8.08	0.52
TOTAL	1734.80	100.00	1550.97	100.00
EXPENDITURE				
Operational Expenses	1280.24	73.79	1274.08	82.15
Staff Cost	143.57	8.28	161.39	10.40
Other Expenses	373.43	21.53	336.00	21.66
Finance Charges	19.52	1.13	19.76	1.27
Depreciation / Amortisation	69.60	4.01	77.64	5.01
TOTAL	1886.36	108.74	1869.45	120.53
Profit / (Loss) Before Taxation and Exceptional Items	(151.56)	(8.74)	(318.48)	(20.53)
Prior Period & Exceptional Items	7.05	0.42	0.67	0.04
Profit / (Loss) Before Taxation	(158.62)	(9.15)	(317.82)	(20.49)
Provision for taxation				
Deferred Tax	10.15	0.58	4.69	0.30
Income Tax(MAT)	-	-	-	-
Profit / (Loss) After taxation	(148.46)	(8.56)	(313.13)	(20.19)

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be “forward-looking” within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position ;
 - ii. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses ;
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co
Chartered Accountants
Firm Registration No.104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai

Date: May 24, 2016

“Annexure A” to the Auditor's Report

Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 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. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (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) The Company does not hold any immovable properties. Accordingly, the paragraph 3(i)(c) of the Order regarding title deeds of immovable properties is not applicable;
- ii. According to the information and explanations given to us, the Company does not hold any inventories and accordingly paragraph 3(ii) of the Order is not applicable;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), (b) and (c) of the Order are not applicable;
- iv. According to the information and explanations given to us, the provisions of Section 185 and 186 of the Act, with respect to loans and investments made are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal;
- vi. The Central Government has prescribed maintenance of cost records under section 148(1) 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;
- vii. (a) Based on the records produced before us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six

months from the date they became payable;

- (b) According to the information and explanations given to us, there are no outstanding disputed dues payable by the Company in case of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as on March 31, 2016;
- viii. The Company has not taken any Loans from Banks, Financial Institutions and Government during the year. Further, the Company has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable;
- ix. In our opinion and according to the information and explanations given to us and based on the records examined by us the term loan have been applied for the purpose for which the loan were obtained; However, the Company did not raise any money by way of initial public offer or further public offer or debt instrument;
- x. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable;
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable;
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placements of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable;
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date: May 24, 2016



“Annexure B” to the Auditor's Report

Referred to in Paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the financial statements of the Company for the year ended March 31, 2016

We have audited the internal financial controls over financial reporting of **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in

accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date: May 24, 2016

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
BALANCE SHEET AS AT MARCH 31, 2016
CIN : L65910MH1984PLC034514

in ₹

Particulars	Note No	As At March 31,	
		2016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	81,000,000	81,000,000
Reserves and Surplus	2.2	(109,749,620)	(94,903,373)
Non-Current Liabilities			
Long-Term Borrowings	2.3	-	14,341,378
Deferred Tax Liabilities (Net)	2.4	-	1,015,495
Long-Term Provisions	2.7	2,509,189	1,568,520
Current Liabilities			
Trade Payables	2.5	-	-
Total outstanding dues of Micro enterprises and Small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		128,958,134	117,756,787
Other Current Liabilities	2.6	31,077,017	17,831,643
Short-Term Provisions	2.7	118,015	101,408
		133,912,735	138,711,858
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.8	35,469,581	36,641,572
Intangible Assets	2.9	4,987,027	6,329,772
Capital Work In Progress		145,701	95,480
Non-Current Investments	2.10	4,077,079	5,529,657
Long-Term Loans and Advances	2.11	13,824,346	21,543,130
Trade Receivables	2.13	2,636,857	3,194,272
Other Non Current Assets	2.12	5,235,404	4,646,488
Current Assets			
Trade Receivables	2.13	34,330,863	33,108,524
Cash and Bank Balances	2.14	14,139,667	15,200,788
Short Term Loans & Advances	2.11	18,768,881	11,979,182
Other Current Assets	2.12	297,329	442,993
		133,912,735	138,711,858
Summary of Significant Accounting Policies	1		
Refer accompanying notes. These notes are an integral part of the financial statements.			
<p>As per our report of even date</p> <p>For G.M. Kapadia & Co. Chartered Accountants Firm Registration No. 104767W</p> <p>Atul Shah Partner Membership No. 039569</p> <p>Place: Mumbai Dated: May 24, 2016</p>			
<p>For and on behalf of the Board of Directors of Hathway Bhawani Cabletel & Datacom Limited</p> <p>Samson Jesudas Managing Director DIN: 02539442</p> <p>Vineet Garg Director DIN: 06935347</p> <p>Basant Haritwal Chief Financial Officer</p> <p>Manoj Dere Company Secretary FCS NO 7652</p> <p>Place : Mumbai Dated : May 24, 2016</p>			

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2016
CIN : L65910MH1984PLC034514

in ₹

Particulars	Note No	As At March 31,	
		2016	2015
INCOME			
Revenue From Operations	3.1	172,524,693	154,289,083
Other Income	3.2	955,303	808,356
		173,479,996	155,097,439
EXPENDITURE			
Changes In Inventory of Stock In Trade	3.3	-	87,916
Operational Expenses	3.4	128,024,568	127,377,546
Employee Benefit Expenses	3.5	14,357,201	16,138,825
Other Expenses	3.6	37,342,614	33,600,607
		179,724,383	177,204,894
Earnings Before Finance Cost, Depreciation, Amortisation and Tax		(6,244,387)	(22,107,455)
Depreciation and Amortisation Expenses	3.7	6,960,271	7,764,481
Finance Cost	3.8	1,951,857	1,976,373
Profit / (Loss) before Prior Period Items, Exceptional Items and Tax		(15,156,515)	(31,848,309)
Prior Period Adjustments (Net)	3.9	(747,352)	-
Exceptional Items	3.10	1,452,578	(66,759)
Net Profit / (Loss) before Tax		(15,861,741)	(31,781,550)
Tax Expense			
Current tax		-	-
Deferred tax		(1,015,494)	(468,923)
Net Profit / (Loss) for the Year from Continuing Operations		(14,846,247)	(31,312,627)
No. of Equity shares (Face Value Rs. 10 /- per share)		8,100,000	8,100,000
Earnings per equity share:	4.9		
Basic		(1.83)	(3.89)
Diluted		(1.83)	(3.89)
Summary of significant Accounting Policies	1		
Refer accompanying notes. These notes are integral part of the financial statements.			

As per our report of even date
For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: May 24, 2016

For and on behalf of the Board of Directors of
Hathway Bhawani Cabletel & Datacom Limited

Samson Jesudas
Managing Director
DIN: 02539442

Basant Haritwal
Chief Financial Officer

Place : Mumbai
Dated : May 24, 2016

Vineet Garg
Director
DIN: 06935347

Manoj Dere
Company Secretary
FCS NO 7652

HATHWAY BHAWANI CABLETEL & DATACOM LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016
CIN : L65910MH1984PLC034514

in ₹

	2015-2016		2014-2015	
	Rupees	Rupees	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT / (LOSS) BEFORE TAX , PRIOR PERIOD ADJUSTEMENTS		(15,861,741)		(31,781,550)
Adjustment for :				
Depreciation and Amortisation Expense	6,960,271		5,197,722	
Provision for Doubtful Debts	18,400,000		13,600,000	
Provision for Doubtful Advances / Investments	1,452,759		2,558,000	
(Profit) / loss on sale of Fixed Assets	(8,399)		(157,187)	
Interest Income	(443,252)		(443,114)	
Gratuity and Leave Encashment Expense/(write back)	(957,276)		377,214	
Interest Expense	1,951,857		1,976,373	
		27,355,960		23,109,008
Operating Profit Before Change in Working Capital		11,494,219		(8,672,543)
Change in Working Capital				
(Increase) / Decrease in Inventories	-		87,916	
(Increase) / Decrease in Trade Receivable	(19,064,925)		(11,763,470)	
(Increase) / Decrease in Loans and Advances	(1,011,458)		(64,587)	
(Increase) / Decrease in Other Assets	(964,501)		(63,238)	
Increase / (Decrease) in Current Liabilities and Provisions	13,491,610		47,712,787	
		(7,549,274)		35,909,407
Cash Generated from Operations		3,944,945		27,236,864
Taxes Paid (Net)		1,940,543		(5,352,969)
Net Cash flow (used in) Operating activity		5,885,488		21,883,896
CASH FLOW FROM INVESTING ACTIVITIES:				
Interest received	964,501		65,137	
Proceeds from Sale of Fixed Assets	8,826		242,540	
Purchase of Fixed Assets	(5,608,762)		(7,211,891)	
Purchase of Investments	-		(3,500)	
Net cash flow (used in) Investing Activity		(4,635,435)		(6,907,714)
CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Fresh Capital	-		1,100,000	
Short term borrowing (net)	-		(888,072)	
Long term borrowing repaid	(359,317)		(253,592)	
Interest Charges Paid	(1,951,857)		(1,976,373)	
Net cash flow (used in) Financing activity		(2,311,174)		(2,018,037)
Net increase in Cash and Cash equivalent		(1,061,121)		12,958,146
Cash & Cash equivalents at the beginning of year		15,200,788		2,242,643
Cash & Cash equivalents at the end of year		14,139,667		15,200,788
Components of cash and cash equivalents				
Balances with banks:				
In Current Accounts		13,796,616		14,440,071
Cash in hand		343,051		760,717
Total cash and cash equivalents		14,139,667		15,200,788

Notes :

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

As per our report of even date
For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: May 24, 2016

For and on behalf of the Board of Directors of
Hathway Bhawani Cabletel & Datacom Limited

Samson Jesudas
Managing Director
DIN: 02539442

Basant Haritwal
Chief Financial Officer

Place : Mumbai
Dated : May 24, 2016

Vineet Garg
Director
DIN: 06935347

Manoj Dere
Company Secretary
FCS NO 7652

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Significant Accounting Policies and Notes on Accounts to Financial statements

Company Overview

Hathway Bhawani Cabletel & Datacom Limited (the Company) is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in distribution of television channels through analog and digital cable distribution network and internet services through cable. Its equity shares are listed on Bombay Stock Exchange Limited (BSE) in India.

1. Basis of preparation

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 (the Act), read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. In accordance with first proviso to section 129(1) of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

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 Schedule III to the Act. Based on the nature of operations, the Company has ascertained its operating cycle as 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 financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences on account of revision of estimates, actual results and existing estimates are recognized in periods in which the results are known/materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

3. Fixed Assets

(a) Tangible Assets

- (i) The fixed assets are stated at cost less accumulated depreciation and impairment losses, 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) Internet Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized.

-
- (iii) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.
 - (b) 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 amortization and impairment losses.
 - (ii) The amortization period and the amortization method are reviewed at least at each financial year-end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.
 - (iii) Intangible assets comprises of Cable Television Franchise and Softwares. Cable Television Franchisee represents purchase consideration of a network that is mainly attributable to acquisition of subscribers and other rights, permission etc. attached to a network.

4. Depreciation / Amortisation

- (a) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Act, unless otherwise specified.
- (b) Depreciable amount for assets is the cost of an asset less its estimated residual value.
- (c) In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.
- (d) The cost of Internet Access Devices at customer location are depreciated on straight-line method over a period of eight years.
- (e) Assets costing less than ₹ 5,000/- is fully depreciated in the year of purchase.
- (f) The intangible assets are amortized on a straight line basis over their expected useful lives as follows:
 - (i) Cable Television Franchise is amortized over a period of twenty years.
 - (ii) Softwares are amortized over the license period and in absence of such tenor, over five years.

5. Investments

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

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.

- (a) Long Term Investments

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

(b) **Current Investments**

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

6. Inventories

Inventories are valued as follows:

Stock-in-trade comprising of access devices are valued at cost on weighted average method or at net realizable value, whichever is lower.

7. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized 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 not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the balance sheet date. 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 recognized nor disclosed.

9. Employee Benefits

- (a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit & 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 is 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. Accounting for Leases

The transactions where the Company conveys or receives right to use an asset for an agreed period of time for a payment or series of payments are considered as Lease.

As Lessee – Operating Lease

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

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

Income from Services

- (a) Subscription income includes subscription from Subscribers / Cable Operators relating to cable TV, Internet, activation of devices and from broadcasters relating to the placement of channels. Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.
- (b) Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognized on time proportion basis. In other cases of sale of prepaid Internet Service plans, entire revenue is recognized in the period of sale.
- (c) 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 / or rate is under negotiations at the time of recognition of revenue, the Company recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed by the management periodically.
- (d) The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

12. Taxation

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

13. Earnings per Share (EPS)

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.

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.

14. Impairment

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 recognized in the statement of profit and loss. 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 And Cash Equivalents

Cash and cash equivalents 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. Measurement of EBITDA

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.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

2.1 SHARE CAPITAL	As At March 31,	
	2016	2015
SHARE CAPITAL		
Authorised Capital		
10,000,000 (10,000,000) Equity Shares of face value of ₹ 10 Each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid up Capital		
8,100,000 (8,100,000) Equity Shares of face value of ₹ 10 each	81,000,000	81,000,000
	81,000,000	81,000,000

a) Reconciliation of the number of shares outstanding as at the beginning and end of the reporting period :

Particulars	As At March 31,			
	2016		2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	8,100,000	81,000,000	8,000,000	80,000,000
Shares Issued during the year	-	-	100,000	1,000,000
Shares bought back/ other movements during the year	-	-	-	-
Shares outstanding at the end of the year	8,100,000	81,000,000	8,100,000	81,000,000

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,	
	2016	2015
	No. of Shares Held	No. of Shares Held
Hathway Cable & Datacom Limited (Holding Company)	2,020,000	2,020,000
Hathway Media Vision Private Limited (Wholly Owned subsidiary of Holding Company)	2,160,000	2,160,000
	4,180,000	4,180,000

c) The details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As At March 31,			
	2016		2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hathway Cable & Datacom Limited	2,020,000	24.94%	2,020,000	24.94%
Kuldeep Puri	504,339	6.22%	504,339	6.22%
Hathway Media Vision Private Limited	2,160,000	26.67%	2,160,000	26.67%

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 ₹.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.

e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date

	As at March 31,	
	2016	2015
Equity shares allotted as fully paid - up pursuant to contracts for consideration other than cash. in the financial year 2014-15.	100,000	100,000

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

2.2 RESERVES & SURPLUS	As at March 31,	
	2016	2015
Securities Premium Reserve		
Balance at the beginning of the year	15,100,000	15,000,000
Add: Securities premium credited on Share issue	-	100,000
Less: Deduction during the year	-	-
Balance at the end of the year	15,100,000	15,100,000
Surplus		
Balance at the beginning of the year	(110,003,373)	(77,497,316)
Add : Net Profit / (Loss) after tax for the current year	(14,846,247)	(31,312,627)
Less : Depreciation Assets having Nil Useful Life	-	(1,193,430)
Deficit at the end of the year	(124,849,620)	(110,003,373)
	(109,749,620)	(94,903,373)

in ₹

2.3 LONG TERM BORROWINGS	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Secured				
Vehicles Loan				
From Financial Institution	-	75,930	-	283,385
	-	75,930	-	283,385
Loans and Advances From Related Party				
Unsecured				
Loan From Holding Company		14,265,448	14,265,448	-
	-	14,265,448	14,265,448	-
Amount disclosed under the head 'Other Current Liabilities' (Refer Note No. 2.6)	-	-	14,265,448	283,385
Net Amount	-	14,341,378	-	-

Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
Loan from Financial Institution	
(i) Vehicle Loans from Financial Institution amounting to ₹ Nil (March 31, 2015: ₹ 359,315) are secured by Hypothecation of Vehicles.	Fully repaid during the year
Unsecured Loan	
(ii) Loan from Holding company amounting to ₹ 14,265,448 (March 31, 2015: ₹ 14,265,448)	The unsecured loan is repayable on demand on or after April 1, 2016. Applicable Rate of Interest is 13.50% p.a.

in ₹

2.4 DEFERRED TAX LIABILITIES (NET)	As at March 31,	
	2016	2015
Deferred Tax Assets		
Provision for Gruity	617,241	330,357
Disallowance under section 43B	194,565	185,651
Income earned during the pre-commencement period	237,267	237,267
Carried forward Business Losses*	962,941	-
	(A) 2,012,014	753,275
Deferred Tax Liabilities		
Fixed Assets	2,012,014	1,768,770
	(B) 2,012,014	1,768,770
Net Deferred Tax Liabilities (A-B)	-	1,015,495

* The Company has substantial unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. The deferred tax assets relating to such unabsorbed depreciation and other items is significantly higher than deferred tax liabilities arising on account of timing differences. On conservative approach, the Company has recognized deferred tax assets on unabsorbed depreciation only to the extent of its deferred tax liabilities. Disclosure relating deferred tax liabilities required pursuant to Accounting Standard 22 – "Accounting for Taxes on Income" is as above.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

2.5 TRADE PAYABLES	Non- current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Pay channel cost	-	-	81,281,601	46,254,831
Others	-	-	47,676,533	71,501,956
	-	-	128,958,134	117,756,787
*As per the information available with the Company, none of the Payables 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.				

in ₹

2.6 OTHER LIABILITIES	Non- current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Current Maturities of Long term borrowings (Ref.Note 2.3)	-	-	14,265,448	283,386
Payable for Capital Goods	-	-	105,974	1,218,372
Security Deposits Received	-	-	4,966,009	5,231,308
Other payables				
Income received in advance	-	-	5,895,299	3,881,126
Statutory payable	-	-	1,686,974	1,574,637
Payables to employees	-	-	1,856,580	3,384,379
Outstanding liabilities for expenses	-	-	2,300,733	2,258,435
	-	-	31,077,017	17,831,643

in ₹

2.7 PROVISIONS	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Provision for employee benefits				
Gratuity	1,937,283	1,011,740	60,262	57,377
Leave Encashment	571,906	556,780	57,753	44,031
	2,509,189	1,568,520	118,015	101,408

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FIXED ASSETS

2.8 TANGIBLE ASSETS

PARTICULARS	<-----Gross Block----->			<---- Depreciation/Amortisation/Impairment---->					<-----Net Block----->	
	As at 1-Apr-15	Additions during the year	Deductions during the year	As at 31-Mar-16	As at 1-Apr-15	Adjustment for Change in Depreciation Policy	Additions during the year	Deductions during the year	Others Adjustment	As at 31-Mar-16
Plant and Machinery	93,906,355	3,867,365	29,383	97,746,357	61,149,159	-	4,541,501	28,957	-	65,661,704
Air conditioners	1,161,493	79,766	-	1,241,279	829,609	-	120,042	-	-	949,651
Structural Fittings	108,275	-	-	108,275	101,243	-	1,888	-	-	102,931
Furniture & Fixtures	4,989,558	73,000	-	4,472,558	2,984,569	-	180,960	-	-	3,165,428
Mobile Phones & Telephone	492,925	214,300	55,575	651,650	459,847	-	38,987	-	-	1,307,130
Computers	3,836,166	130,600	-	3,966,766	3,039,092	-	269,385	55,575	-	443,259
Office Equipment	930,788	22,563	-	953,351	823,641	-	71,494	-	-	3,308,477
Electrical Fittings	323,404	-	-	323,404	285,632	-	8,828	-	-	895,135
Vehicles	3,018,648	-	-	3,018,648	1,865,246	-	326,413	-	-	294,460
Total	106,179,612	4,387,634	84,958	112,482,288	71,538,038	-	5,559,198	84,532	-	77,012,706
Previous year	105,322,791	4,778,574	1,921,753	108,179,612	67,810,811	(2,566,759)	6,403,285	1,836,403	1,727,105	71,538,038
										35,469,581
										36,641,572
										37,511,980

2.9 INTANGIBLE ASSETS

PARTICULARS	<-----Gross Block----->			<---- Depreciation/Amortisation/Impairment---->					<-----Net Block----->	
	As at 1-Apr-15	Additions during the year	Deductions during the year	As at 31-Mar-16	As at 1-Apr-15	Adjustment for Change in Depreciation Policy	Additions during the year	Deductions during the year	Others Adjustment	As at 31-Mar-16
Cable TV Franchisee	26,946,020	-	-	26,946,020	20,309,947	-	1,317,301	-	-	21,627,248
Computer softwares	800,660	58,328	-	858,988	506,961	-	83,772	-	-	590,733
Total	27,146,680	58,328	-	27,205,008	20,816,908	-	1,401,073	-	-	22,217,981
Previous year	26,970,680	176,000	-	27,146,680	19,455,712	-	1,361,196	-	-	20,816,908
										4,718,772
										268,255
										6,329,772
										7,514,968

Note:

1) Range of remaining period of amortisation of Intangible Assets is as below:	Total WDV
Cable Television Franchisee	4,718,772
Softwares	268,255

2) 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.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

2.10 NON-CURRENT INVESTMENTS	As at March 31, 2016		As at March 31, 2015	
	Quantity	Amount	Quantity	Amount
Trade Investments (Value at Cost)				
Unquoted equity instruments				
Investment in Subsidiary				
Hathway Bhawani NDS Network Pvt.Ltd. (Face Value ₹ 500/-)	15,810	7,905,157	15,810	7,905,157
Less: Provision for diminution in value		3,952,578		2,500,000
		3,952,579		5,405,157
Other Investment				
Unquoted				
Investments in Government securities				
National Saving Certificates		124,500		124,500
(Pledged with Government Authorities)				
		4,077,079		5,529,657
Aggregate Amount of Quoted Investments		-		-
Market Value of Quoted Investments		-		-
Aggregate Amount of Unquoted Investments		8,029,657		8,029,657
Aggregate Provision for Diminution in value of Investments		3,952,579		2,500,000

in ₹

2.11 LOANS AND ADVANCES	Non- current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Security Deposits				
Unsecured, considered good				
Sundry Deposits	3,227,284	3,372,884	-	-
	3,227,284	3,372,884	-	-
Other Loans and advances				
Unsecured, considered good unless stated otherwise				
Advance Income Tax (Net of Provision)	10,597,062	18,170,246	7,150,479	1,517,838
Prepaid expenses	-	-	170,575	370,012
Staff Advances	-	-	955,003	1,011,631
Service Tax Claimable	-	-	5,525,902	2,621,673
Cenvat Receivable	-	-	4,966,922	6,458,028
	10,597,062	18,170,246	18,768,881	11,979,182
	13,824,346	21,543,130	18,768,881	11,979,182

in ₹

2.12 OTHER ASSETS	Non- current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Unsecured, considered good unless stated otherwise				
Fixed Deposit with Bank (Refer Note No. 2.14)	5,077,912	4,113,411	-	-
Interest Accrued and Not Due	157,492	533,077	297,329	442,993
	5,235,404	4,646,488	297,329	442,993

in ₹

2.13 TRADE RECEIVABLES	Non- current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Unsecured, considered good unless stated otherwise				
- Unsecured, considered good	-	-	34,330,863	33,108,524
- Doubtful	44,653,255	33,778,404		
	44,653,255	33,778,404	34,330,863	33,108,524
Less: Provision for doubtful Trade Receivables	42,016,398	30,584,132	-	-
	2,636,857	3,194,272	34,330,863	33,108,524
Outstanding for a period exceeding six months			8,664,609	1,878,802
Others receivables			25,666,254	31,229,722
			34,330,863	33,108,524

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

2.14 CASH AND BANK BALANCES	Non - Current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Cash & Cash Equivalents				
Balance with Bank				
In Current Accounts	-	-	13,796,616	14,440,071
Cash on hand	-	-	343,051	7,60,717
	-	-	14,139,667	15,200,788
Other Bank Balance				
Fixed Deposits with more than 12 months maturity	5,077,912	4,113,411	-	-
	5,077,912	4,113,411	-	-
Less: Amount disclosed under non current asset (Refer Note No.2.12)	5,077,912	4,113,411	-	-
	-	-	14,139,667	15,200,788

Out of the above Fixed deposits with Bank of Maharashtra, deposits of ₹ 788,973 (Previous year ₹ 751,971) is given as security against outstanding bank Guarantees and deposits of ₹ 4,288,939 (Previous year ₹ 3,361,440) is given as security against cash credit limit with the said bank.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

3.1 REVENUE FROM OPERATIONS	As At March,31	
	2016	2015
<u>Sale of services</u>		
Subscription Income*	166,241,771	153,431,990
Advertisement Income	432,121	360,541
Rental Income on Equipments*	38,763	409,285
<u>Sale of products</u>		
Sale of Devices*	-	87,267
Other Operational Income	5,812,038	-
	172,524,693	154,289,083

*The above includes revenue from Internet Services, the details of the same are as under:

As At March,31 in ₹

REVENUE FROM INTERNET SERVICES	Year Ended March 31,	
	2016	2015
Subscription Income	15,818,351	18,498,006
Rental Income on Equipments	21,968	49,397
Sale of Access Devices	-	1,400

in ₹

3.2 OTHER INCOME	As At March,31	
	2016	2015
Interest on Fixed Deposit	429,647	430,667
Interest on Government Securities	13,605	12,447
Interest on Income Tax Refund	372,243	-
Profit on Sale Assets	8,399	157,187
Miscellaneous Income	131,409	208,055
	955,303	808,356

in ₹

3.3 CHANGES IN INVENTORY OF STOCK IN TRADE	As At March,31	
	2016	2015
Opening stock	-	87,916
Less: Closing stock	-	-
	-	87,916

in ₹

3.4 OPERATIONAL EXPENSES	As At March,31	
	2016	2015
Bandwidth and Lease Line Cost	10,250,580	10,062,253
Consultancy Charges	183,755	902,100
Commission	5,182,720	5,323,357
Pay Channel and Feed Charges	92,696,008	87,479,077
Repairs and Maintenance - Machinery	772,400	1,090,904
Rent	5,216,789	4,358,340
Software and Programming Cost	32,375	23,677
Digital Subscription Expense	6,310,500	6,300,000
Transport Charges	68,461	159,793
Other Operating Expenses	7,310,980	11,678,045
	128,024,568	127,377,546

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

in ₹

3.5 EMPLOYEE BENEFITS EXPENSE	As At March,31	
	2016	2015
Salaries and wages	11,985,477	13,967,452
Contribution to Provident fund and other funds	1,858,949	1,505,631
Staff welfare expenses	512,775	665,742
	14,357,201	16,138,825

in ₹

3.6 OTHER EXPENSES	As At March,31	
	2016	2015
Advertisement and Promotion expenses	31,757	52,861
Business promotion expenses	627,520	1,766,898
Communication charges	426,291	537,213
Conveyance	2,235,795	2,412,277
Electricity charges	2,363,956	2,338,360
Insurance Others	455,707	191,186
Legal and Professional charges	868,182	465,665
Miscellaneous Expenses	468,541	876,655
Printing stationery	592,258	592,161
Interest on Taxes	46,912	2,132
Rates and taxes	4,615,434	4,411,439
Repairs and Maintenance - Others	66,242	89,037
Services charges	4,332,506	1,487,512
Office expenses	1,357,513	4,179,212
Provision for Doubtful Debts	18,400,000	13,600,000
Provision for Bad and Doubtful Advances / Investments	-	58,000
Auditor's Remuneration		
- Statutory Audit Fees	2,75,000	2,50,000
- Taxation matters	-	50,000
- Consolidation Fees	25,000	25,000
Managerial Remuneration		
Sitting Fees	154,000	215,000
	37,342,614	33,600,607

in ₹

3.7 DEPRECIATION AND AMORTISATION	As At March,31	
	2016	2015
Depreciation on tangible assets	5,559,198	6,403,285
Amortisation on intangible assets	1,401,073	1,361,196
	6,960,271	7,764,481

in ₹

3.8 FINANCE COST	As At March,31	
	2016	2015
Interest Expenses and Finance Charges	1,951,857	1,976,373
	1,951,857	1,976,373

in ₹

3.9 PRIOR PERIOD ADJUSTMENTS (Net)	As At March,31	
	2016	2015
Expenses of earlier years reversed and credited to Statement of Profit and Loss	769,197	-
Total (A)	769,197	-
Expenses of earlier years debited to Statement of profit and loss	(21,845)	-
Total (B)	(21,845)	-
Net Amount credited to Statement of Profit and Loss (A - B)	747,352	-

in ₹

3.10 EXCEPTIONAL ITEMS	As At March,31	
	2016	2015
Advances Written Off	-	4,389,627
Less : Transfer from Provision for Doubtful Advances	-	4,389,627
Provision for Doubtful Investments	1,452,578	2,500,000
Depreciation reversal on Account of Change in Method from WDV to SLM and Change in estimate of Life as Per Schedule II of Companies Act, 2013.	-	(2,566,759)
	1,452,578	(66,759)

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4.1 Additional Information As Required Under Para 5 (viii) Of Part II Of Schedule III of The Companies Act, 2013 ₹ Nil

Particulars	Year ended March 31,	
	2016	2015
CIF Value of Imports		
Expenditure in foreign currency	Nil	Nil
Earning in foreign currency	Nil	Nil

- 4.2 In the opinion of the Board, the loans & advances, trade receivables and all other 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 ₹ Nil (March 31, 2015: ₹ Nil).

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

4.4 Contingent Liabilities

- (a) Claims against the Company not acknowledged, as debts are ₹ 2,100,000 (March 31, 2015: ₹ 2,100,000).
(b) Outstanding Bank Guarantees ₹ 1,200,000 /- (March 31, 2015: ₹ 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 objected 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 March 31, 2016	As at March 31, 2015
1	Change in benefit obligations:		
	Projected benefit obligations at beginning of the year	1,069,117	1,171,897
	Current Service Cost	202,859	191,788
	Interest Cost	98,841	124,001
	Benefits Paid	(167,156)	(576,351)
	Actuarial (Gain) / Loss	793,884	157,782
	Past Service Cost		
	Projected benefit obligations at end of the year	1,997,545	1,069,117
2	Change in plan assets:		
	Contributions by Employer	167,156	576,351
	Benefits Paid	(167,156)	(576,351)
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	1,997,545	1,069,117
	Liability / (Asset) recognised in the Balance Sheet	1,997,545	1,069,117
4	Cost for the year		
	Current Service Cost	202,859	191,788
	Interest Cost	98,841	124,001
	Actuarial (Gain) / (Loss)	793,884	157,782
	Net Cost recognised in the Statement of Profit and Loss	1,095,584	473,571
5	Assumptions		
	Interest rate for discount	7.90%	7.95%
	Estimated rate of return on plan assets	0%	0%
	Mortality	IALM (2006 - 2008) Ult	IALM (2006 - 2008) Ult
	Salary Escalation	10%	7%

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

b) Defined Contribution Plans:

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

c) Other Disclosures

in ₹

Benefits	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	1,997,545	1,069,117	1,171,897	1,345,639	998,157
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(1,997,545)	(1,069,117)	(1,171,897)	(1,345,639)	(998,157)
Experience adjustment on obligation - gain/(loss)	147,706	(5,579)	164,277	25,477	22,827
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-
Experience adjustment (best estimate) to funded plans in subsequent finance year	-	-	-	-	-

4.6 Segmental Reporting

The Company has only one reportable segment. The Company's operations are based in India.

4.7 Related Party Disclosures

I. Controlled by:

a. Hathway Cable & Datacom Ltd.

II. Under the control of the Company

a. Hathway Bhawani NDS Network Pvt.Ltd.

III. Other related parties with whom the Company had transactions.

a. Mr. Kuldeep Puri (Managing Director- upto May 31, 2014)

b. Mr. Samson Jesudas (Managing Director with effect from June 1, 2014)

c. Mr. Kulbhushan Puri as Karta Of M/s Kulbhushan Puri HUF (Relative Of Managing Director - upto May 31, 2014)

in ₹

Description	Enterprises where Control exists	Key Management Personnel	Relatives of Key Management Personnel
1.Remuneration paid - Mr.Kuldeep Puri	-	-	-
	(-)	(480,000)	(-)
2.Consultancy paid - Mr. Kulbhushan Puri	-	-	-
	(-)	(-)	(500,000)
3.Reimbursement of expenses paid - Mr.Kuldeep Puri	-	-	-
	(-)	(71,822)	(-)
Mr.Kulbhushan Puri	-	-	-
	(-)	(-)	(116,949)
4.Other transactions/ Lease Rent CMTS - Hathway Cable & Datacom Ltd.	57,220,235	-	-
	(55,855,063)	(-)	(-)
5.Advertisement Revenue/ Carriage fees - Hathway Cable & Datacom Ltd.	48,960,000	-	-
	(51,340,000)	(-)	(-)
6. Feed charges earned/consultancy charges earned Hathway Bhawani NDS Network Pvt.Ltd.	3,347,981	-	-
	(2,048,718)	(-)	(-)
7.ISP Access Expenses - Hathway Cable & Datacom Ltd.	2,598,754	-	-
	(4,907,239)	(-)	(-)
8.Outstanding balance :			
-Receivable from Hathway Bhawani NDS Network Pvt.Ltd.	4,084,361	-	-
	(4,927,368)	(-)	(-)
-Payable to Hathway Cable & Datacom Ltd.	36,886,939	-	-
	(68,694,792)	(-)	(-)
-Unsecured Loan Hathway Cable & Datacom Ltd.	14,265,448	-	-
	(14,265,348)	(-)	(-)
- Payable to Mr.Kuldeep Puri	-	-	-
	(-)	(94,000)	(-)

4.8 Leases

Operating Lease (As Lessee)

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 ₹ 5,216,789/- (March 31, 2015: ₹ 4,358,340/-).

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4.9 Earnings / (Loss) Per Share

in ₹

Particulars	2015 - 16	2014 - 15
Profit \ (Loss) after tax (including prior period adjustment and adjustment for short provision of earlier years) – (₹.)	(14,846,247)	(31,312,627)
Weighted No. of shares outstanding during the period	8,100,000	8,053,425
Nominal value of ordinary shares (₹)	10	10
Basic and Diluted Earnings per share (₹)	(1.83)	(3.89)

- 4.10 During the previous year, the enactment of the Companies Act, 2013 requires that the Company should reassess useful life of its fixed assets and provide depreciation based on such re-assessment with effect from April 1, 2014. During the previous year ended March 31, 2015, the Company had decided to provide depreciation on all fixed assets, except Set top boxes on straight line basis (SLM) as against written down value basis (WDV) based on useful life specified in Schedule II to the said Act. There is no change in the method of depreciation for Set top boxes.

This change had resulted in net surplus of ₹ Nil (March 31, 2015 ; ₹ 2,552,044) and was disclosed under as Exceptional Items.

Based on transitional provision provided in Note 7(b) of Schedule II to the Act, the charge to retained earnings in respect of assets having no useful life as on the effective date, net of deferred tax is ₹ Nil (March 31 2015 ; ₹ 1,727,105).

- 4.11 Supplementary statutory information required to be given pursuant to Regulation 34 of the SEBI (Listing obligation & Disclosure requirement) Regulations, 2015. - 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
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: May 24, 2016

For and on behalf of the Board of Directors of
Hathway Bhawani Cabletel & Datacom Limited

Samson Jesudas
Managing Director
DIN : 02539442

Basant Haritwal
Chief Financial Officer

Place : Mumbai
Dated : May 24, 2016

Vineet Garg
Director
DIN : 06935347

Manoj Dere
Company Secretary
FCS NO 7652

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** (hereinafter referred to as "the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view 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 the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their audit report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We have not audited the financial statements of one subsidiary, whose audited financial statements reflect total assets of ₹ 53,74,332 as on March 31, 2016 and total revenues of ₹ 1,04,23,464 and net cash outflows amounting to ₹ 8,76,539 for the year ended March 31, 2016, as considered in the preparation of the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies, is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', which is based on the auditor's report of the Holding Company and its Subsidiary incorporated in India; and

-
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group does not have any pending litigations which would impact its financial position;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 24, 2016

“Annexure A” to the Auditor's Report

Referred to in Paragraph 1(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the financial statements of the Company for the year ended March 31, 2016

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Hathway Bhawani Cabletel & Datacom Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W**

**Atul Shah
Partner
Membership No. 39569**

Place : Mumbai
Date: May 24, 2016

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016
CIN : L65910MH1984PLC034514

in ₹

Particulars	Notes	As at March 31,	
		2016	2015
<u>EQUITY AND LIABILITIES</u>			
Shareholders Funds			
Share Capital	2.01	81,000,000	81,000,000
Reserves and Surplus	2.02	(113,708,693)	(99,365,905)
Minority Interest		-	905,671
Non-Current Liabilities			
Long-Term Borrowings	2.03	-	14,341,378
Deferred Tax Liability (Net)	2.04	-	1,015,495
Long-Term Provisions	2.05	2,509,189	1,568,520
Current Liabilities			
Trade Payables	2.06		
Total outstanding dues of Micro enterprises and Small enterprises			
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		128,958,134	117,756,796
Other Current Liabilities	2.07	32,373,470	18,723,027
Short-Term Provisions	2.05	118,015	101,408
		131,250,115	136,046,390
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.08	35,665,448	36,880,324
Intangible Assets	2.09	4,987,027	7,844,497
Capital Work In Progress		145,701	95,480
Non-Current Investments	2.10	124,500	124,500
Long-Term Loans and Advances	2.12	13,828,846	21,547,630
Trade Receivables	2.11	2,636,857	3,194,272
Other Non-Current Assets	2.13	5,361,598	4,804,233
Current Assets			
Inventories	2.14	-	11,250
Trade Receivables	2.11	30,246,502	28,181,156
Cash and Bank Balances	2.15	15,796,824	17,734,483
Short-Term Loans and Advances	2.12	22,159,483	15,185,572
Other Current Assets	2.13	297,329	442,993
		131,250,115	136,046,390
Summary of Significant Accounting Policies Refer accompanying notes. These notes are an integral part of the financial statements.	1		
<p>As per our report of even date For G.M. Kapadia & Co. Chartered Accountants Firm Registration No. 104767W</p> <p>Atul Shah Partner Membership No. 039569</p> <p>Place: Mumbai Dated: May 24, 2016</p> <p style="text-align: center;">For and on behalf of the Board of Directors of Hathway Bhawani Cabletel & Datacom Limited</p> <p>Samson Jesudas Managing Director DIN : 02539442</p> <p>Basant Haritwal Chief Financial Officer</p> <p>Vineet Garg Director DIN : 06935347</p> <p>Manoj Dere Company Secretary FCS NO 7652</p> <p>Place : Mumbai Dated : May 24, 2016</p>			

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016
CIN : L65910MH1984PLC034514

in ₹

Particulars	Notes	Year ended March 31,	
		2016	2015
INCOME			
Revenue from Operations	3.01	179,600,177	162,802,780
Other Income	3.02	955,303	808,356
		180,555,480	163,611,136
EXPENDITURE			
Purchase of Stock-In-Trade	3.03	35,555	322,825
Changes in inventory of stock in trade	3.04	11,250	76,666
Operational Expenses	3.05	128,730,906	128,592,192
Employee Benefit Expenses	3.06	17,954,643	19,633,424
Other Expenses	3.07	40,327,557	36,426,034
		187,059,911	185,051,141
Earnings / (Loss) before Finance cost, Depreciation, Amortisation and Tax		(6,504,431)	(21,440,005)
Depreciation and Amortisation Expenses	3.08	8,533,181	10,850,165
Finance Cost	3.09	1,973,693	1,993,672
Profit / (Loss) before Prior Period Items, Exceptional items and Tax		(17,011,305)	(34,283,842)
Prior Period Adjustments (Net)	3.10	(747,352)	-
Exceptional Items		-	(2,552,044)
Profit / (Loss) before Tax		(16,263,953)	(31,731,798)
Tax Expenses:			
Deferred Tax		(1,015,494)	(468,923)
Net Profit / (Loss) for the Year		(15,248,459)	(31,262,875)
Minority Interest		905,671	1,200,621
Net Profit / (Loss) for the Year from the Continuing Operations		(14,342,788)	(30,062,254)
Earnings per equity share (Face value of share ₹ 10 each) from Continuing and Total operation	4.10		
Weighted Average Number of Shares - Basic		8,100,000	8,053,425
Earning / (Loss) Per Share (In ₹) - Basic		(1.77)	(3.73)
Weighted Average Number of Shares - Diluted		8,100,000	8,053,425
Earning / (Loss) Per Share (In ₹) - Diluted		(1.77)	(3.73)
Summary of Significant Accounting Policies	1		
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.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: May 24, 2016

For and on behalf of the Board of Directors of
Hathway Bhawani Cabletel & Datacom Limited

Samson Jesudas
Managing Director
DIN : 02539442

Basant Haritwal
Chief Financial Officer

Place : Mumbai
Dated : May 24, 2016

Vineet Garg
Director
DIN : 06935347

Manoj Dere
Company Secretary
FCS NO 7652

HATHWAY BHAWANI CABLETEL & DATACOM LTD.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016
CIN : L65910MH1984PLC034514

in ₹

	2015-2016		2014-2015	
	Amount	Amount	Amount	Amount
1 CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT / (LOSS) BEFORE TAX		(15,358,282)		(30,531,177)
Non Cash Charges				
Depreciation and Amortisation Expenses	8,533,181		8,298,121	
Preliminary Exp. Written off	31,550		31,550	
Minority Interest	(905,671)		(1,200,621)	
Provision for Doubtful Debts	18,400,000		13,600,000	
(Profit) / Loss on Sale of Fixed Assets (net)	(8,399)		(157,187)	
Provision for diminution in value of investments	-		58,000	
Interest Income	(443,252)		(443,114)	
Interest Expense	1,973,693		1,993,672	
		27,581,102		22,180,421
Operating Profit Before Change in Working Capital		12,222,820		(8,350,756)
Change In Working Capital				
(Increase) / Decrease In Inventories	11,250		76,666	
(Increase) / Decrease In Trade Receivables	(19,907,931)		(10,167,378)	
(Increase) / Decrease In Loans and Advances	(1,195,670)		(3,703,180)	
(Increase) / Decrease In Other Assets	(964,501)		(63,238)	
Increase / (Decrease) In Liabilities and Provisions	12,939,395		48,200,410	
		(9,117,457)		34,343,280
Cash Generated from Operations		3,105,363		25,992,524
Taxes Paid (Net)		1,940,543		(5,352,969)
Net Cash flow /(used in) Operating activity		5,045,906		20,639,555
2 CASH FLOW FROM INVESTING ACTIVITIES:				
Interest received	964,501		64,690	
Proceeds from Sale of Fixed Assets	8,825		242,536	
Purchase of Fixed Assets	(5,623,881)		(7,228,937)	
Proceeds of Non-Current Investments	-		679,986	
Purchase of Investments	-		(3,500)	
Net cash flow (used in) Investing activity		(4,650,555)		(6,245,225)
3 CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Fresh Capital	-		1,100,000	
Short term borrowing (net)	-		(888,072)	
Long term borrowing repaid	(359,317)		(253,593)	
Interest charges paid	(1,973,693)		(1,993,672)	
Net Cash Flow (used in) Financing Activity		(2,333,010)		(2,035,337)
Net Increase in Cash and Cash Equivalent		(1,937,659)		12,358,993
Cash and Cash equivalents at the Beginning of year		17,734,483		5,375,490
Cash and Cash equivalents at the End of Year		15,796,824		17,734,483
Components of cash and cash equivalents				
Balances with banks:				
In Current Accounts		15,397,957		14,591,787
Cash in hand		398,867		3,142,696
Total cash and cash equivalents		15,796,824		17,734,483

Notes:

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

As per our report of even date
For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: May 24, 2016

For and on behalf of the Board of Directors of
Hathway Bhawani Cabletel & Datacom Limited

Samson Jesudas
Managing Director
DIN : 02539442

Basant Haritwal
Chief Financial Officer

Place : Mumbai
Dated : May 24, 2016

Vineet Garg
Director
DIN : 06935347

Manoj Dere
Company Secretary
FCS NO 7652

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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 March 31, 2016. The consolidated financial statement comprises of Hathway Bhawani Cabletel & Datacom Limited (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”).

Company Overview

Hathway Bhawani Cabletel & Datacom Limited (the Company) is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in distribution of television channels through analog and digital cable distribution network and internet services through cable. Its equity shares are listed on Bombay Stock Exchange Limited (BSE) in India.

1. Basis of preparation

The consolidated financial statements are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 (the Act), read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. In accordance with first proviso to section 129(1) of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

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 Schedule III to the Act. Based on the nature of operations, the Company has ascertained its operating cycle as 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”, Accounting Standard 23 – “Accounting for Investment in Associates in Consolidated Financial Statements” and Accounting Standard 27 – “Financial Reporting of Interests in Joint Ventures” 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 recognized 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 subsidiary 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 unrealized 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 subsidiary 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 subsidiary, 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 financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences on account of revision of estimates, actual results and existing estimates are recognized in periods in which the results are known /materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

4. Fixed Assets

(a) Tangible Assets

- (i) The fixed assets are stated at cost less accumulated depreciation and impairment losses, 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) Internet Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized.
- (iii) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

(b) 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 amortization and impairment losses.

- (ii) The amortization period and the amortization method are reviewed at least at each financial year-end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.
- (iii) Intangible assets comprises of Cable Television Franchise, Goodwill and Softwares. Cable Television Franchisee represents purchase consideration of a network that is mainly attributable to acquisition of subscribers and other rights, permission etc. attached to a network.

5. Depreciation / Amortisation

- (a) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Act, unless otherwise specified.
- (b) Depreciable amount for assets is the cost of an asset less its estimated residual value.
- (c) In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.
- (d) The cost of Internet Access Devices at customer location are depreciated on straight-line method over a period of eight years
- (e) Assets costing less than ₹ 5,000/- is fully depreciated in the year of purchase.
- (f) The intangible assets are amortized on a straight line basis over their expected useful lives as follows:
 - (i) Cable Television Franchise is amortized over a period of twenty years.
 - (ii) Softwares are amortized over the license period and in absence of such tenor, over five years.
 - (g) Goodwill is amortized over the specific tenure of the relevant agreement and in absence of such tenure, over five years.

6. Investments

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

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.

(a) Long Term Investments

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

(b) Current Investments

Current investments are carried in the financial statements at lower of cost and fair value

determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

7. Inventories

Inventories are valued as follows:

Stock-in-trade comprising of access devices are valued at cost on weighted average method or at net realizable value, whichever is lower.

8. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized 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 not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the balance sheet date. 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 recognized nor disclosed.

10. Employee Benefits

- (a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit & 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 is 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. Accounting for Leases

The transactions where the Company conveys or receives right to use an asset for an agreed period of time for a payment or series of payments are considered as Lease.

As Lessee – Operating Lease

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

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

Income from Services

- (a) Subscription income includes subscription from Subscribers / Cable Operators relating to cable TV, Internet, activation of devices and from broadcasters relating to the placement of channels. Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.
- (b) Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognized on time proportion basis. In other cases of prepaid Internet Service plans, entire revenue is recognized in the period of sale.
- (c) 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 / or rate is under negotiations at the time of recognition of revenue, the Company recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed by the management periodically and provision for doubtful debts is made wherever ultimate realization is considered uncertain.
- (d) The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

13. Taxation

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

14. Earnings per Share (EPS)

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.

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.

15. Impairment

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 recognized in the statement of profit and loss. 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.

16. Cash And Cash Equivalents

Cash and cash equivalents 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.

17. Measurement of EBITDA

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.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

in ₹

2.01 SHARE CAPITAL	As at March 31,	
	2016	2015
	Rupees	Rupees
Authorised Capital 10,000,000 (March 2015: 10,000,000) Equity Shares of face value of ₹ 10 each fully paid-up	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid up Capital 8,100,000 (March 2015: 8,100,000) Equity Shares of ₹ 10 each fully paid-up	81,000,000	81,000,000
	81,000,000	81,000,000

a) Reconciliation of the number of shares outstanding as at the beginning and end of the reporting period:

Particulars	As at March 31,			
	2016		2015	
	Number	Amount	Number	Amount
Shares Outstanding at the Beginning of the year	8,100,000	81,000,000	8,000,000	80,000,000
Shares Issued during the year	-	-	100,000	1,000,000
Shares Bought back/ Other movements during the year	-	-	-	-
Shares Outstanding at the End of the year	8,100,000	81,000,000	8,100,000	81,000,000

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,	
	2016	2015
	No. of Shares Held	No. of Shares Held
Hathway Cable & Datacom Ltd - Holding Company	2,020,000	1,920,000
Hathway Media Vision Private Limited (Wholly owned subsidiary of Holding Company)	2,160,000	2,160,000
	4,180,000	4,080,000

c) The details of shareholder holding more than 5% shares in the Company:

Name of Shareholder	As at March 31,			
	2016		2015	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Hathway Cable & Datacom Limited	2,020,000	24.94%	2,020,000	24.94%
Mr. Kuldeep Puri	504,339	6.22%	504,339	6.22%
Hathway Media Vision Private Limited	2,160,000	26.67%	2,160,000	26.67%

d) Rights, Preference and restrictions attached to Shares;

Terms/ Rights attached to Equity Shares

The Company has issued only one class of shares referred to as equity shares having a face value of ₹ 10 per share. 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 shareholders.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

in ₹

2.02 RESERVES AND SURPLUS	As at March 31,	
	2016	2015
	Rupees	Rupees
Securities Premium Reserve		
Balance at the beginning of the year	15,000,000	15,000,000
Add: Securities premium credited on Share issue	100,000	100,000
Less: Deductions during the year	-	-
Balance at the end of the year	15,100,000	15,100,000
Surplus/ (Deficit) In the Statement of Profit and Loss		
Balance at the beginning of the year	(114,465,905)	(83,210,451)
Add: Net Profit / (Loss) after tax for the current year	(14,342,788)	(30,062,254)
Less : Loss of control of subsidiary	-	230
Less : Adjustment relating to transitional provision contained in Schedule II (Refer Note No. 4.11)		(1,193,430)
Deficit in the Statement of Profit and Loss	(128,808,693)	(114,465,905)
	(113,708,693)	(99,365,905)

in ₹

2.03 LONG-TERM BORROWINGS	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Secured Loans				
Vehicle Loan				
from Financial Institution	-	75,930	-	283,385
		75,930		283,385
Loans and Advances From Related Party				
Unsecured				
Loan From Holding Company	-	14,265,448	14,265,448	-
Amount disclosed under the head 'Other Current Liabilities' (Refer Note No.2.07).	-	-	14,265,448	283,385
Net Amount	-	14,341,378	-	-

Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
Loan from Financial Institution	
(i) Vehicle Loans from Financial Institution amounting to ₹ Nil (March 31, 2015: ₹ 359,315) are secured by Hypothecation of Vehicle.	Fully repaid during the year
Unsecured Loan	
(ii) Loan from Holding company amounting to ₹ 14,265,448 (March 31, 2015: ₹ 14,265,448)	The unsecured loan is repayable on demand on or after April 1, 2016. Applicable Rate of Interest is 13.5% p.a.

in ₹

2.04 DEFERRED TAX LIABILITY	As at March 31,	
	2016	2015
Deferred Tax Assets		
Provision for Gratuity	617,241	330,357
Disallowances Under The Income Tax Act 1961	194,565	185,651
Income earned during the pre-commencement period	237,267	237,267
Carried forward Business Losses*	962,941	-
(A)	2,012,014	753,275
Deferred Tax Liabilities		
Difference between book and tax depreciation	2,012,014	1,768,770
(B)	2,012,014	1,768,770
Net Deferred Tax Liabilities (A-B)	-	1,015,495

* The Company has substantial unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. The deferred tax assets relating to such unabsorbed depreciation and other items is significantly higher than deferred tax liabilities arising on account of timing differences. On conservative approach, the Company has recognized deferred tax assets on unabsorbed depreciation only to the extent of its deferred tax liabilities. Disclosure relating deferred tax liabilities required pursuant to Accounting Standard 22 – "Accounting for Taxes on Income" is as above.

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

in ₹

2.05 PROVISIONS	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Provision for employee benefits				
Gratuity	1,937,283	1,011,740	60,262	57,377
Leave Encashment	571,906	556,780	57,753	44,031
	2,509,189	1,568,520	118,015	101,408

in ₹

2.06 TRADE PAYABLES	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Trade Payables*	-	-	128,958,134	117,756,796
	-	-	128,958,134	117,756,796

*As per the information available with the Company, none of the payables 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.

in ₹

2.07 OTHER CURRENT LIABILITIES	As at March 31,	
	2016	2015
Current maturities of Long Term Debts (Refer Note No.2.03)	14,265,448	283,385
Payable - Capital Expenditure	105,974	1,218,372
Security Deposits Received	4,966,009	5,231,308
Other Payables		
Income Received in Advance	7,104,445	4,312,010
Statutory Payables	1,748,282	2,009,138
Payables to Employees	1,856,579	3,384,379
Other Liabilities	2,326,733	2,284,435
	32,373,470	18,723,027

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FIXED ASSETS

2.08 TANGIBLE ASSETS

2.08 TANGIBLE ASSETS	<-----Gross Block (at Cost) ----->				<--- Depreciation/Amortisation/Impairment--->					<-----Net Block----->	
	As at 1-Apr-15	Additions during the year	Deductions during the year	As at 31-Mar-16	As at 1-Apr-15	Adjustment for Change in Dep Policy	Additions during the year	Deductions during the year	Others Adjustment	As at 31-Mar-16	As at 31-Mar-15
Plant and Machinery	94,287,754	3,867,385	29,383	98,125,756	61,330,157		4,585,989	28,957		65,887,189	32,238,567
Air conditioners	1,161,491	79,786		1,241,277	829,610		120,042			949,652	291,625
Structural Fittings	108,275			108,275	101,243		1,688			102,931	5,344
Furniture & Fixtures	4,417,058	73,000		4,490,058	2,985,129		182,524			3,167,652	1,322,406
Mobile Phones & Telephone	495,269	214,300	55,575	653,994	461,132		39,119	55,575		444,676	209,318
Computers	3,911,923	142,100		4,054,023	3,106,426		274,728			3,381,154	672,869
Office Equipment	972,343	26,363		998,706	851,267		78,052			929,320	69,886
Electrical Fittings	323,404			323,404	285,631		8,828			294,459	28,944
Vehicles	3,018,648			3,018,648	1,865,245		326,413			2,191,658	826,990
Total	108,686,165	4,402,934	84,958	113,014,141	71,815,841	-	5,617,393	84,532	-	77,348,691	35,665,448
Previous year	105,821,847	4,796,071	1,921,753	108,696,165	68,077,627	(2,552,044)	6,459,557	1,836,403	1,727,05	71,815,841	36,880,324
											37,804,219

2.09 INTANGIBLE ASSETS

2.09 INTANGIBLE ASSETS												in
PARTICULARS	<-----Gross Block (at Cost) ----->				<--- Depreciation/Amortisation/Impairment--->				<-----Net Block----->			
	As at 1-Apr-15	Additions during the year	Deductions during the year	As at 31-Mar-16	As at 1-Apr-15	Adjustment for Change in Dep Policy	Additions during the year	Deductions during the year	Others Adjustment	As at 31-Mar-16	As at 31-Mar-15	
Cable TV Franchisee	26,346,020	-	-	26,346,020	20,309,947	-	1,317,301	-	-	21,627,248	6,036,073	
Goodwill	15,147,081	-	-	15,147,081	13,632,356	-	1,514,725	-	-	15,147,081	1,514,725	
Computer softwares	800,660	58,328	-	858,988	506,961	-	83,772	-	-	268,255	293,699	
										590,733		
										37,365,062	7,844,497	
Total	42,293,761	58,328	-	42,352,069	34,449,264	-	2,915,798	-	-	4,987,027	7,844,497	
										34,449,264	12,059,105	
Previous year	42,117,761	176,000	-	42,293,761	30,058,656	-	4,390,608	-	-	7,844,497		

Note:

- 1) Range of remaining period of amortisation of Intangible Assets is as below:

Assets is as below:	0 to 5 years	Total WDV
Cable Television Franchisee	4,718,772	4,718,772
Goodwill	-	-
Softwares	268,255	268,255
- 2) 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 charges 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.

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

in ₹

2.10 NON-CURRENT INVESTMENTS	As at March 31,		As at March 31,	
	2016		2015	
	Quantity	Rupees	Quantity	Rupees
Other Investment				
Unquoted				
Investment in Government Securities				
National Savings Certificates	-	124,500	-	124,500
(Pledged with Government Authorities)				
	-	124,500	-	124,500
Aggregate Amount of Quoted Investments		-		-
Market Value of Quoted Investments		-		-
Aggregate Amount of Unquoted Investments		124,500		124,500
Aggregate provision for diminution in value of Investments		-		-

in ₹

2.11 TRADE RECEIVABLES	Non - Current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Unsecured (considered good to the extent not provided for)				
Unsecured, considered good	44,653,255	-	30,246,502	28,181,156
Doubtful	-	33,778,404	-	-
	44,653,255	33,778,404	30,246,502	28,181,156
Less: Provision for Doubtful Trade Receivables	42,016,398	30,584,132	-	-
	2,636,857	3,194,272	30,246,502	28,181,156

in ₹

2.12 LONG-TERM LOANS AND ADVANCES	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
CAPITAL ADVANCES				
Unsecured, considered good unless stated otherwise				
Advance for Network Acquisitions	4,389,627	4,389,627	-	-
	4,389,627	4,389,627	-	-
Less: Provision for doubtful advances	4,389,627	4,389,627	-	-
	-	-	-	-
SECURITY DEPOSITS				
Unsecured, considered good				
Security Deposits	3,231,784	3,377,384	-	-
	3,231,784	3,377,384	-	-
OTHER LOANS AND ADVANCES				
Secured, considered good				
Unsecured, considered good unless stated otherwise				
Prepaid expenses	-	-	170,575	370,012
Staff Advances	-	-	955,003	1,011,631
Sundry Advances	-	-	3,390,602	3,206,395
Service Tax Claimable	-	-	5,525,902	2,621,673
Advance Income Tax (Net of Provision)	10,597,062	18,170,246	7,150,479	1,517,838
Cenvat Receivable	-	-	4,966,922	6,458,023
	10,597,062	18,170,246	22,159,483	15,185,572
	13,828,846	21,547,630	22,159,483	15,185,572

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

in ₹

2.13 OTHER ASSETS	Non - Current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Unsecured, considered good unless stated otherwise				
Fixed Deposit with Bank (Refer Note No. 2.15)	5,077,912	4,113,411	-	-
Others	126,194	157,745	-	-
Interest accrued but not due	157,492	533,077	297,329	442,993
	5,361,598	4,804,233	297,329	442,993

in ₹

2.14 INVENTORIES	As at March 31,	
	2016	2015
	Rupees	Rupees
Stock-in-Trade		
CATV - Set Top Boxes	-	11,250
	-	11,250

in ₹

2.15 CASH AND BANK BALANCES	Non - Current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Cash & Cash Equivalents				
Balance with Bank	-	-	15,397,957	14,591,787
In Current Accounts	-	-	398,867	3,142,696
Cash on hand	-	-		
	-	-	15,796,824	17,734,483
Other Bank Balance				
Fixed Deposits with original maturity greater than 3 months	5,077,912	4,113,411	-	-
	5,077,912	4,113,411	-	-
Less: Amount disclosed under non current asset (Refer Note No.2.13)	5,077,912	4,113,411	-	-
	-	-	15,796,824	17,734,483

Out of the above Fixed deposits with Bank of Maharashtra, deposits of ₹ 788,973 (Previous year ₹ 751,971) is given as security against outstanding bank Guarantees and deposits of ₹ 4,288,939 (Previous year ₹ 3,361,440) is given as security against cash credit limit with the said bank.

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

in ₹

3.01 REVENUE FROM OPERATIONS	Year ended March 31,	
	2016	2015
Sale of services		
Subscription Income	173,317,254	161,945,687
Advertisement Fees	432,121	360,541
Rental Income on Equipments	38,764	409,285
	173,788,139	162,715,513
Sale of products		
Sale of Access Devices	-	87,267
	-	87,267
Other operating revenues		
Other Operational Income	5,812,038	-
	5,812,038	-
	179,600,177	162,802,780

in ₹

3.02 OTHER INCOME	Year ended March 31,	
	2016	2015
Interest on Fixed Deposits	429,647	430,667
Interest on Government Securities	13,605	12,447
Interest on Income Tax Refund	372,243	-
Profit on Sale of Fixed Assets	8,399	157,187
Miscellaneous Income	131,409	208,055
	955,303	808,356

in ₹

3.03 PURCHASE OF STOCK-IN-TRADE	Year ended March 31,	
	2016	2015
Purchase of Access Device	35,555	322,825
	35,555	322,825

in ₹

3.04 CHANGES IN STOCK-IN-TRADE	Year ended March 31,	
	2016	2015
Changes in Stock-in-Trade	11,250	76,666
	11,250	76,666

in ₹

3.05 OPERATIONAL EXPENSES	Year ended March 31,	
	2016	2015
Bandwidth and Lease Line Cost	10,250,580	10,062,253
Consultancy Charges	183,755	902,100
Commission	5,182,720	5,323,357
Other Operating Expenses	7,317,146	11,683,940
Pay Channel Cost and Feed Charges	92,701,453	88,041,775
Repairs and Maintenance (Plant and Machinery)	1,402,128	1,676,957
Rent	5,216,789	4,358,340
Software and Programming Cost	97,375	83,677
Digital STB Subscription Expense	6,310,500	6,300,000
Hire Charges	68,460	159,793
	128,730,906	128,592,192

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

in ₹

3.06 EMPLOYEE BENEFITS EXPENSE	Year ended March 31,	
	2016	2015
Salaries and Bonus	15,369,660	17,386,117
Contribution to provident and other fund	1,858,949	1,505,631
Staff Welfare	726,034	741,676
	17,954,643	19,633,424

in ₹

3.07 OTHER EXPENSES	Year ended March 31,	
	2016	2015
Advertisement and Promotion expenses	44,757	69,861
Business Promotion Expenses	627,520	1,766,898
Communication Charges	499,564	613,430
Conveyance	2,664,417	2,800,123
Electricity Expenses	2,654,106	2,604,820
Insurance Charges	455,708	191,186
Legal and Professional Charges	1,028,672	534,947
Miscellaneous Expenses	659,035	1,051,760
Printing and Stationery	654,113	640,152
Preliminary Expenses Written Off	31,550	31,550
Rates and taxes	6,030,374	5,828,284
Rent - Offices	240,000	247,000
Repairs and Maintenance (Others)	146,810	179,167
Service Charges	4,332,506	1,487,512
Office Expenses	1,357,513	4,179,212
Interest on Taxes	46,912	2,132
Auditor's Remuneration		
Statutory Audit Fees	275,000	2,50,000
Taxation Matters	-	50,000
Consolidation Fees	25,000	25,000
Sitting Fees	154,000	215,000
Provision for Bad and Doubtful debts	18,400,000	13,600,000
Provision for bad & doubtful advances / investments	-	58,000
	40,327,557	36,426,034

in ₹

3.08 DEPRECIATION AND AMORTISATION	Year ended March 31,	
	2016	2015
Depreciation on Tangible Assets	5,617,383	6,459,557
Amortisation of Intangible Assets	2,915,798	4,390,608
	8,533,181	10,850,165

in ₹

3.09 FINANCE COST	Year ended March 31,	
	2016	2015
Interest and Finance Charges	1,973,122	1,992,500
Bank Charges	571	1,172
	1,973,693	1,993,672

in ₹

3.10 PRIOR PERIOD ADJUSTMENTS (NET)	As At March,31	
	2016	2015
Expenses of earlier years reversed and credited to Statement of Profit and Loss	769,197	-
Total (A)	769,197	-
Expenses of earlier years debited to Statement of profit and loss	(21,845)	-
Total (B)	(21,845)	-
Net Amount credited to Statement of Profit and Loss (A - B)	747,352	-

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

in ₹

Subsidiary directly held and Company's effective Shareholding therein	Date of Investment	31st March 2016	31st March 2015
Hathway Bhawani NDS Network Private Limited	13. 10. 2010	51.00%	51.00%

4.02 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiaries / Associates / Joint Ventures.

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Hathway Bhawani Cabletel & Datacom Limited	99.99%	(32,705,387)	93.38%	(13,393,668)
Subsidiaries				
Indian				
Hathway Bhawani NDS Network Private Limited	0.01%	(3,306)	12.93%	(1,854,791)
Minority interests in all subsidiaries	0.00%	-	(0.06)	905,671
	100.00%	(32,708,693)	100.00%	(14,342,788)

4.03 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, Loans & Advances, Trade Receivables and all other 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.

4.04 Capital and Other Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for aggregate to ₹ Nil (March 31, 2015: ₹ Nil).

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

4.05 Contingent Liabilities

- (a) Claims against the Company not acknowledged, as debts are ₹ 2,100,000 (March 31, 2015: ₹ 2,100,000)
 (b) Outstanding Bank Guarantees ₹ 1,200,000 (March 31, 2015: ₹ 1,200,000)

4.06 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.

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2016	As at March 31, 2015
1	Change in benefit obligations:		
	Projected benefit obligations at beginning of the year	1,069,117	1,171,897
	Current Service Cost	202,859	191,788
	Interest Cost	98,841	124,001
	Benefits Paid	(167,156)	(576,351)
	Actuarial (Gain) / (Loss)	793,884	157,782
	Past Service Cost		
	Projected benefit obligations at end of the year	1,997,545	1,069,117
2	Change in plan assets:		
	Contributions by Employer	167,156	576,351
	Benefits Paid	(167,156)	(576,351)
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	1,997,545	1,069,117
	Liability / (Asset) recognised in the Balance Sheet	1,997,545	1,069,117
4	Cost for the year		
	Current Service Cost	202,859	191,788
	Interest Cost	98,841	124,001
	Actuarial (Gain) / (Loss)	793,884	157,782
	Net Cost recognised in the Profit and Loss Account	1,095,584	473,571
5	Assumptions		
	Interest rate for discount	7.90%	7.95%
	Estimated Rate of Return on Plan Assets	0%	0%
	Mortality	IALM (2006 - 2008)Ult.	IALM (2006 - 2008)Ult.
	Salary Escalation	10%	7%

b) Defined Contribution Plans:

"Contribution to provident and other funds" is recognised as an expense in Note No.3.06 of the Statement of Profit and Loss.

c) Other Disclosure

Benefits	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	1,997,545	1,069,117	1,171,897	1,345,639	998,157
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(1,997,545)	(1,069,117)	(1,171,897)	(1,345,639)	(998,157)
Experience adjustment on obligation - gain/(loss)	147,706	(5,579)	164,277	25,477	22,827
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-
Experience adjustment (best estimate) to funded plans in subsequent finance year	-	-	-	-	-

4.07 Segmental Reporting

The Company has only one reportable segment. The Company's operations are based in India.

4.08 Related Party Disclosure

- I. Controlled by:
 - a. Hathway Cable & Datacom Ltd.
- II. Other related parties with whom the Company had transactions.
 - a. Mr. Samson Jesudas (Managing Director with effect from June 1, 2014)
 - b. Mr. Kuldeep Puri (Managing Director- upto May 31, 2014)
 - c. Mr. Kulbhushan Puri as Karta Of M/s Kulbhushan Puri HUF (Relative Of Managing Director upto May 31, 2014)

Description	Enterprises where Control exists	Key Management Personnel	Relatives of Key Management Personnel
1.Remuneration paid - Mr. Kuldeep Puri	- (-)	- (480,000)	- (-)
2.Consultancy paid - Mr. Kulbhushan Puri HUF	- (-)	- (-)	- (500,000)
3.Reimbursement of expenses paid - Mr. Kuldeep Puri	- (-)	- (71,822)	- (-)
Mr. Kulbhushan Puri HUF	- (-)	- (-)	- (116,949)
4.Advertisement revenue/Placement Fees Hathway Cable & Datacom Ltd.	48,960,000 (51,340,000)	- (-)	- (-)
5. Other transaction/ Lease Rent CMTS Hathway Cable & Datacom Ltd.	57,220,235 (55,855,063)	- (-)	- (-)
6.ISP Access Expenses Hathway Cable & Datacom Ltd.	2,598,754 (4,907,239)	- (-)	- (-)
7.Outstanding balance: -Sundry Creditors Hathway Cable & Datacom Ltd.	36,886,939 (68,694,792)	- (-)	- (-)
-Unsecured Loan Hathway Cable & Datacom Ltd.	14,265,448 (14,265,348)	- (-)	- (-)
- Outstanding liability for expenses Mr. Kuldeep Puri	- (-)	- (94,000)	- (-)

HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.09 Leases

Operating Leases (As Lessee)

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 ₹ 5,216,789/- (March 31, 2015: ₹ 4,358,340/-).

4.10 Earnings / (Loss) Per Share

Particulars	2015-16	2014-15
Profit \ (Loss) after tax (including Prior Period Adjustments and adjustment for short provision of earlier years) – (₹)	(14,342,788)	(30,062,254)
No. of ordinary shares (No.'s)	8,100,000	8,053,425
Nominal value of ordinary shares (₹)	10	10
Basic & Diluted Earnings per share (₹)	(1.77)	(3.73)

4.11 During the previous year, the enactment of the Companies Act, 2013 requires that the Company should reassess useful life of its fixed assets and provide depreciation based on such re-assessment with effect from April 1, 2014. During the previous year ended March 31, 2015, the Company had decided to provide depreciation on all fixed assets, except Set top boxes on straight line basis (SLM) as against written down value basis (WDV) based on useful life specified in Schedule II to the said Act. There is no change in the method of depreciation for Set top boxes.

This change had resulted in net surplus of ₹ Nil (March 31, 2015 ; ₹ 2,552,044) and was disclosed under as Exceptional Items.

Based on transitional provision provided in Note 7(b) of Schedule II to the Act, the charge to retained earnings in respect of assets having no useful life as on the effective date, net of deferred tax is ₹ Nil (March 31 2015 ; ₹ 1,727,105).

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
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: May 24, 2016

For and on behalf of the Board of Directors of
Hathway Bhawani Cabletel & Datacom Limited

Samson Jesudas
Managing Director
DIN : 02539442

Basant Haritwal
Chief Financial Officer

Place : Mumbai
Dated : May 24, 2016

Vineet Garg
Director
DIN : 06935347

Manoj Dere
Company Secretary
FCS NO 7652

hathwaybhawani

Hathway Bhawani Cabletel & Datacom Limited

CIN: L65910MH1984PLC034514

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

Tel: 91-22-26001306 • Fax: 91-22-26001307 Website: www.hathwaybhawani.com • E-mail: investors.bhawani@hathway.net

MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

32nd Annual General Meeting - 27th September 2016

Name of the Member(s) :	
Registered Address :	
Email Id :	
Folio No. / Client ID :	
DP ID :	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name: _____ E-mail Id: _____
Address: _____
Signature: _____ **or failing him**
2. Name: _____ E-mail Id: _____
Address: _____
Signature: _____ **or failing him**
3. Name: _____ E-mail Id: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Tuesday, 27th September, 2016 at 3.00 p.m. at Ground Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Voting		
		For	Against	Abstain
	Ordinary Business			
1	Adoption of audited Balance Sheet, Profit & Loss Accounts, Report of Directors Report and Auditors Report for the financial year ended 31 st March 2016.			
2	Re-appointment of Mr. Shyam P. V., (DIN 07247247), who retires by rotation and being eligible, offers himself for re-appointment, as a Director of the Company.			
3	To ratify the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants as Auditors of the Company.			

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix revenue
Stamp of
Rs. 1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

hathw@ybhawani

Hathway Bhawani Cabletel & Datacom Limited

CIN: L65910MH1984PLC034514

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

Tel: 91-22-26001306 • Fax: 91-22-26001307

Website: www.hathwaybhawani.com • E-mail: investors.bhawani@hathway.net

Registered Folio No./DP ID No. / Client ID No.;	
Name and address of the Member(s) Joint Holder 1 Joint Holder 2	
Number of Shares held:	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 32nd Annual General Meeting of the Company at Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400 098 on Tuesday, 27th September, 2016 at 3.00 p.m.

Name of the member / proxy

Signature of member / proxy

Note:

1. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of the Annual Report to the AGM.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

EVSN (Electronic Voting Sequence Number)	*Default PAN
160824078	

*Only Member who have not updated their PAN with Company / Depository Participant shall use default PAN in the Pan field.

Note: Please read the instructions printed in the Notice of 32nd Annual General Meeting dated 23rd August, 2016. The Voting period starts from Saturday, 24th September, 2016 at 10.00 am and ends on Monday, 26th September, 2016 at 5.00 pm. The voting module shall be disabled by CDSL for voting thereafter.



HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

'Rahejas', 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai - 400054

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