

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## BALANCE SHEET AS AT MARCH 31, 2012

(Amount in Rupees)

	Note No.	As at March 31,	
		2012	2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	80,000,000	80,000,000
Reserves and Surplus	2.2	(16,546,129)	(31,670,916)
<b>Share application money pending allotment</b>		-	-
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	1,004,752	257,709
Deferred tax liabilities (Net)	2.4	2,928,929	3,681,527
Long-term provisions	2.7	940,413	773,254
<b>Current liabilities</b>			
Short-term borrowings	2.8	-	2,494,665
Trade payables	2.5	20,417,516	28,659,705
Other current liabilities	2.6	20,422,240	22,283,262
Short-term provisions	2.7	635,606	585,632
		<b>109,803,327</b>	<b>107,064,838</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.9	37,599,385	35,898,349
Intangible assets	2.10	10,303,031	11,939,657
Capital work in progress		477,914	490,450
		<b>48,380,330</b>	<b>48,328,456</b>
Non-current investments	2.11	8,084,157	8,023,157
Long-term loans and advances	2.12	9,145,499	7,372,434
Trade receivables	2.15	1,021,337	1,177,782
Other non current assets	2.13	930,029	774,940
<b>Current assets</b>			
Inventories	2.14	905,998	517,797
Trade receivables	2.15	29,449,823	30,606,357
Cash and Bank Balances	2.16	7,212,810	3,991,571
Short term loans & advances	2.12	4,452,698	6,067,920
Other current assets	2.13	220,646	204,424
		<b>109,803,327</b>	<b>107,064,838</b>
Summary of significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			
As per our Report of even Date			
<b>For G. M. Kapadia &amp; Co.</b>		For and on behalf of the Board	
<b>Chartered Accountants</b>			
<b>(K.Y. NARAYANA)</b>		<b>(KULDEEP PURI)</b>	<b>(K. JAYARAMAN)</b>
<b>Partner</b>		<b>Managing Director</b>	<b>Chairman</b>
		<b>(MILIND KARNIK)</b>	
		<b>Director</b>	
<b>Mumbai</b>		<b>Mumbai</b>	
<b>Dated : 13th August, 2012</b>		<b>Dated : 13th August, 2012</b>	

## 28th ANNUAL REPORT

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

(Amount in Rupees)

	Note No.	For the year ended on March31,	
		2012	2011
<b>Income</b>			
Revenue from operations	3.1	157,053,243	142,192,388
Other income	3.2	606,704	346,358
		<b>157,659,947</b>	<b>142,538,746</b>
<b>Expenditure</b>			
Purchase of Stock in Trade		2,785,236	4,594,723
Changes in inventory of stock in trade	3.3	(388,202)	5,754
Operational Expenses	3.4	88,668,711	83,886,220
Employee Benefit Expenses	3.5	14,858,776	13,233,826
Other Expenses	3.6	27,411,203	28,764,115
		<b>133,335,724</b>	<b>130,484,638</b>
<b>Earnings Before Interest, Depreciation, Amortisation &amp; Tax</b>		<b>24,324,223</b>	<b>12,054,108</b>
Depreciation / Amortisation	3.7	7,898,755	7,491,781
Finance Cost	3.8	189,950	365,701
<b>Profit before prior period items, exceptional items and extraordinary items</b>		<b>16,235,519</b>	<b>4,196,626</b>
Prior period adjustments	3.9	(1,533,819)	(524,872)
<b>Profit before extra ordinary items</b>		<b>17,769,338</b>	<b>4,721,498</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>17,769,338</b>	<b>4,721,498</b>
Less: Tax expense			
Current tax		3,190,034	-
Deferred tax	2.4	(752,598)	(815,907)
Short / (Excess) Provision for Tax of Previous Years		207,114	1,526,289
<b>Profit (Loss) for the year from Total operation</b>		<b>15,124,788</b>	<b>4,011,116</b>
No. of Equity shares (Face Value Rs. 10 /- share)		8,000,000	8,000,000
Earnings per equity share:			
Basic	4.11	1.89	0.50
Diluted			
Summary of significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our Report of even Date

**For G. M. Kapadia & Co.**  
**Chartered Accountants**

**(K.Y. NARAYANA)**  
**Partner**

**Mumbai**  
**Dated : 13th August, 2012**

For and on behalf of the Board

**(KULDEEP PURI)**  
**Managing Director**  
**(MILIND KARNIK)**  
**Director**

**(K. JAYARAMAN)**  
**Chairman**

**Mumbai**  
**Dated : 13th August, 2012**

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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

(Amount in Rupees)

	31-Mar-2012		31-Mar-2011	
<b>1 CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>NET PROFIT/(LOSS) AFTER TAX PRIOR PERIOD</b>		15,124,788		4,011,116
<b>ADJUSTMENTS</b>				
<b>A Adjustment for :</b>				
<b>1 Non Cash Charges</b>				
Depreciation \ Amortisation	7,898,754		7,491,781	
Provision towards Shortage of assets	432,217		1,000,000	
Assets Written off.	70,717			
Irrecoverable amount w/off (Net)	7,350,590		9,021,115	
Provision for Bad Debts	1,013,021		2,767,203	
Deferred tax	(752,598)		(815,907)	
Sundry balance written back	(493)		(69)	
(Profit) / loss on sale of Fixed Assets net	312,730		287,088	
<b>2 Item Considered Separately</b>				
Interest Income	-		(47,534)	
Interest Expense	189,950	16,514,888	365,701	20,069,378
Operating Profit Before Change in Working Capital		31,639,676		24,080,494
<b>B Change in Working Capital</b>				
(Increase) / Decrease in Inventories	(388,201)		5,754	
(Increase) / Decrease in Trade Receivable	(7,050,632)		(5,044,027)	
(Increase) / Decrease in Loans & Advances	(1,880,679)		(3,200,882)	
Increase / (Decrease) in Current Liabilities & Provisions	(9,885,584)	(19,205,096)	(5,353,801)	(13,592,956)
Taxes Paid (Net)		12,434,580		10,487,538
Net Cash from Operation Activities		9,662,560		8,208,062
<b>2 CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	-		47,534	
Proceeds for sale of Fixed assets	145,803		82,250	
Purchase of Fixed Assets	(8,912,096)		(4,116,862)	
Payment towards Capital Advances	4,323,544		2,820,800	
Purchase of Investments	(61,000)		(10,663,451)	
Proceeds on Sale of Investment	-		15,000	
Net cash Realised from Investing Activities		(4,503,749)		(11,814,729)
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loan Taken during the year	-		-	
Loan repaid during the year	(1,747,622)		(5,980,024)	
Interest charges	(189,950)		(365,701)	
Net cash Realised from Financing Activities		(1,937,572)		(6,345,725)
Net increase in Cash and Cash equivalent		3,221,239		(9,952,392)
Cash & Cash equivalents at the beginning of year		1,233,277		11,185,669
Cash & Cash equivalents at the end of year		4,454,516		1,233,277

**Note:**

1) Above Statement has been prepared by using Indirect method as per AS-3 on Cash Flow Statements.

The accompanying notes are an integral part of the financial statements

As per our Report of even Date

**For G. M. Kapadia & Co.**  
**Chartered Accountants**

**(K.Y. NARAYANA)**  
**Partner**

**Mumbai**  
**Dated : 13th August, 2012**

For and on behalf of the Board

**(KULDEEP PURI)**  
**Managing Director**

**(MILIND KARNIK)**  
**Director**

**(K. JAYARAMAN)**  
**Chairman**

**Mumbai**  
**Dated : 13th August, 2012**

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rupees)

Particulars		As at March 31,		
		2012	2011	
<b>2.1 SHARE CAPITAL</b>				
<b>a) Authorised Capital</b> 10,000,000 (10,000,000) Equity Shares of face value of Rs. 10 Each		100,000,000	100,000,000	
		<b>100,000,000</b>	<b>100,000,000</b>	
<b>b) Issued, Subscribed(fully paid) &amp; Paid up Capital</b> 8,000,000 (8,000,000) Equity Shares of face value of Rs. 10 each		80,000,000	80,000,000	
		<b>80,000,000</b>	<b>80,000,000</b>	
<b>c) The reconciliation of the number of equity shares outstanding as at March 31, 2012 and March 31, 2011 is set out below</b>				
Particulars	As at March 31,			
	2012		2011	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	8,000,000	80,000,000	8,000,000	80,000,000
Shares Issued during the year	-	-	-	-
Shares bought back/ other movements during the year	-	-	-	-
Shares outstanding at the end of the year	<b>8,000,000</b>	<b>80,000,000</b>	<b>8,000,000</b>	<b>80,000,000</b>
<b>d) 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</b>				
Particulars	As at March 31,			
	2012		2011	
	No. of Shares Held		No. of Shares Held	
Its holding Company-				
Hathway Cable & Datacom Limited	1,920,000		1,920,000	
Hathway Media Vision Private Limited	2,160,000		2,160,000	
(100% Subsidiaries of HCDL)	4,080,000		4,080,000	

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rupees)

e) The details of shareholder holding more than 5% shares is set out below				
Name of Shareholder	As at March 31,			
	2012		2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hathway Cable & Datacom Limited	1,920,000	24%	1,920,000	24%
Kuldeep Puri	504,339	6%	504,339	6%
Hathway Media Vision Private Limited	2,160,000	27%	2,160,000	27%

f) The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

### 2.2 RESERVES & SURPLUS

(Amount in Rupees)

Particulars	As at March 31,	
	2012	2011
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	15,000,000	15,000,000
Add: Securities premium credited on Share issue	-	-
Less: Deduction during the year	-	-
Balance at the end of the year	<b>15,000,000</b>	<b>15,000,000</b>
<b>Surplus</b>		
Balance at the beginning of the year	(46,670,916)	(50,682,032)
Add : Net Profit after tax for the current year	15,124,788	4,011,116
Balance at the end of the year	<b>(31,546,129)</b>	<b>(46,670,916)</b>
	<b>(16,546,129)</b>	<b>(31,670,916)</b>

### 2.3 LONG TERM BORROWINGS:

(Amount in Rupees)

Particulars	Non- Current maturities		Current maturities	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
<b>Secured</b>				
Term Loans from Banks				
Car Loan From HDFC Bank Ltd	1,004,752	257,709	296,055	89,649
Principal repayable in 60/ 36 equal monthly instalments along with Interest. Applicable Rate of Interest is @9.71%. 1st instalment due from 07th October 2009				
<b>Total</b>	<b>1,004,752</b>	<b>257,709</b>	<b>296,055</b>	<b>89,649</b>
Amount disclosed under the head 'Other Current Liabilities' (Note No. 2.6)			296,055	89,649
<b>Net Amount</b>	<b>1,004,752</b>	<b>257,709</b>	<b>-</b>	<b>-</b>

1) The Car Loan is secured against Hypothecation of Vehicles.

## NOTES TO THE FINANCIAL STATEMENTS

## 2.4 DEFERRED TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at March 31,	
	2012	2011
Deferred Tax Assets		
Provision for Gruuity	308,431	254,553
Disallowance under section 43B	178,559	165,343
Income earned during the pre-commencement period	237,267	237,267
<b>Total(A)</b>	<b>724,257</b>	<b>657,163</b>
Deferred Tax Liabilities		
Fixed Assets	3,653,186	4,338,690
<b>Total(B)</b>	<b>3,653,186</b>	<b>4,338,690</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>2,928,929</b>	<b>3,681,527</b>

In the absence of virtual certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has not recognized deferred tax assets on unabsorbed depreciation and business losses.

## 2.5 TRADE PAYABLES

(Amount in Rupees)

Particulars	Non- current		Current	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Pay channel cost			20,049,142	28,659,705
Other-Bandwidth			368,374	-
	-	-	<b>20,417,516</b>	<b>28,659,705</b>

\*As per the information available with the Company, none of the creditors qualify as supplier under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") and accordingly no disclosure is made pursuant to section 22 of the Act.

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

<b>2.6 OTHER CURRENT LIABILITIES</b>				
<i>(Amount in Rupees)</i>				
<b>Particulars</b>	<b>Current</b>			
	<b>As at March 31,</b>			
	<b>2012</b>		<b>2011</b>	
Current Maturities of Long term borrowings (Ref. Note 2.3)	296,055		89,649	
Payable for Capital Goods	1,009,325		2,187,389	
Overdrawn Bank Balance as per Books	972,594		434,345	
Security Deposits Received	4,638,208		4,620,720	
<b>Other payables</b>				
Income received in advance	7,494,244		6,820,460	
Service Tax accrued but not due	508,811		4,176,684	
Statutory payable	539,083		537,301	
Other Current Liabilities-Hathway Bhawani Sai Network Pvt Ltd	39,700		-	
Payables to employees	3,608,059		1,770,989	
Outstanding liabilities for expenses	1,316,161		1,645,725	
	<b>20,422,240</b>		<b>22,283,262</b>	
<b>2.7 PROVISIONS</b>				
<i>(Amount in Rupees)</i>				
<b>Particulars</b>	<b>Long Term</b>		<b>Short Term</b>	
	<b>As at March 31,</b>		<b>As at March 31,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Provision for employee benefits</b>				
Gratuity	940,413	773,254	57,744	50,541
Leave Encashment	-	-	577,862	535,091
	<b>940,413</b>	<b>773,254</b>	<b>635,606</b>	<b>585,632</b>
<b>2.8 SHORT TERM BORROWINGS</b>				
<i>(Amount in Rupees)</i>				
<b>Particulars</b>	<b>As at March 31,</b>			
	<b>2012</b>		<b>2011</b>	
<b>Secured</b>				
<b>Loans repayable on demand</b>				
Cash Credit - Bank of Maharashtra	-		2,494,665	
	-		<b>2,494,665</b>	
The Loan is secured against Hypothecation of Book Debts, Headend Equipments & Fixed Deposit Receipt of Rs. 27.89 Lakhs				

**2.9 TANGIBLE ASSETS**

(Amount in Rupees)

	Original Cost				Depreciation			Net Book Value	
PARTICULARS	As at 1-Apr-11	Additions	Disposals/ Adjustments	As at 31-Mar-12	Upto 1-Apr-11	For the year	Disposals	As at 31-Mar-12	As at 31-Mar-11
Distribution Equipments	66,509,619	5,816,186	4,165,500	68,160,305	38,969,959	4,223,271	2,859,416	27,826,495	27,539,658
Headend Equipments	18,217,172	698,385	63,162	18,852,395	13,234,113	759,829	521,477	5,379,930	4,983,059
Furniture & Fixtures	4,550,859	63,833	-	4,614,692	3,416,782	212,469	3,629,251	985,441	1,134,077
Office Equipment	617,911	173,863	-	791,774	279,263	56,084	335,347	456,427	338,648
Electrical Fittings	307,774	-	-	307,774	172,125	18,920	191,045	116,729	135,649
Structural Fittings	108,275	-	-	108,275	108,275	-	108,275	-	-
Air conditioners	618,112	-	-	618,112	376,234	33,737	-	208,141	241,878
Pagers & Mobiles	409,869	14,498	-	424,367	304,634	19,977	324,611	99,756	105,235
Computers	2,635,701	376,925	66,440	2,946,186	2,166,149	293,363	64,723	551,397	469,552
Vehicles	2,757,876	1,640,385	819,670	3,578,591	1,807,282	503,928	707,689	1,975,070	950,594
Total	96,733,167	8,784,075	5,114,772	100,402,471	60,834,817	6,121,578	4,153,305	37,599,385	35,898,350
Previous year	93,489,633	4,699,426	1,455,892	96,733,167	54,889,486	7,031,885	1,086,554	60,834,817	38,600,147



## 2.10 INTANGIBLE ASSETS

(Amount in Rupees)

PARTICULARS	Gross Block			Amortisation				Net Block	
	As at 1-Apr-11	Additions	Deductions/ Adjustments	As at 31-Mar-12	Upto 1-Apr-11	For the year	Disposals	As at 31-Mar-12	As at 31-Mar-11
Cable TV Franchise	26,706,420	-	360,400	26,346,020	15,087,471	1,630,974	360,400	16,358,045	11,618,949
Good Will	150,000	-	50,000	100,000	78,337	43,887	50,000	72,224	71,663
Computer software	484,110	140,550	-	624,660	235,065	102,315	-	337,380	249,045
<b>Total</b>	<b>27,340,530</b>	<b>140,550</b>	<b>410,400</b>	<b>27,070,680</b>	<b>15,400,873</b>	<b>1,777,176</b>	<b>410,400</b>	<b>16,767,649</b>	<b>11,939,657</b>
<b>Previous year</b>	<b>27,328,678</b>	<b>11,852</b>	<b>-</b>	<b>27,340,530</b>	<b>13,940,977</b>	<b>1,459,896</b>	<b>-</b>	<b>11,939,657</b>	<b>13,387,701</b>

Note:

1) Range of remaining period of amortisation of Intangible Assets is as below:	0-5 years	5to 10 years	10 to 15 years	15 to 20 years	Total WDV
Goodwill	27,776				27,776
Cable Television Franchisee	6,586,500	3,401,475	-	-	9,987,975
Softwares	198,770	47,169	37,858	3,483	287,280

## NOTES TO THE FINANCIAL STATEMENTS

## 2.11 NON-CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at March 31,		As at March 31,	
	Quantity	Rupees	Quantity	Rupees
<b>Trade Investments</b>				
Unquoted equity instruments (Fully Paid)				
Investment in Subsidiaries				
Hathway Bhawani NDS Network Pvt.Ltd.	15810	7,905,157	15,810	7,905,157
Hathway Bhawani Sai Network Pvt.Ltd.	116	58,000	-	-
Investments in Government or trust securities				
National Saving Certificates		121,000		118,000
	-	8,084,157	-	8,023,157

## 2.12 LOANS AND ADVANCES (Unsecured, considered good)

(Amount in Rupees)

Particulars	Non- current		Current	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
<b>Capital Advances</b>				
Advances to other Cable Ventures	1,000,000	1,000,000	-	-
Advances for Network Acquisitions	3,323,544	1,820,800	-	-
<b>Total (A)</b>	<b>4,323,544</b>	<b>2,820,800</b>	<b>-</b>	<b>-</b>
<b>Security Deposits</b>				
Sundry Deposits	2,712,524	2,645,274	-	-
<b>Total (B)</b>	<b>2,712,524</b>	<b>2,645,274</b>	<b>-</b>	<b>-</b>
<b>Other Loans and advances</b>				
Taxes Paid (Net of Provision)	2,109,179	1,894,611	1,463,232	2,891,656
Prepaid expenses	252	11,749	289,537	136,046
Sundry Advances	-	-	335,380	543,891
Staff Advances	-	-	120,117	71,597
Staff Loan	-	-	14,702	22,386
Service tax Claimable	-	-	964,270	683,983
Cenvat Receivable			1,265,460	1,718,361
<b>Total (C)</b>	<b>2,109,431</b>	<b>1,906,360</b>	<b>4,452,698</b>	<b>6,067,920</b>
<b>Total (A+B+C)</b>	<b>9,145,499</b>	<b>7,372,434</b>	<b>4,452,698</b>	<b>6,067,920</b>