



**HATHWAY BHAWANI**  
**CABLETEL & DATACOM LIMITED**

**27<sup>th</sup>**  

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**Annual Report**  
**2010-2011**

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CABLE INTERNET  
MEGA BYTES IN MINI SECONDS

**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

**27th Annual Report : 2010-2011**

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***HATHWAY BHAWANI CABLETEL & DATACOM LIMITED***

**BOARD OF DIRECTORS**

Mr. K. Jayaraman  
Mr. Kuldeep Puri  
Mr. Milind Karnik  
Mr. Dilip Worah  
Mr. L. K. Kannan  
Mr. Krishna Parolia

Chairman  
Managing Director

**AUDITORS**

G.M. Kapadia & Co.  
Chartered Accountants  
Reg. No. 104767W

**REGISTERED OFFICE**

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

**BANKERS**

Bank of Maharashtra  
Axis Bank Limited

**ADMINISTRATIVE OFFICE**

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

**REGISTRAR & TRANSFER AGENT**

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

**DETAILS OF DEMATERIALISATION OF SHARES**

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

**NOTICE**

NOTICE IS HEREBY GIVEN THAT the Twenty Seventh Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> day of September, 2011, at 4.00 p.m. at Sanjona Complex, 5th Floor, Hemu Kalani Marg, Plot 11-A, Sindhi Society, Chembur, Mumbai – 400071, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Milind Karnik, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Krishna Parolia, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration. M/s. G. M Kapadia & Co., Chartered Accountants (Reg. No. 104767W) the retiring auditors, are eligible for re-appointment.

**REGISTERED OFFICE:**

'Rahejas', 4<sup>th</sup> Floor, Corner of  
Main Avenue &  
V. P. Road, Santacruz (W),  
Mumbai - 400 054

**BY ORDER OF THE BOARD**

Place: Mumbai

Date: 12<sup>th</sup> August 2011

**K. JAYARAMAN**

*Chairman*

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIMSELF 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 hours (Forty Eight hours) before the time fixed for holding the meeting.
3. The Register of the Members and the Share Transfer Books of the Company will remain closed from 26<sup>th</sup> September 2011 to 30<sup>th</sup> September 2011 (Both days inclusive).
4. The profiles of the Directors proposed to be re-appointed are annexed to this Notice pursuant to Clause 49 of the Listing Agreement.

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

**1. Name : Mr. Milind Karnik**

Father's name : Late Mr. Dattatraya Karnik

Date of Birth : 2<sup>nd</sup> December, 1960

Qualification & Experience :

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

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

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

**2. Name : Mr. Krishna Parolia**

Father's name : Mr. Ramji Lal

Date of Birth : 28<sup>th</sup> January, 1960

Qualification & Experience:

Mr. Krishna Parolia, has done his B.Tech. in Chemical. He is running his own enterprise in Chemical Industry which is in manufacturing of all kinds of surface coating and diluents and is also engaged in trading of various kinds of petrochemicals, solvents and chemicals. He is also a member of Laghu Udyog Bharati, an all India apex association for small scale entrepreneurs, which has its presence all across the country.

He was appointed as a Director on the Board of the Company on 30<sup>th</sup> December, 2005.

**DIRECTORS' REPORT**

Dear Members,

Your Directors take the pleasure of presenting the Twenty Seventh Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended March 31, 2011.

**Financial Highlights**

The Financial Results of the Company for the year ended March 31, 2011 are given below:

(Rs. In Lacs)

| Particulars  | 2010-2011<br>(standalone) | 2009-2010<br>(standalone) |
|--|---------------------------|---------------------------|
| Operating & Other Income   | 1379.38                   | 1230.04                   |
| Gross Operating Profit before interest, depreciation, amortisation & taxes | 120.54                    | 79.72                     |
| Interest   | 3.65                      | 7.79                      |
| Depreciation/Amortisation  | 74.92                     | 77.75                     |
| Deferred Taxes   | (8.16)                    | (9.84)                    |
| Net Profit / (Loss)  | 50.12                     | 4.01                      |
| Profit/Loss carried to balance sheet after adjustments                     | (466.71)                  | (506.82)                  |

**Business Operations**

During the year under review, the total income of your Company increased to Rs 1379.38 Lacs as compared to last year's income of Rs. 1230.04 Lacs. There is an increase in Gross operating Profit by 51.20% at Rs. 120.54 Lacs as compared to Rs. 79.72 Lacs.

The company is adhering to its policy of focused growth and as a result of which the total subscription income vis a vis the gross operating profit of the company had increased.

**Consolidated Financial Statements**

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

**Dividend**

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

**Business Prospects & Management Discussion and Analysis Report**

During the year under review, your Company has undertaken various steps to expand its Cable TV and ISP business. Your Company has also undertaken concrete steps to increase the average revenue per subscriber.

A new Subsidiary Company was incorporated in the month of October 2010 for expansion of Company Business in the areas of Mumbra, Viz, Hathway Bhawani NDS Network Private Limited.

The performance of your Company covering various aspects of the business operations for the year ended March 31, 2011 and prospects for the Company's business in the future has been dealt with at length in a separate section titled "Management Discussion and Analysis Report" forming part of the Corporate Governance Report.

**Corporate Governance**

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

**Personnel**

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

**Directors**

Mr. Milind Karnik and Mr. Krishna Parolia, Directors of your Company are retiring at the ensuing General Meeting and have offered themselves for reappointment.

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

**Audit Committee**

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

**Subsidiary Companies**

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

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

The requirement of disclosures in terms of Section 217(1)(e) of the Companies Act, 1956, pertaining to the conservation of energy and technology absorption is not applicable to the Company due to the very nature of the industry in which it operates.

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

**Directors' Responsibilities Statement**

Your Directors in compliance with Section 217(2AA) of the Companies Act, 1956 confirms that in the preparation of the Annual Accounts for the year ended March 31, 2011:

- (a) the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of

the state of affairs of the Company as on March 31, 2011 and the profit of the Company for the year;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts of the Company has been prepared on a going concern basis.

**Auditors**

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

**Comments on Auditors' Report**

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

**Acknowledgements**

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

**FOR AND ON BEHALF OF THE BOARD**

Place: Mumbai  
Dated: 12<sup>th</sup> August 2011

K. JAYARAMAN  
Chairman