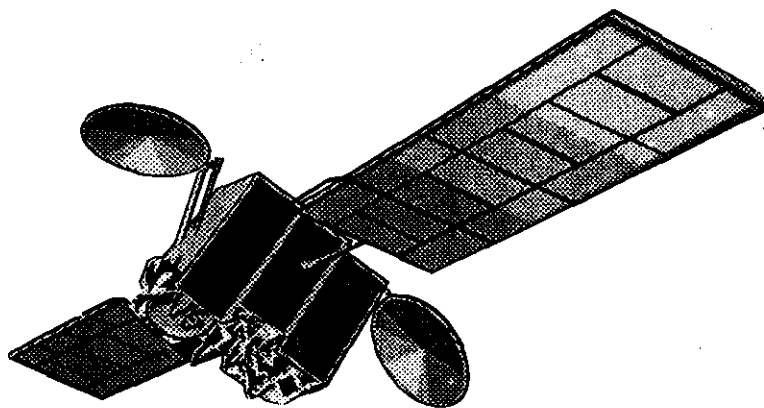
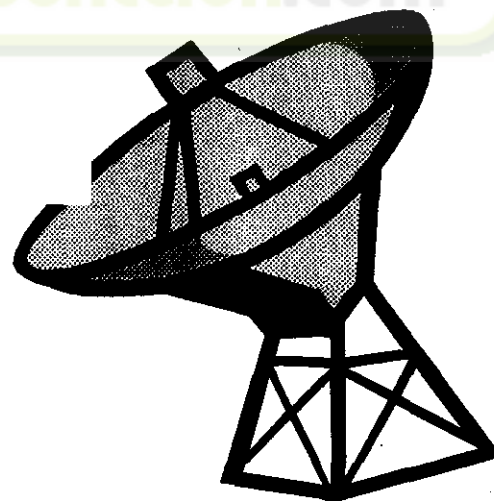


Hathway Bhawani Cabletel & Datacom Ltd.



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16th Annual Report 1999-2000

Hathway Bhawani Cabletel & Datacom Limited
(formerly known as Seven Heaven Leasing & Finance Limited)

Board of Directors

Mr. K. Jayaraman
Mr. Kuldeep Puri
Mr. Praveen Shrikande
Mr. Sanjiv Chainani
Mr. Milind Karnik
Mr. Neeraj Bhatia
Mr. Ketan Chokshi

Chairman
Managing Director

Auditors

G.M. Kapadia & Co.
Chartered Accountants

Registered Office

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

Bankers

Bank of Maharashtra
The Federal Bank Limited
HDFC Bank Limited

Additional Information :-

1. **Administrative Office**
208, Balkrishna Centre,
N.G. Acharya Marg,
Chembur (East)
Mumbai - 400 071
Phone No. 555 77 88
2. **Registrar & Transfer Agent**
R&D Consultants Ltd.
610, Dalamal Tower,
211, Nariman Point, Mumbai - 400 021
Phone No. 288 46 67/8
Fax No. 285 5759
Gram SHAREHOLDER
3. **Details of Dematerialisation of Shares**
Company's No. for Dematerialisation is ISIN INE525B01016
(With National Securities Depository Limited)

HATHWAY BHAWANI CABLETEL & DATACOM LTD.
(formerly known as Seven Heaven Leasing & Finance Ltd.)

NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Members of the Company will be held on WEDNESDAY, 27th September 2000 at 3.30 P.M. at "Rahejas", 6th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai - 400 054 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March 2000 and Balance Sheet as on that date and the Reports of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Sanjiv Chainani and Mr. K. Jayaraman who retire by rotation and being eligible, offers themselves for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT subject to the approval of the members of the Company and pursuant to the provisions of Sections 198, 269, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said act, the Board hereby approves the increase in remuneration payable to Mr. Kuldeep Puri, Managing Director from Rs. 30,000/- per month to Rs. 60,000/- per month together with reimbursement of Telephone & Motor Car expenses incurred by him upto a limit of Rs. 15,000/- per month with effect from 1st April 2000, with the liberty to Directors to alter and vary terms and conditions of the remuneration payable from time to time."

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

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

"RESOLVED THAT Mr. Ketan Chokshi, who was appointed as an Additional Director of the Company with effect from 3rd April 2000 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the provisions of the Articles of Association of the Company and whose term expires at the Sixteenth Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Ketan Chokshi for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."

By order of the Board

K. JAYARAMAN
CHAIRMAN

Mumbai, 17th August, 2000

REGISTERED OFFICE:

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

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be received as the Company's Registered Office not later than 48 hours (fortyeight hours) before the time fixed for holding the meeting.
3. The Register of the Members & Share Transfer Book of the Company will remain closed from Monday, 25th September 2000 to Wednesday, 27th September 2000 (both days inclusive.)
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.

HATHWAY BHAWANI CABLETEL & DATACOM LTD.

(formerly known as Seven Heaven Leasing & Finance Ltd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4:

Mr. Kuldeep Puri was appointed as Managing Director of the Company with effect from for a period of 5 years with effect from 1st April 1999 on such terms and conditions as approved by the Shareholders at the 15th Annual General Meeting of the Company.

Considering the dynamic role played by Mr. Kuldeep Puri and the valuable services rendered by him, the Board of Directors at its meeting held on 9th June 2000 have revised the terms of payment of remuneration by increasing the salary from present Rs. 30,000/- per month to Rs. 60,000/- per month togetherwith Telephone & Motor Car expenses incurred by him upto limit of Rs. 15,000/- per month with effect from 1st April 2000 with liberty to directors to alter the terms and conditions of remuneration payable to him from time to time.

All other terms and conditions as approved b the resolution passed by the members of the Company at the 15th Annual General Meeting held on 11th September 1999 remains unchanged.

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

In compliance with the applicable provisions of the Companies Act, 1956, an Ordinary Resolution in terms of Item No.4 of the accompanying Notice is being placed before the members in the Annual General Meeting

Except Shri Kuldeep Puri, none of the Directors shall be deemed to be concerned or interested in the above resolution.

Item No. 5:

Mr. Ketan Chokshi was appointed as Additional Director of the Company with effect from 3rd April 2000 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the provisions of the Articles of Association of the Company. Pursuant to the provisions of the said section, their respective term shall expire at the Sixteenth Annual General Meeting of the Company. In the meantime, the Company has received notice under Section 257 of the said act from a Shareholder proposing the candidature of Mr. Ketan Chokshi for the office of Director of the Company. The Board recommends the appointment of Mr. Ketan Chokshi as Director of the Company.

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

Apart from the Mr. Ketan Chokshi, no other Director shall be deemed to be concerned or interested in the said resolution.

By order of the Board

**K. JAYARAMAN
CHAIRMAN**

Mumbai, 17th August, 2000

16th Annual Report**DIRECTORS' REPORT**

The Directors present their 16th Annual Report on the business operations of the Company alongwith the Statement of Audited Accounts for the year ended 31st March 2000.

FINANCIAL HIGHLIGHTS:

	Year Ended 31-03-2000	(Rs. in lakhs) Year Ended 31-03-1999
Operational & Other Income	85.42	2.42
Profit/(Loss) before Depreciation/Tax	(3.82)	0.15
Less: Depreciation	24.26	0.24
Profit/(Loss) before Tax	(28.08)	(0.09)
Less: Provision for Tax	-	-
Profit/(Loss) after Taxation	(28.08)	(0.09)

OPERATIONS:

During the year under review, the Income from Operations amounted to Rs.85.42 lacs. The Loss before Depreciation & Taxation amounted to Rs.3.82 lacs. After providing for depreciation of Rs.24.26 lacs, the Company has incurred a net loss of Rs.28.08 lacs. In view of the loss incurred during the year under review, your Directors regret their inability to recommend any dividend for the year ended 31st March 2000. Your Company has acquired the Primary Point Business the main revenue generating business of the Cable Television Network only on 31st March, 2000, hence revenue from the same shall commence only from next Financial Year.

During the year under review, the Company has undertaken aggressive expansion in specified parts of Central Mumbai for the development of Cable Business. The Company's own Cable Channels branded as BTV Superhit, Bhawani Viewers Choice and Upasana Channels continued to enjoy maximum viewership and further with the acquisition of primary point business from Sri Bhawani Cabletel Ltd. the Company has been able to expand its viewers base to a considerable extent. The Company has decided to make a foray in upcoming field of Internet Service Provider. As a first step in this direction, your company has made an application to the Department of Telecommunications for Mumbai Circle ISP license. This will provide your Company an opportunity to explore the new area of revenue generation in the field of access through internet.

Considering the above your Directors are optimistic that the Company would be able to report better performance during the current year.

Y2K TRANSITION :

The Y2K transition has passed off without any problem.

HATHWAY BHAWANI CABLETEL & DATACOM LTD.*(formerly known as Seven Heaven Leasing & Finance Ltd.)***CHANGE OF NAME:**

The Company has received the fresh certificate of incorporation consequent on change of name from "Seven Heaven Leasing & Finance Limited" to "Hathway Bhawani Cabletel & Datacom Limited" dated 13th August 1999 from the office of the Registrar of Companies, Maharashtra.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY :

The Company has shifted its registered office from 403-K, Sion Trombay Road, Chembur, Mumbai-400 071 to "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai - 400 054 with effect from 16th October 1999.

PREFERENTIAL ISSUE OF SHARES:

With a view to augment long term financial resources the Company has during the year under review issued 60,00,000 Equity Shares of Rs.10/- each for cash at a premium of Rs.2.50/- per share on preferential allotment basis aggregating Rs.7,50,00,000/- to promoters and others. The Board of Directors at their meetings held on 3rd April 2000 and 15th May 2000 allotted the shares in tranches to the allottees. Accordingly, to accommodate the preferential issue of aforesaid shares, the authorised share capital of the Company has been increased from Rs.4,00,00,000/- to Rs.10,00,00,000/- by creation of additional 60,00,000 equity shares of Rs.10/- each.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance. The Code is required to be implemented on or before 31st March 2003. Your Company has been following the principles and practices of good corporate governance since its inception. A substantial portion of the code for the corporate governance is being complied with by your company at present and it will be the endeavor of your directors to ensure its full compliance by 31st March 2003.

DIRECTORS:

Mr. Ketan Chokshi who was appointed as Additional Director of the Company during the year pursuant to the provisions of Section 260 of the Companies Act, 1956, and subject to the Article of Association would vacate his office on the date of the ensuing Annual General Meeting of the Company.

The Company has received Notice under Section 257 of the said act from a shareholder proposing the candidature of the said Additional Director for the office of Director of the Company. Accordingly, resolution has been proposed in the Notice of the forthcoming Annual General Meeting of the Company for the appointment of Mr. Ketan Chokshi as Director of the Company.

During the year under review, Mr. Naresh Bahri resigned from the Board of the Company. Your Directors place on record their deep appreciation for the valuable contribution made by the outgoing Director during his association with the Company

Mr. Sanjiv Chainani & Mr. K. Jayaraman, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.