



HATHWAY BHAWANI
CABLETEL & DATACOM LIMITED

29th

Annual Report
2012-2013

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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

29th Annual Report : 2012-2013

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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

BOARD OF DIRECTORS

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

Chairman
Managing Director

AUDITORS

G.M. Kapadia & Co.
Chartered Accountants

COST AUDITORS

Dr. Ashok kumar Agarwal

REGISTERED OFFICE

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

BANKERS

Bank of Maharashtra
Axis Bank Limited

ADMINISTRATIVE OFFICE

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

REGISTRAR & TRANSFER AGENT

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

DETAILS OF DEMATERIALISATION OF SHARES

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

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

REGISTERED OFFICE:

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

BY ORDER OF THE BOARD

Kuldeep Puri
Managing Director

Place: Mumbai

Date: August 13, 2013

NOTES:

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

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

Important Communication to Shareholders

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

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

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

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

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

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

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

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

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

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

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

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

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