



Channels



Broadband



Digital TV



Cable TV



52nd | ANNUAL REPORT

2011 - 2012

hathw@y

Hathway Cable & Datacom Limited

BOARD OF DIRECTORS

| | |
|-------------------------|--|
| Mr. Bharat Shah | <i>Director</i> |
| Mr. Rajan Raheja | <i>Director</i> |
| Mr. Akshay Raheja | <i>Director</i> |
| Mr. Viren Raheja | <i>Director</i> |
| Mr. K. Jayaraman | <i>Managing Director & CEO</i> |
| Mr. Vinayak Aggarwal | <i>Director</i> |
| Mr. Brahmam Vasudevan | <i>Director</i> |
| Mr. Sasha Mirchandani | <i>Director</i> |
| Mr. Sridhar Gorthi | <i>Director</i> |
| Mr. Devendra Shrotri | <i>Director</i> |
| Mr. Biswajit Subrmanian | <i>Additional Director (with effect from 11th May, 2012)</i> |

PRESIDENT & COMPANY SECRETARY

Mr. Milind Karnik

REGISTERED OFFICE

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

STATUTORY AUDITORS

G. M. Kapadia & Co.
Chartered Accountants

COST AUDITORS

Ashok Agarwal & Co.
Cost Accountants

ADVOCATES & SOLICITORS

AZB & Partners
Law Offices of Indu Malhotra & Associates
Thakore Jariwala & Associates

BANKERS

Axis Bank Limited
ICICI Bank Limited
Yes Bank Limited

REGISTRAR & TRANSFER AGENT

Link Intime India Private Ltd
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400 078
Tel : 25963838 Fax : 25946969

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NOTICE

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Company will be held on Wednesday, 26th September, 2012, at 3.00 p.m. at ISKCON Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai – 400049, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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. Bharat Shah, who retires by rotation at the ensuing Annual General Meeting and who has not offered himself for re-appointment:

“RESOLVED THAT pursuant to the provisions of Section 256 and other applicable provisions of the Companies Act, 1956, if any, Mr. Bharat Shah, who retires by rotation at the ensuing Annual General Meeting and who has not offered himself for re-appointment, hereby ceases to be a director of the Company with immediate effect and that the vacancy created by the cessation of the said director be not filled up.”

3. To appoint a Director in place of Mr. Sasha Mirchandani, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint M/s. G. M. Kapadia & Co, Chartered Accountants, (Registration No. 104767W) the retiring Auditors, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General 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 Mr. Biswajit Subramanian, who was appointed as an Additional Director of the Company with effect from 11th May, 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. Biswajit Subramanian, 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.”

BY ORDER OF THE BOARD

MILIND KARNIK

President & Company Secretary

REGISTERED OFFICE:

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

Date: August 21, 2012

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. 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.
5. The Register of the Members and the Share Transfer Books of the Company will remain closed from, Thursday, 20th September 2012 to Wednesday, 26th September 2012 (Both days inclusive).
6. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, 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.

7. Members are requested to bring their copy of Annual Report and attendance slip to the meeting.
8. 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 mt.helpdesk@linkintime.co.in quoting the Folio Number and Name of the Company.

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

Item No. 5

Mr. Biswajit Subramanian was appointed as an Additional Director of the Company with effect from 11th May, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Article 32 of the Articles of Association of the Company, Mr. Biswajit Subramanian shall hold office up to 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 Mr. Biswajit Subramanian, for the office of a Director of the Company.

None of the Directors, except Mr. Biswajit Subramanian, is interested or concerned in the aforesaid Resolution. Your Directors recommend the resolution for your approval.

BY ORDER OF THE BOARD

MILIND KARNIK

President & Company Secretary

REGISTERED OFFICE:

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

Date: August 21, 2012

Details of Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

| Sr. No. | Name | Nature of appointment | Date of Birth | Date of Appointment on the Board | Qualification & expertise | Experience | List of other Companies in which he holds Directorships as on 31/03/2012 * | Chairman/member of Committees of the Board of the other Companies in which he is director as on 31/03/2012 ** | Equity Shares held in the Company |
|---------|--------------------------|-----------------------|---------------|----------------------------------|---|--|--|---|-----------------------------------|
| 1 | Mr. Sasha Mirchandani | Re-appointment | 26-02-1972 | 10-09-2009 | Business Administration from University in Virginia and MMDP program at IIM, Ahmedabad | Varied experience in telecom, outsourcing, investment advisory services | - Akasaka Electronics Limited - Fractal Analytics Limited | Member of Audit Committee in Akasaka Electronics Limited | Nil |
| 2 | Mr. Biswajit Subramanian | Appointment | 19-09-1965 | 11-05-2012 | B.Tech from IIT, Masters Degree in Electrical Engineering from the University of California and MBA from Wharton School of Pennsylvania | Before establishing Providence Equity Advisors, New Delhi office in 2007, Mr. Subramanian was based in Providence Equity's London office. Prior to joining Providence in 2000, Mr. Subramanian was a Vice President at Morgan Stanley, where he was part of the European telecommunications investment banking team. Prior to Morgan Stanley, Mr. Subramanian worked at Credit Suisse First Boston, McKinsey & Company and Intel | - IDEA Cellular Ltd. - Aditya Birla Telecom Ltd. - UFO Moviez India Ltd. | Nil | Nil |

Note: *Private Companies and Foreign Companies are not included

** Audit Committee and Investors Grievance/Share Transfer Committee are considered

DIRECTORS' REPORT

Dear Members,

We hereby present the Fifty Second Annual Report to the Members together with the Audited Statement of Accounts for the Financial Year ended March 31, 2012.

Financial Highlights

(Rs. In Lacs)

| | Consolidated | | Standalone | |
|---|--------------|---------|------------|---------|
| Particulars | 2011-12 | 2010-11 | 2011-12 | 2010-11 |
| Operating & Other Income | 1,02,862 | 90,817 | 52,870 | 49,612 |
| Earnings before interest, depreciation, amortization & taxes | 18,414 | 17,557 | 10,119 | 11,220 |
| Interest | 5,196 | 4,523 | 4,085 | 3,864 |
| Depreciation & Amortization | 14,088 | 12,488 | 10,314 | 9,464 |
| Impairment of Tangible / Intangible Assets | 340 | 270 | 340 | 270 |
| Exceptional Items [Provision for doubtful advances/ investments/ receivables/ impairment and write off of assets in respect of operations in Tamil Nadu/Sundry balance written-back for Tamil Nadu / expenses on introduction of Digital Addressable System (DAS)] | 1,045 | 1,435 | 436 | 1,439 |
| Minority Interest | 1,021 | 705 | -- | -- |
| Prior period adjustments | 431 | 232 | 111 | 215 |
| Profit Share of Associates | (12) | (6) | -- | -- |
| Amount transferred on change in stake in Subsidiaries/Joint Ventures | (311) | (79) | -- | -- |
| Adjustment on Account of Non Consolidation of Subsidiaries | - | (150) | -- | -- |
| Excess/Short provision for taxation in earlier years | 57 | 61 | -- | -- |
| Provision for Taxation - Current Tax & Deferred Tax | 1,477 | 1,205 | -- | -- |
| Net Loss | (4,918) | (3,127) | (5,167) | (4,032) |

Operations

During the year under review, the total income of your Company was Rs. 52,870 Lacs on a standalone basis and Rs. 1,02,862 Lacs on a consolidated basis as compared to the previous financial year's total income of Rs. 49,612 Lacs on a standalone basis and Rs. 90,817 Lacs on a consolidated basis. The Net Loss for the year under review, after taxation and Exceptional Items, stood at Rs. 5,167 Lacs on a standalone basis and Rs. 4,918 Lacs on a consolidated basis.

Utilisation of IPO Proceeds

During the financial year 2009-10, your Company had successfully completed the Initial Public Offering of shares to the tune of Rs. 666 Crores, including Rs. 186 Crores as Offer for Sale. As regards to the utilization of the IPO proceeds the Company had obtained members approval vide Resolution passed by way of Postal Ballot on 21st June, 2011 to authorise the Board of Directors of the Company to decide, alter, vary, revise and finalise the IPO proceeds apart from the objects mentioned in the Prospectus. The details of utilisation of issue proceeds to the extent of Rs. 406.15 Crores as on 31st March, 2012 were placed before the members of Audit Committee at the meeting dated May 11, 2012 and the same also has been taken on record by Board of Directors of the Company.

Dividend

In view of loss incurred during the year under review and the accumulated losses, your directors express their inability to recommend any dividend for the year under review.

Fixed Deposits

The Company has not accepted any deposits during the year, within the meaning of Section 58A of the Companies Act 1956 and the rules made thereunder.

Cable Distribution

During the year under review the Telecom Regulatory Authorities of India (TRAI) recommended a digitalization plan to the Ministry of Information & Broadcasting (MIB) that involves introduction of digital cable services across India. The MIB has since notified the implementation of Digital Addressable System(DAS) throughout the country in four phases, commencing from November 2012 and completion by the year 2014. Your Company and its subsidiaries and joint ventures stand to immensely benefit from the introduction of DAS, by way of higher revenues & technological leap. During the year the company successfully commissioned the High Definition (HD) services in the four major cities of Mumbai, Bengaluru, Delhi & Hyderabad. We offer anywhere between 10 to 20 HD services and the quality of the service has been widely acclaimed. As on date your Company is nearing

about 10,000 HD customers and the progress is good, considering that we do not subsidise the HD service.

The DAS plan is meant to improve consumer viewing experience in terms of number of Channels, providing digital quality to the consumers as against current analogue picture quality, to curb the revenue leakage at various level and ultimately to increase transparency in reporting numbers. In the last financial year Company had introduced HD, HD + Broadband services in major cities of India to provide a scintillating viewer experience and Hathway Music – a channel which plays Bollywood music. We are planning to implement additional services like Video-on-Demand (VOD), Pay-per-View (PPV), Games-on-Demand, etc. to more effectively compete with Direct to Home (DTH) and Internet Protocol Television (IPTV).

As per the report of Media Partners Associates (MPA) 2012, out of 254.6 million homes in India, 154.8 million homes have TV set, with 60.8% Cable TV (CATV) penetration. As per the MIB directives the entire analogue networks throughout the country needs to be converted to the DAS. Larger number of channels, better picture quality, choice of audio and other value added services are expected to be key drivers of digital cable in the country. Multi System Operators (MSO) rolling out DAS are better placed to counter DTH players, with key strengths like affordable pricing, prompt customer support, niche local content and local area offices for consumer interface will help them to grow faster on the digital platform.

Hathway and its subsidiaries/joint ventures have reach of approximately 9 million Cable TV homes for its analogue CATV services. We have slightly in excess of 15,000 kilometers of hybrid fiber optic cable which is spread over 140 Cities and Towns. Hathway has commenced a rapid digitalization process and at present we have deployed close to 2.1 million digital set top boxes in the universe of cable homes that we serve as at 31 March, 2012. It has established 20 digital head-ends across the country.

As one of the largest integrated service provider in the country we have the advantage of offering much more value addition to the customers by bringing in a cheaper but combined product of digital video, HD services and broadband. To this effect your Company has launched such services in select markets across the country and has received appreciation from the customers.

Broadband Services

India has around 13.81 million broadband subscribers as on 31st March 2012. Broadband has registered a quarterly growth of 3.44% and a year-on-year growth of 16.18% (Source – TRAI Report, August 2012). Cable modem subscribers' accounts for only 3.59% that is only 0.82 million internet subscribers. Cable provides big potential for growth of broadband penetration in the country considering the cable universe of 93.7 million CATV homes.

Hathway is the largest MSO offering broadband services in 20 cities. Hathway is Category "A" Internet Service Provider (ISP) providing broadband services to retail and corporate segments in various states. Hathway has 1.5 million homes ready for catering for internet services. As of 31st March 2012, Hathway had about 4,00,000 broadband subscribers, with an all India rank of being the 6th largest ISP Company in the country. With a high quality & high capacity network, Hathway is well placed to garner a larger share of the growing broadband market.

Directors

During the financial year under review, Mr. Uday Shankar and Mr. Hursh Shrivastava, Directors resigned from the Board of your Company. Your Directors place on record their appreciation on the valuable services rendered by Mr. Uday Shankar and Mr. Hursh Shrivastava and the guidance received from them during their tenure as the Directors. Mr. Biswajit Subramanian was appointed as an additional director on the Board of Directors of your Company with effect from 11th May 2012. The Company has received the notice along with requisite deposit, from a member of the Company pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Biswajit Subramanian for the office of Director of the Company.

Pursuant to the provisions of Section 255 read with Section 256 of the Companies Act, 1956, Mr. Bharat Shah and Mr. Sasha Mirchandani, Directors would retire by rotation at the ensuing Annual General Meeting. Being eligible, Mr. Sasha Mirchandani has offered himself for reappointment. Mr. Bharat Shah has expressed his desire not to offer himself for re-appointment, due to his other pre-occupations. Your Directors place on record their appreciation on the valuable services rendered by Mr. Bharat Shah during his tenure as a Director.

As required, the requisite details of Directors seeking appointment/re-appointment are included in this Annual Report.

Personnel

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the particulars are given in the statement which forms part of this report. In terms of provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the aforesaid statement. The statement is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Employees Stock Option Plan

The disclosures required to be made under SEBI (Employee Stock Option Scheme and Employee Stock

Purchase Scheme) Guidelines, 1999, are given in the Annexure to this report.

The options outstanding under the Employees Stock Option Plan 2007 (Revised 2010) at the end of the year stood at 6,20,199 after lapse/forfeiture of 1,49,800 options.

Subsidiaries

The financial data of the subsidiaries has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report. Further, pursuant to Accounting Standards issued by the Institute of Chartered Accountants of India, the Company has presented the Consolidated Financial Statements which include the financial information relating to its subsidiaries and forms part of the Annual Report.

The Company shall provide the copy of the Annual report and other related information of its subsidiary companies as required under section 212 of the Companies Act, 1956 to the shareholders of the Company and the subsidiaries upon their written request. These documents will also be available for inspection at the registered office of the Company and registered offices of the respective subsidiary Companies during the working hours up to the date of Annual General Meeting.

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

Considering the nature of operations of the Company, your Directors have nothing to state as regards 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.

During the year under review, your Company has incurred a total expenditure on foreign exchange amounting to Rs. 271 Lacs as compared to the last year's expenditure of Rs. 317 Lacs.

Like last year, your Company has not earned any Foreign Exchange Income during the year under review.

Directors' Responsibilities Statement

Your Directors in compliance of Section 217 (2AA) of the Companies Act, 1956 confirm that in the preparation of the annual accounts for the year ended March 31, 2012:

- 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 judgement 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, 2012 and the loss 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.

Corporate Governance & Management Discussion and Analysis Report

A report on Corporate Governance along with a certificate from M/s. Rathi & Associates, Practicing Company Secretaries, regarding compliance of requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchanges is annexed hereto and forms part of this report. The Management Discussion and Analysis Report on the operations of the Company as required under the Listing Agreement with the Stock Exchanges is also annexed hereto and forms part of this report.

Auditors

M/s. G. M. Kapadia & Co, Chartered Accountants, the Statutory Auditors, shall retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The retiring Auditors have furnished certificate to the effect that their re-appointment, if made, would be in accordance with the limit prescribed under section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

Comments on Auditors' Report

Your auditors have made certain observations in the annexure (i) (a) and (b) pertaining to the non-updation of location wise particulars with respect to Access Devices with subscribers / local cable operators and frequency and procedure for verification of equipment with local cable operators. The Company has initiated a process of physical verification and updation of fixed asset records. The Company does not anticipate any material impact consequent to such reconciliation of records.

Acknowledgements

Your Directors take this opportunity to thank all the shareholders and lenders for their continued support. Your Directors also wish to place on record, the sincere appreciation to all the employees, franchisees, distributors and the vendors for their excellent contribution towards the progress of the Company.

FOR AND ON BEHALF OF THE BOARD

CHAIRMAN

Place: Mumbai
Date: August 21, 2012

Annexure to the Directors Report

Disclosures pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Summary of Status of Options:

Hathway Employee Stock Option Plan 2007 (Revised 2010)

| | |
|--|---|
| a) Total number of options granted | 10,45,500 |
| b) Pricing Formula | exercise price would be INR 110.20 and INR 157.30 per share |
| c) Options vested during the year | 150,500 |
| d) Options Exercised during the year | Nil |
| e) Total number of shares arising as result of exercise of options during the year | Nil |
| f) Options lapsed during the year | 1,49,800 |
| g) Variations of terms of options | As per special resolution passed at the Annual General Meeting held on 28.09.2010 |
| h) Money realised by exercise of options | Nil |
| i) Total no of options in force | 6,20,799 |

(j) Employee wise details of the options granted during the financial year 2011-12: None

- (i) Senior Managerial Personnel: None of the Senior Management Personnel were granted options during the year.
- (ii) No employee has been granted options exceeding 5% of the total issued and paid up equity capital at the time of grant of option.
- (iii) None of the employees were granted option, during the year, equal to or exceeding 1% of the issued capital.
- (k) Diluted Earnings per share (EPS) pursuant to issue of shares on exercise options calculated in accordance with Accounting Standard 20 Earning per share

Kindly refer note no. 4.15 of Notes to Accounts.

- (l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

The Company has calculated the employee compensation cost using the fair value of the stock options. Kindly refer note no. 4.07 of Notes to Accounts.

- (m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

The options are exercisable at Rs. 110.20 to Rs. 157.30 including a premium of Rs 100.20 to Rs. 147.30 per equity share.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Channels India Network Pvt. Ltd. | Vision India Network Pvt. Ltd. | Liberty Media Vision Pvt. Ltd. | Ideal Cables Pvt. Ltd. | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | Bee Network & Communication Pvt. Ltd. |
|---------|--|----------------------------------|--------------------------------|--------------------------------|------------------------|---|---------------------------------------|
| | Note | | | | | 2 | |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 20.04.1995 | 07.04.1998 | 07.04.1998 | 07.04.1998 | 07.04.1998 | 07.04.1998 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 87,500 | 87,700 | 10,000 | 76,020 | 249,000 | 99,989 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 95.63% | 100.00% | 100.00% | 100.00% | 51.00% | 100.00% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | - | - | (35,385) | 1,496,055 | (7,335,239) | (456) |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (20,894,362) | (17,330,899) | (16,082,825) | (26,042,733) | (8,842,299) | (10,575,429) |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Elite Cable Network Pvt. Ltd. | Binary Technology Transfers Pvt.Ltd. | Hathway Media Vision Pvt. Ltd. | UTN Cable Communication Pvt.Ltd. | ITV Interactive Media Pvt.Ltd. | Chennai Cable Vision Network Pvt. Ltd. |
|---------|--|-------------------------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------|--|
| | Note | | | | | | |
| | | | | FKA United Cable Network P.L. | | | |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 07.04.1998 | 07.04.1998 | 13.08.1998 | 31.05.1999 | 09.09.1999 | 30.09.1999 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 48,000 | 1,000 | 65,040 | 25,500 | 1,000 | 136,800 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 100 | 10 | 10 | 100 | 10 |
| | c) Extent of Effective Holding | 80.00% | 100.00% | 100.00% | 51.00% | 100.00% | 75.99% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | (13,023) | 1,465,011 | (898,499) | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | (297,221) | (12,877,808) | (15,794,434) | Nil | Nil |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | - | Nil | Nil | Nil | - | (271) |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (874,283) | (16,009,137) | Nil | Nil | (4,938,143) | (16,473,430) |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Hathway Universal Cabletel & Data com Pvt. Ltd. | Win Cable Data com Pvt. Ltd. | Hathway Space Vision Cabletel Pvt. Ltd. | Hathway Software Developers Pvt.Ltd. | Hathway Nashik Cable Network Pvt. Ltd. | Hathway Cnet Pvt. Ltd. |
|---------|--|---|------------------------------|---|--------------------------------------|--|------------------------|
| | Note | | | | | | |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 10.03.2000 | 15.03.2000 | 15.03.2000 | 21.03.2000 | 17.06.2000 | 27.07.2000 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 1,000 | 200,000 | 10,020 | 195,000 | 45,300 | 100,000 |
| | b) Fully paid Shares Each of the face value of Rs. | 100 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 100.00% | 100.00% | 100.00% | 65.00% | 90.06% | 100.00% |
| 4 | Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | (1,127,190) | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | (9,743,760) | Nil | Nil |
| 5 | Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 8,362 | 312,589 | (3,000) | Nil | 362,283 | 8,398 |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (90,230) | (184,673,464) | (734,452) | Nil | (92,500,498) | (7,776,677) |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Hathway United Cables Pvt. Ltd. | Hathway Internet Satellite Pvt. Ltd. | Hathway Krishna Cable Pvt. Ltd. | Hathway Mysore Cable Network Pvt. Ltd. | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | Hathway Prime Cable & Datacom Pvt. Ltd. |
|---------|--|---------------------------------|--------------------------------------|---------------------------------|--|---|---|
| | Note | | | | | 9 | |
| | | | | | FKA Hathway Vijaynagar Cable Network Pvt. Ltd. | | FKA : Hathway Cable Vision Pvt Ltd |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.12.2000 | 01.01.2001 | 22.07.2002 | 29.11.2003 | 24.03.2004 | 03.02.2006 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 10,000 | 10,000 | 4,860,000 | 292,100 | 71,175 | 229,500 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 100.00% | 100.00% | 97.20% | 63.50% | 49.00% | 51.00% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | (11,531,851) | (715,530) | 12,579,690 | (163,346) |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | (46,424,133) | (8,935,129) | (10,575,376) | (4,760,262) |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 976,184 | (1,200) | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (998,817) | (14,810,955) | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Hathway Gwalior Cable & Datacom Pvt. Ltd. | Hathway Digital Sahranpur Cable and Datacom Pvt. Ltd. | Hathway Enjoy Cable Network Pvt. Ltd. | Hathway JMD Farukhabad Cable & Datacom Pvt. Ltd. | Hathway Jai Mata Di Sherawali Cable & Datacom Pvt. Ltd. | Hathway Latur MCN Cable & Datacom Pvt. Ltd. |
|---------|--|---|---|---------------------------------------|--|---|--|
| | Note | | | | | 1, 7 & 9 | |
| | | | FKA: Hathway Infonet Cable & Datacom | | | FKA-Chandigarh Convergence Consortium Private Limited | FKA: Hathway Infomedia Cable & Datacom Pvt Ltd |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.05.2007 | 01.03.2008 | 07.06.2007 | 01.05.2007 | 24.08.2006 | 15.01.2008 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 10,000 | 10,200 | 10,000 | 10,000 | 800,000 | 51,000 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 100.00% | 51.00% | 100.00% | 100.00% | 50.00% | 51.00% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | (1,632,608) | 1,204,856 | (330) | (35,782) | Nil | (3,699,116) |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (2,977,190) | (8,967,127) | (965,056) | Nil | Nil | (3,282,839) |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | (21,382,887) | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | 479,821 | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Hathway MCN Pvt. Ltd. | Hathway Sonali OM Crystal Cable Pvt Ltd | Hathway ICE Television Pvt Ltd | Hathway Bhaskar Multinet Pvt. Ltd. | Hathway Rajesh Multichannel Pvt. Ltd. | Net 9 Online Hathway Pvt Ltd |
|---------|--|---|---|--------------------------------|------------------------------------|---------------------------------------|------------------------------|
| | Note | | | | | | 7 |
| | | (FKA :Marathwada Cable Network Pvt Ltd) | | | | | |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.06.2007 | 01.01.2008 | 15.10.2007 | 31.12.2007 | 01.10.2007 | 01.03.2008 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 810,000 | 51,000 | 102,000 | 598,944 | 144,849 | 5,000 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 51.00% | 51.00% | 51.00% | 51.00% | 51.00% | 50.00% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 448,957 | 2,357,655 | 1,921,287 | (16,477,846) | 1,595,931 | 703,047 |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | 2,981,672 | 802,098,052 | 453,328 | (14,335,388) | 1,049,669 | 654,582 |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- Held through subsidiary Hathway Bhaskar Multinet Private Limited
- Held through subsidiary Gujarat Telelink Private Limited
- Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- Held through subsidiary Hathway MCN Private Limited
- Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Gujarat Telelink Pvt. Ltd. | Hathway New Concept Cable & Datacom Pvt. Ltd. | Hathway Sai Star Cable & Datacom Pvt. Ltd. | Hathway Cable MCN Nanded Pvt. Ltd. | Hathway Palampur Cable Network Pvt. Ltd. | Hathway Mantra Cable Network Pvt. Ltd. |
|---------|--|----------------------------|---|--|------------------------------------|--|--|
| | Note | | | | 6 | | |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 12.10.2007 | 01.09.2008 | 01.09.2008 | 17.06.2008 | 01.04.2008 | 30.08.2007 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| a) | Number of Shares held | 742,500 | 25,500 | 68,850 | 1,713,880 | 15,300 | 10,000 |
| b) | Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| c) | Extent of Effective Holding | 50.00% | 51.00% | 51.00% | 45.05% | 51.00% | 100.00% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| a) | For the Financial Year of the Subsidiary aforesaid | 115,015,009 | (5,879,902) | 1,546,395 | (3,785,409) | 132,852 | Nil |
| b) | For the Previous financial years of the subsidiary since it becomes Subsidiary | 297,947,234 | (16,305,338) | 6,609,746 | (1,937,311) | (963,611) | Nil |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| a) | For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| b) | For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| a) | Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| b) | Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| c) | Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| d) | Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | March 31, 2012 | Hathway Bhaskar CBN Multinet Pvt. Ltd. | Hathway Bhaskar CCN Multinet Pvt. Ltd. | CCN Entertainment (India) Pvt. Ltd. | Hathway Bhaskar CCN Multi Entertainment Pvt. Ltd. | Hathway Bhawani Cabletel & Datacom Pvt. Ltd. |
|----------|--|----------------|--|--|-------------------------------------|---|--|
| | Note | | 3 | 3 | 3 | 3 | 5 |
| | | | | (f.k.a. Hathway Bhaskar Pagaria Multinet Pvt.Ltd.) | | | |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 13.05.2009 | 01.07.2008 | 01.07.2008 | 01.07.2008 | 29.09.2011 | 31.08.2009 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 20,400 | 25,500 | 242,250 | 255,000 | 7,000 | 4,080,000 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 51.00% | 26.01% | 26.01% | 26.01% | 35.70% | 51.00% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | (4,532,791) | 1,103,287 | 2,176,448 | 909,441 | 1,086,603 | 7,713,641 |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (7,537,931) | 1,679,124 | (1,470,913) | 115,779 | Nil | 2,486,288 |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- Held through subsidiary Hathway Bhaskar Multinet Private Limited
- Held through subsidiary Gujarat Telelink Private Limited
- Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- Held through subsidiary Hathway MCN Private Limited
- Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | Hathway Bhawani NDS Network Pvt. Ltd. | Hathway Bhawani Sai Network Pvt. Ltd. | Hathway Kokan Crystal Network Pvt. Ltd. | GTPL ANJALI CABLE NETWORK PVT. LTD | GTPL SOLANKI CABLE NETWORK PVT. LTD | GTPL ZIGMA VISION PVT. LTD |
|----------|--|---------------------------------------|---------------------------------------|---|------------------------------------|-------------------------------------|----------------------------|
| | Note | 8 | | | 4 | 4 | 4 |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 13.10.2010 | 03.11.2011 | 01.11.2011 | 03.02.2009 | 02.07.2008 | 20.02.2009 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| a) | Number of Shares held | 8,063 | 116 | 27,990 | 10,410 | 33,150 | 24,514 |
| b) | Fully paid Shares Each of the face value of Rs. | 500 | 500 | 10 | 10 | 10 | 10 |
| c) | Extent of Effective Holding | 26.01% | 0.510% | 51.00% | 25.50% | 25.50% | 35.30% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| a) | For the Financial Year of the Subsidiary aforesaid | (942,948) | (39) | (1,184,646) | 313,191 | 541,507 | 21,632 |
| b) | For the Previous financial years of the subsidiary since it becomes Subsidiary | (90,304) | Nil | (261,522) | 1,110,219 | 569,728 | 36,670 |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| a) | For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| b) | For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| a) | Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| b) | Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| c) | Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| d) | Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | PARTICULARS | GTPL SK NETWORK PVT. LTD | GTPL VIDEO BADSHAH PVT. LTD | GTPL KUTCH NETWORK PVT LTD | GTPL CITY CHANNEL PVT LTD | GTPLSMC NETWORK PVT LTD | GTPL SURAT TELELINK PVT. LTD |
|---------|--|--------------------------|-----------------------------|----------------------------|---------------------------|-------------------------|------------------------------|
| | Note | 4 | 4 | 4 | 4 | 4 | 4 |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.12.2008 | 04.08.2008 | 23.01.2009 | 31.07.2008 | 22.01.2009 | 23.01.2009 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| a) | Number of Shares held | 10,200 | 5,100 | 5,100 | 5,100 | 5,100 | 5,100 |
| b) | Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| c) | Extent of Effective Holding | 25.50% | 25.50% | 25.50% | 25.50% | 25.50% | 25.50% |
| 4 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| a) | For the Financial Year of the Subsidiary aforesaid | 25,012 | 2,969,375 | 69,555 | (3,927) | 271,455 | 571,481 |
| b) | For the Previous financial years of the subsidiary since it becomes Subsidiary | 299,556 | 1,867,584 | 129,130 | (4,286) | 241,376 | 823,210 |
| 5 | Net Aggregate amount of the subsidiary's | | | | | | |
| | Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| a) | For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| b) | For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| a) | Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| b) | Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| c) | Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| d) | Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | Particulars | GTPL Vision Services Pvt Ltd | GTPL Jay Mataji Network Pvt. Ltd | GTPL Space City Pvt Ltd | GTPL Link Network Pvt Ltd | GTPL VVC Network Pvt Ltd | GTPL Parshwa Cable Network Pvt Ltd |
|---------|--|--------------------------------------|----------------------------------|-------------------------|---------------------------|--------------------------|--|
| | Note | 4 | 4 | 4 | 4 | 4 | 4 |
| | | (Formerly Invision Services Pvt Ltd) | | | | | (Formerly Parshwa Cable Network Pvt Ltd) |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.10.2009 | 01.08.2009 | 13.04.2009 | 15.04.2009 | 15.04.2009 | 01.10.2009 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 129,592 | 10,000 | 10,200 | 102,000 | 102,000 | 5,732 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| | c) Extent of Effective Holding | 31.75% | 25.00% | 25.50% | 25.50% | 25.50% | 28.66% |
| 4 | Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 1,902,856 | 530,105 | 111,073 | (1,079,372) | (1,014,409) | 976,051 |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | 4,847,238 | 2,198,227 | 729,173 | 2,086,560 | 233,020 | 893,559 |
| 5 | Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | Particulars | Insight Channel Net Work Pvt. Ltd | GTPL Vidarbha Tele Link Pvt. Ltd | Narmada Cyberzone Pvt Ltd | GTPL Blue Bell Network Pvt. Ltd | GTPL Shiv Shakti Net-work Pvt. Ltd | GTPL Kolkata Cable & Broadband Pariseva Ltd. |
|---------|--|-----------------------------------|----------------------------------|---------------------------|---------------------------------|------------------------------------|--|
| | Note | 4 | 4 | 4 | 4 | 4 | 4 |
| 1 | Information Furinished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.01.2010 | 01.09.2009 | 01.10.2009 | 01.10.2009 | 01.04.2009 | 30.06.2010 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | | |
| | a) Number of Shares held | 30,000 | 10,500 | 679,870 | 9,200 | 5,100 | 290,700 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 10 | 100 |
| | c) Extent of Effective Holding | 37.23% | 25.61% | 30.00% | 46.00% | 25.50% | 25.50% |
| 4 | Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 234,682 | 62,659 | 1,144,681 | (903,513) | (3,052) | 7,057,003 |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | 502,268 | (6,493,863) | 760,288 | (2,889,084) | (7,080) | (1,550,775) |
| 5 | Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in HCDL A/c | | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | Particulars | GTPL Dahod Television Network Pvt Ltd. | GTPL Sorath Telelink Pvt. Ltd. | GTPL Shiv Network Pvt. Ltd. | GTPL Jay Shantoshima Network Pvt. Ltd. | Gujarat Telelink East Africa Limited |
|---------|--|--|--------------------------------|-----------------------------|--|--------------------------------------|
| | Note | 4 | 4 | 4 | 4 | 4 |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.08.2010 | 01.04.2010 | 1.10.2010 | 31.3.2011 | 01.06.2010 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | | |
| | a) Number of Shares held | 10,200 | 51,000 | 10,200 | 51,000 | 510 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 10 | 55.565 |
| | c) Extent of Effective Holding | 25.50% | 25.50% | 25.50% | 25.50% | 25.50% |
| 4 | Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in HCDL A/c | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 10,387 | (136,802) | 78,178 | 289,559 | (3,275) |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | (7,179) | (337,667) | 112,211 | (3,772) | (4,316) |
| 5 | Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in HCDL A/c | | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

| Sr. No. | Particulars | GTPL Ahmedabad Cable Network Pvt. Ltd. | GTPL Sharda Cable Network Pvt. Ltd. | D. L. Cabnet Pvt. Ltd. | V&S Cable Pvt. Ltd. |
|---------|--|--|-------------------------------------|------------------------|---------------------|
| | Note | 4 | 4 | 4 | 4 |
| 1 | Information Furnished for the Financial Year Ended | March 31, 2012 | March 31, 2012 | March 31, 2012 | March 31, 2012 |
| 2 | Date from which it becomes subsidiary | 01.06.2011 | 02.11.2011 | 01.11.2011 | 17.01.2012 |
| 3 | Shares of the subsidiary held by the holding company i.e. Hathway Cable & Datacom Ltd. and its subsidiaries (HCDL) on March 31, 2012 | | | | |
| | a) Number of Shares held | 10,200 | 5100 | 31200 | 28250 |
| | b) Fully paid Shares Each of the face value of Rs. | 10 | 10 | 10 | 100 |
| | c) Extent of Effective Holding | 25.50% | 25.50% | 13.00% | 25.50% |
| 4 | Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in HCDL A/c | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | 80,648 | (3,933) | 2,791,798 | 630,431 |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 5 | Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in HCDL A/c | | | | |
| | a) For the Financial Year of the Subsidiary aforesaid | Nil | Nil | Nil | Nil |
| | b) For the Previous financial years of the subsidiary since it becomes Subsidiary | Nil | Nil | Nil | Nil |
| 6 | Changes in the interest of HCDL in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 7 | Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 | | | | |
| | a) Fixed Asset | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | b) Investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | c) Monies Lent By Subsidiary Co. | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

Statement pursuant to General Circular No. 5/12/2007-CL-III dated 08/02/2011 relating to information of Subsidiary Companies

| Sr. No. | Particulars | Channels India Network Pvt. Ltd. | Vision India Network Pvt. Ltd. | Liberty Media Vision Pvt. Ltd. | Ideal Cables Pvt. Ltd. | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | Bee Network & Communication Pvt. Ltd. | Elite Cables Network Pvt. Ltd. |
|---------|---------------------------------|----------------------------------|--------------------------------|--------------------------------|------------------------|---|---------------------------------------|--------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2009 | 31.03.2012 | 31.03.2012 |
| | Note | | | | | 2 | | |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 915,000 | 877,000 | 100,000 | 760,200 | 4,882,350 | 999,890 | 600,000 |
| 2 | Reserves | (14,063,184) | (21,481,164) | (22,235,765) | (6,521,713) | 114,441,000 | (14,423,651) | (798,228) |
| 3 | Total Liabilities | 187,605 | 53,463 | 2,129,452 | 5,229,086 | 122,558,746 | 8,169 | - |
| 4 | Total Assets | 187,605 | 53,463 | 2,129,452 | 5,229,086 | 122,558,746 | 8,169 | - |
| 5 | Investments | - | - | - | - | - | - | - |
| 6 | Turnover | - | - | 1,220,500 | 8,928,791 | 24,550,685 | - | - |
| 7 | Profit / (Loss) Before Taxation | - | - | 2,227 | 1,778,629 | (7,425,224) | (456) | - |
| 8 | Profit / (Loss) After Taxation | - | - | (35,385) | 1,496,055 | (7,433,494) | (456) | - |
| 9 | Provision for Taxation | - | - | 37,612 | 282,574 | 8,270 | - | - |

| Sr. No. | Particulars | Binary Technology Transfers Pvt. Ltd. | Hathway Media Vision Pvt. Ltd. | UTN Cable Communication Pvt. Ltd. | ITV Interactive Media Pvt. Ltd. | Chennai Cable Vision Network Pvt. Ltd. | Hathway Universal Cabletel & Data com Pvt. Ltd. | Win Cable & Data com Pvt. Ltd. |
|---------|---------------------------------|---------------------------------------|--------------------------------|-----------------------------------|---------------------------------|--|---|--------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | | | | | | | |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 100,000 | 670,400 | 500,000 | 100,000 | 1,800,200 | 100,000 | 2,050,000 |
| 2 | Reserves | (16,239,501) | 12,162,699 | (28,109,024) | (4,988,456) | (21,444,379) | (137,569) | (200,445,805) |
| 3 | Total Liabilities | - | 76,816,857 | 26,514,206 | 343,977 | 312,916 | 195,675 | 4,221,527 |
| 4 | Total Assets | - | 76,816,857 | 26,514,206 | 343,977 | 312,916 | 195,675 | 4,221,527 |
| 5 | Investments | - | 24,648,000 | - | - | - | - | - |
| 6 | Turnover | - | 168,018,298 | 34,978,523 | - | - | 8,362 | 350,000 |
| 7 | Profit / (Loss) Before Taxation | (13,023) | 3,057,954 | (1,783,789) | - | (357) | 8,362 | 312,589 |
| 8 | Profit / (Loss) After Taxation | (13,023) | 1,465,011 | (1,761,763) | - | (357) | 8,362 | 312,589 |
| 9 | Provision for Taxation | - | (1,592,943) | (22,026) | - | - | - | - |

| Sr. No. | Particulars | Hathway Space Vision Cabletel Pvt. Ltd. | Hathway Software Developers Pvt. Ltd. | Hathway Nashik Cable Network Pvt. Ltd. | Hathway Cnet Pvt. Ltd. | Hathway United Cables Pvt. Ltd. | Hathway Internet Satellite Pvt. Ltd. | Hathway Krishna Cable Pvt. Ltd. |
|---------|---------------------------------|---|---------------------------------------|--|------------------------|---------------------------------|--------------------------------------|---------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | | | | | | | |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 100,200 | 3,000,000 | 503,000 | 1,000,000 | 100,000 | 100,000 | 50,000,000 |
| 2 | Reserves | (10,495,307) | (16,391,742) | (97,829,231) | (5,302,928) | (22,633) | (16,215,724) | (72,123,261) |
| 3 | Total Liabilities | 27,412 | 25,054,157 | 7,468,673 | 162,854 | 2,909,556 | - | 72,316,223 |
| 4 | Total Assets | 27,412 | 25,054,157 | 7,468,673 | 162,854 | 2,909,556 | - | 72,316,223 |
| 5 | Investments | - | 5,000 | - | - | 6,000 | - | 15,000 |
| 6 | Turnover | - | 33,658,028 | - | 8,398 | 12,328,349 | - | 52,302,562 |
| 7 | Profit / (Loss) Before Taxation | (3,000) | (1,559,966) | 402,269 | 8,398 | 976,184 | (1,200) | (13,381,161) |
| 8 | Profit / (Loss) After Taxation | (3,000) | (1,734,139) | 402,269 | 8,398 | 976,184 | (1,200) | (11,864,044) |
| 9 | Provision for Taxation | - | 174,173 | - | - | - | - | (1,517,117) |

Hathway Cable & Datacom Limited

| Sr. No. | Particulars | Hathway Mysore Cable Network Pvt. Ltd. | Hathway Prime Cable & Datacom Pvt. Ltd. | Hathway Digital Sahranpur Cable and Datacom Pvt. Ltd. | Hathway Enjoy Cable Network Pvt. Ltd. | Hathway JMD Farukhabad Cable & Datacom Pvt. Ltd. | Hathway Jai Mata Di Sherewali Cable & Datacom Pvt. Ltd. |
|---------|---------------------------------|--|---|---|---------------------------------------|--|---|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2009 |
| | Note | | | | | | 1 & 7 |
| | Currency | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 4,600,000 | 4,500,000 | 200,000 | 100,000 | 100,000 | 16,000,000 |
| 2 | Reserves | (16,307,225) | (6,878,864) | 2,413,551 | (26,138) | (35,782) | - |
| 3 | Total Liabilities | 21,966,587 | 8,165,570 | 18,269,079 | 349,056 | 87,260 | 16,000,000 |
| 4 | Total Assets | 21,966,587 | 8,165,570 | 18,269,079 | 349,056 | 87,260 | 16,000,000 |
| 5 | Investments | 10,000 | - | - | - | - | - |
| 6 | Turnover | 25,984,888 | 1,224,937 | 25,845,491 | - | - | 15,507,759 |
| 7 | Profit / (Loss) Before Taxation | (1,143,648) | (320,286) | 2,362,463 | (330) | (35,782) | (42,818,098) |
| 8 | Profit / (Loss) After Taxation | (1,126,819) | (320,286) | 2,362,463 | (330) | (35,782) | (42,814,274) |
| 9 | Provision for Taxation | (16,829) | - | - | - | - | (3,824) |

| Sr. No. | Particulars | Hathway Kokan Crystal Cable Network Pvt. Ltd. | Hathway Latur MCN Cable & Datacom Pvt. Ltd. | Hathway MCN Pvt. Ltd. | Hathway Sonali OM Crystal Cable Pvt Ltd | Hathway ICE Television Pvt Ltd | Hathway Bhaskar Multinet Pvt. Ltd. | Hathway Rajesh Multichannel Pvt. Ltd. |
|---------|---------------------------------|---|---|-----------------------|---|--------------------------------|------------------------------------|---------------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | | | | | | | |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 548,820 | 1,000,000 | 15,882,350 | 1,000,000 | 2,000,000 | 12,254,200 | 2,840,170 |
| 2 | Reserves | 35,635,486 | 3,337,584 | 75,053,137 | 18,802,171 | (2,814,411) | 108,412,894 | 38,770,829 |
| 3 | Total Liabilities | 44,702,332 | 27,417,665 | 136,130,721 | 54,316,937 | 26,280,627 | 454,471,432 | 113,243,923 |
| 4 | Total Assets | 44,702,332 | 27,417,665 | 136,130,721 | 54,316,937 | 26,280,627 | 454,471,432 | 113,243,923 |
| 5 | Investments | - | 2,100 | 4,562,930 | - | - | 109,071,000 | 50,001 |
| 6 | Turnover | 20,841,284 | 7,420,640 | 132,661,657 | 175,606,783 | 39,475,293 | 481,101,362 | 136,652,983 |
| 7 | Profit / (Loss) Before Taxation | (2,281,800) | (5,441,665) | 4,347,100 | 6,698,246 | 3,767,230 | (32,309,502) | 4,764,031 |
| 8 | Profit / (Loss) After Taxation | (2,322,820) | (7,253,169) | 880,307 | 4,622,852 | 3,767,230 | (32,309,502) | 3,129,276 |
| 9 | Provision for Taxation | 41,020 | 1,811,504 | 3,466,794 | 2,075,394 | - | - | 1,634,755 |

| Sr. No. | Particulars | Net 9 Online Hathway Pvt Ltd | Hathway New Concept Cable & Datacom Pvt. Ltd. | Hathway Sai Star Cable & Datacom Pvt. Ltd. | Hathway Cable MCN Nanded Pvt. Ltd. | Hathway Palampur Cable Network Pvt. Ltd. | Hathway Mantra Cable & Datacom Pvt. Ltd. | Hathway Dattatray Cable Network Pvt. Ltd. |
|---------|--------------------------|------------------------------|---|--|------------------------------------|--|--|---|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | 7 | | | 6 | | | |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 100,000 | 500,000 | 1,350,000 | 33,605,490 | 300,000 | 100,000 | 400,000 |

| Sr. No. | Particulars | Net 9 Online Hathway Pvt Ltd | Hathway New Concept Cable & Datacom Pvt. Ltd. | Hathway Sai Star Cable & Datacom Pvt. Ltd. | Hathway Cable MCN Nanded Pvt. Ltd. | Hathway Palampur Cable Network Pvt. Ltd. | Hathway Mantra Cable & Datacom Pvt. Ltd. | Hathway Dattatray Cable Network Pvt. Ltd. |
|---------|---------------------------------|------------------------------|---|--|------------------------------------|--|--|---|
| 2 | Reserves | 3,810,436 | 96,072,196 | 551,959,055 | (18,159,194) | 11,157,961 | - | 56,327,320 |
| 3 | Total Liabilities | 10,622,028 | 149,638,020 | 641,525,792 | 34,641,150 | 14,032,622 | 158,640 | 87,767,014 |
| 4 | Total Assets | 10,622,028 | 149,638,020 | 641,525,792 | 34,641,150 | 14,032,622 | 158,640 | 87,767,014 |
| 5 | Investments | - | - | - | - | - | - | - |
| 6 | Turnover | 30,045,979 | 69,232,046 | 205,130,321 | 16,286,336 | 13,616,388 | - | 20,672,341 |
| 7 | Profit / (Loss) Before Taxation | 1,706,093 | (11,195,736) | 5,992,386 | (8,101,176) | 343,277 | - | (12,214,859) |
| 8 | Profit / (Loss) After Taxation | 1,406,093 | (11,529,220) | 3,032,148 | (8,403,336) | 260,494 | - | (8,887,825) |
| 9 | Provision for Taxation | 300,000 | 333,484 | 2,960,238 | 302,160 | 82,783 | - | 3,327,034 |

| Sr. No. | Particulars | Hathway Bhaskar CBN Multinet Pvt. Ltd. - Bhilai | Hathway Bhaskar CCN Multinet Pvt. Ltd. - Raipur | Hathway Bhaskar CCN Entertainment (India) Pvt. Ltd. - Bilaspur | Hathway Bhaskar CCN Multi Entertainment Pvt. Ltd. - Korba | Hathway Bhawani Cabletel & Datacom Ltd. | Hathway Bhawani NDS Network Pvt. Ltd. | Hathway Bhawani Sai Network Pvt. Ltd. |
|---------|---------------------------------|---|---|--|---|---|---------------------------------------|---------------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | 3 | 3 | 3 | 3 | 5 | | |
| | Currency | INR | INR | INR | | INR | INR | INR |
| 1 | Share Capital | 500,000 | 4,750,000 | 5,000,000 | 100,000 | 80,000,000 | 15,500,000 | 5,800,000 |
| 2 | Reserves | 12,493,970 | 2,456,843 | 4,195,050 | (3,043,707) | (16,546,128) | (3,972,518) | (7,660) |
| 3 | Total Liabilities | 44,226,580 | 80,654,261 | 30,201,309 | 15,753,214 | 109,803,327 | 14,424,590 | 5,796,340 |
| 4 | Total Assets | 44,226,580 | 80,654,261 | 30,201,309 | 15,753,214 | 109,803,327 | 14,424,590 | 5,796,340 |
| 5 | Investments | 2,845,130 | - | - | - | 8,084,157 | - | - |
| 6 | Turnover | 60,980,760 | 65,026,002 | 36,084,791 | 4,360,899 | 157,659,947 | 11,176,488 | - |
| 7 | Profit / (Loss) Before Taxation | 6,304,740 | 15,747,266 | 5,060,064 | 2,997,023 | 17,769,337 | (3,625,329) | (7,660) |
| 8 | Profit / (Loss) After Taxation | 4,241,780 | 8,367,737 | 3,496,505 | 3,043,707 | 15,124,787 | (3,625,329) | (7,660) |
| 9 | Provision for Taxation | 2,062,960 | 7,379,529 | 1,563,559 | 46,684 | 2,644,550 | - | - |

| Sr. No. | Particulars | Hathway Gwalior Cable & Datacom Pvt. Ltd. | Gujarat Telelink Pvt. Ltd | GTPL Anjali Cable Network Private Limited | GTPL Solanki Cable Network Private Limited | GTPL Zigma Vision Private Limited | GTPL Sk Network Private Limited | GTPL Video Badshah Private Limited |
|---------|--------------------------|---|---------------------------|---|--|-----------------------------------|---------------------------------|------------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | | 7 | 4 | 4 | 4 | 4 | 4 |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 100,000 | 14,850,000 | 204,100 | 650,000 | 347,200 | 200,000 | 100,000 |
| 2 | Reserves | (6,577,326) | 1,847,339,595 | 27,403,786 | 4,608,132 | 3,552,992 | 13,613,674 | 15,533,002 |
| 3 | Total Liabilities | 2,729,528 | 4,172,972,035 | 28,738,210 | 14,435,680 | 6,609,187 | 17,583,026 | 24,844,582 |
| 4 | Total Assets | 2,729,528 | 4,172,972,035 | 28,738,210 | 14,435,680 | 6,609,187 | 17,583,026 | 24,844,582 |

Hathway Cable & Datacom Limited

| Sr. No. | Particulars | Hathway Gwalior Cable & Datacom Pvt. Ltd. | Gujarat Telelink Pvt. Ltd | GTPL Anjali Cable Network Private Limited | GTPL Solanki Cable Network Private Limited | GTPL Zigma Vision Private Limited | GTPL Sk Network Private Limited | GTPL Video Badshah Private Limited |
|---------|---------------------------------|---|---------------------------|---|--|-----------------------------------|---------------------------------|------------------------------------|
| 5 | Investments | - | 946,499,599 | - | 2,000 | 2,000 | 2,000 | 1,285,200 |
| 6 | Turnover | 12,792,441 | 2,834,598,176 | 20,218,451 | 23,432,740 | 8,630,481 | 18,716,360 | 19,038,297 |
| 7 | Profit / (Loss) Before Taxation | (1,632,608) | 344,686,053 | 770,842 | 1,599,514 | 82,586 | 389,875 | 8,619,255 |
| 8 | Profit / (Loss) After Taxation | (1,632,608) | 230,030,018 | 626,382 | 1,083,014 | 43,266 | 50,024 | 5,938,450 |
| 9 | Provision for Taxation | - | 115,165,482 | 144,000 | 516,500 | 39,320 | 339,851 | 2,680,805 |

| Sr. No. | Particulars | GTPL Kutch Network Private Limited | GTPL City Channel Private Limited | GTPL Smc Network Private Limited | GTPL Surat Telelink Private Limited | GTPL Vidarbha Telelink Private Limited | GTPL Space City Private Limited | GTPL Vision Services Private Limited |
|---------|---------------------------------|------------------------------------|-----------------------------------|----------------------------------|-------------------------------------|--|---------------------------------|--------------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 100,000 | 100,000 | 100,000 | 100,000 | 205,000 | 200,000 | 2,040,820 |
| 2 | Reserves | 174,485 | (89,408) | 2,065,356 | 8,234,305 | (26,070,638) | 18,869,572 | 200,861,019 |
| 3 | Total Liabilities | 11,148,241 | 123,602 | 4,613,845 | 65,897,538 | 31,192,053 | 22,799,455 | 226,327,627 |
| 4 | Total Assets | 11,148,241 | 123,602 | 4,613,845 | 65,897,538 | 31,192,053 | 22,799,455 | 226,327,627 |
| 5 | Investments | 2,000 | - | 2,000 | - | - | - | - |
| 6 | Turnover | 16,448,917 | - | 6,709,306 | 81,869,787 | 31,851,895 | 5,394,662 | 79,189,298 |
| 7 | Profit / (Loss) Before Taxation | 219,606 | (7,854) | 923,140 | 1,599,683 | 186,050 | 352,675 | 9,407,488 |
| 8 | Profit / (Loss) After Taxation | 139,110 | (7,854) | 542,909 | 1,142,962 | 125,317 | 222,145 | 3,805,711 |
| 9 | Provision for Taxation | 80,496 | - | 380,231 | 456,721 | 60,733 | 130,530 | 5,601,777 |

| Sr. No. | Particulars | GTPL Jai Mataji Network Private Limited | Narmada Cyberzone Private Limited | GTPL Shivshakti Network Private Limited | GTPL Link Network Private Limited | GTPL Vvc Network Private Limited | GTPL Blue Bell Network Private Limited | GTPL Parshwa Cable Network Private Limited |
|---------|---------------------------------|---|-----------------------------------|---|-----------------------------------|----------------------------------|--|--|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 200,000 | 11,331,170 | 100,000 | 2,000,000 | 2,000,000 | 100,000 | 100,000 |
| 2 | Reserves | 16,537,820 | 12,128,311 | (30,127) | 38,475,792 | 19,166,508 | (7,588,082) | 4,508,931 |
| 3 | Total Liabilities | 39,249,983 | 34,021,128 | 103,130 | 45,613,017 | 26,705,902 | 8,760,470 | 13,683,963 |
| 4 | Total Assets | 39,249,983 | 34,021,128 | 103,130 | 45,613,017 | 26,705,902 | 8,760,470 | 13,683,963 |
| 5 | Investments | - | - | - | - | - | - | - |
| 6 | Turnover | 24,951,192 | 34,242,195 | - | 18,275,826 | 10,358,112 | 25,601,767 | 24,292,285 |
| 7 | Profit / (Loss) Before Taxation | 1,215,210 | 2,219,613 | (6,104) | (2,158,744) | (2,025,324) | (1,807,027) | 2,914,331 |
| 8 | Profit / (Loss) After Taxation | 1,060,210 | 2,289,361 | (6,104) | (2,158,744) | (2,028,817) | (1,807,027) | 1,952,102 |
| 9 | Provision for Taxation | 155,000 | (69,748) | - | - | 3,493 | - | 962,229 |

| Sr. No. | Particulars | Insight Channel Network Private Limited | GTPL Koltata Cable & Broadband Pariseva Limited | GTPL Dahod Television Network Private Limited | GTPL Jay Santoshima Network Pvt.Ltd | GTPL Sorath Telelink Private Limited | Gujarat Telelink East Africa Ltd. | GTPL Shiv Network Private Limited |
|---------|---------------------------------|---|---|---|-------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Currency | INR | INR | INR | INR | INR | INR | INR |
| 1 | Share Capital | 402,900 | 56,995,000 | 200,000 | 1,000,000 | 1,000,000 | 55,562 | 200,000 |
| 2 | Reserves | 7,653,672 | 110,942,456 | 7,603,427 | 20,930,887 | 14,975,062 | (15,183) | 2,481,437 |
| 3 | Total Liabilities | 12,060,832 | 404,036,322 | 13,827,244 | 24,320,903 | 29,281,753 | 4,152,439 | 3,197,258 |
| 4 | Total Assets | 12,060,832 | 404,036,322 | 13,827,244 | 24,320,903 | 29,281,753 | 4,152,439 | 3,197,258 |
| 5 | Investments | - | - | - | - | 2,000 | - | - |
| 6 | Turnover | 7,554,597 | 232,594,606 | 12,470,137 | 12,295,610 | 8,511,632 | - | 1,927,354 |
| 7 | Profit / (Loss) Before Taxation | 494,564 | 21,620,630 | 20,774 | 729,118 | (273,604) | (6,550) | 303,383 |
| 8 | Profit / (Loss) After Taxation | 469,363 | 14,114,006 | 20,774 | 579,118 | (273,604) | (6,550) | 156,356 |
| 9 | Provision for Taxation | 25,201 | (1,680,427) | - | 150,000 | - | - | 147,027 |

| Sr. No. | Particulars | GTPL Sharda Cable Network Pvt. Ltd. | GTPL Ahmedabad Cable Network Pvt.Ltd | D. L. Cabnet Pvt.Ltd. | V&S Cable Pvt. Ltd |
|---------|---------------------------------|-------------------------------------|--------------------------------------|-----------------------|--------------------|
| | Financial Year ending on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| | Note | 4 | 4 | 4 | 4 |
| | Currency | INR | INR | INR | INR |
| 1 | Share Capital | 100,000 | 200,000 | 1,200,000 | 5,540,000 |
| 2 | Reserves | (7,865) | 13,808,427 | 45,709,796 | 3,694,036 |
| 3 | Total Liabilities | 100,000 | 18,442,084 | 70,447,334 | 23,819,464 |
| 4 | Total Assets | 100,000 | 18,442,084 | 70,447,334 | 23,819,464 |
| 5 | Investments | - | - | 263,069 | - |
| 6 | Turnover | - | 8,067,996 | 44,152,742 | 9,174,601 |
| 7 | Profit / (Loss) Before Taxation | (7,865) | 1,204,772 | 7,765,707 | 1,314,297 |
| 8 | Profit / (Loss) After Taxation | (7,865) | 161,296 | 5,583,594 | 1,260,862 |
| 9 | Provision for Taxation | - | 1,043,476 | 2,182,113 | 53,435 |

- 1 Company under liquidation refer note 4.03(C) of Notes to Accounts of Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 2 The company has consolidated the provisional accounts, Refer Note No. 4.03(B) of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last audited accounts as on March 31, 2009
- 3 Held through subsidiary Hathway Bhaskar Multinet Private Limited
- 4 Held through subsidiary Gujarat Telelink Private Limited
- 5 Partly held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
- 6 Held through subsidiary Hathway MCN Private Limited
- 7 Subsidiary based on our Company's right to appoint majority of directors on the board of Company.
- 8 Held through subsidiary Hathway Bhawani Cabletel & Datacom Pvt. Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Cable Television forms the backbone of Television Distribution in India. It is well penetrated, particularly in urban regions. As per Media Partners Asia (MPA) 2011 estimates, the total universe of TV Households in India is expected to grow from 154 Mn in 2012 to 205 Mn in 2020. Cable in India continues to be a significant proportion of this and is expected to grow from 95 Mn in 2012 to 105 Mn in 2020.

With the promulgation of the Cable Television Networks (Regulation) Amendment Bill 2011, which was passed in December, 2011 in the Parliament, India is expected to progressively implement digitalization from November 2012 till December 2014 to cover the entire country in 4 Phases. On digitalization, the opportunity in cable distribution revenue is expected to be Rs. 30,000 crore annually. Subsequent to the enactment of the Cable Television Networks (Regulation) Amendment Bill 2011, the TRAI has also introduced regulations governing the following:

- Modified Interconnect Regulations.
- Quality of Service Standards.
- Redressal of Consumer Complaints.

setting the ball rolling for digitalization of the cable networks.

It is expected that mandatory digitalization of Cable TV networks will have far reaching consequences for the entire media industry. It will most importantly improve the economics of Cable TV companies i.e. the Multi System Operators (MSO) and broadcasters. Digitalization will significantly enhance customer experience empowering him to pick and choose the content he/she chooses to watch. Cable TV enjoys several advantages over DTH such as - Bundling with broadband services, lower Subscriber Acquisition Costs (SAC), higher channel carrying capacity, Interactivity and availability in all weather conditions. In fact, in markets where both Cable TV and DTH compete the former retains a lion's share of Pay TV customers. With Mandatory Digitalization setting in, the business model will eventually see a shift from B2B to B2C.

Broadband Services – The TRAI has announced a National Broadband Plan (2010) with a target to reach 160 million of India's 275 million households by end 2014. This plan envisages the use of several alternate technologies which includes Fiber-to-the-Home (FTTH) and Fiber-to-the-Curb (FTTC). Hybrid fiber coaxial infrastructure plays a key role in the implementation of last mile roll out – The infrastructure deployed by the cable TV industry is therefore likely to play a key role in the success of the National Broadband Plan. The TRAI has on 29th June 2012, notified the amendment with respect to License Fees by introducing a Uniform License Fees between 4% to 8% on the "Adjusted Gross Revenue" (AGR). The Internet Service Providers

Association of India (ISPAI) has however, approached the TDSAT for relief against the imposition.

BUSINESS OVERVIEW

We are a premier cable television services / broadband service provider in India. We along with our subsidiaries and associates serve a customer universe of nearly 8.8 million subscribers. We serve this universe directly and indirectly (through local cable operators).

Some of our market leading statistics (As on 31st March 2012) are listed below:

- Largest number of cable digital subscribers of over 2.1 million households.
- Largest number of direct points.
- Largest cable broad band subscriber base of 3,99,000.
- Largest broadband enabled network passing 1.4 million homes.

Our cable network presence is across the top 140 cities and towns. Our Broadband services are available in the top 19 cities. This national footprint is the most dominant across industry.

The Company is supported by 71 Analogue and 20 Digital Head-ends and more than approximately 15,000 kilometers of HFC network.

On a consolidated basis Hathway along with its' subsidiaries and associate companies is among India's largest MSOs with Operating Income (including other income) at about Rs 10 Bn.

We have won the "Best Cable Operator of the Year" by Indian Telly Awards eight times. We have also bagged the "Star News Brand Excellence Awards for Digital Products and Internet Services".

BUSINESS STRATEGY

Our business strategy is to mine our Universe effectively. We are focusing all our attention/ resources and management capabilities preparatory to mandatory digitalization.

Steps have since been taken in the following areas:

- Implementation of Digital Head End giving an enhanced capacity with latest compression technology.
- The company has accessed vendor credit to partly finance Set Top Box (STB) procurement.
- Educating the local cable operators and customers.
- Investing in value added services such as HD services.
- Partnering with outsourced customer contact centers for better provision of services.
- Changing the organization ethos to be more retail focused.

- Enhancing marketing and sales capabilities.

As a consequence of the aggressive seeding efforts of STB's, the company leads the market in terms of Digital Penetration on 1st TV basis in Mumbai to about 82% and Delhi 30% as on Jun-2012. We are therefore well positioned to support the Government's policy for Mandatory Cable Digitalization.

The company's efforts of pushing "Voluntary Digitalization" in Phase II cities like Hyderabad, Bangalore, Pune, Aurangabad, Ahmedabad, Indore, Bhopal, Jaipur etc. is also bearing fruit and positions it well to quickly take advantage of the Mandatory Digitalization as and when it happens (Phase II to commence from 1st April 2013).

The benefits of Voluntary Digitalization are as follows:

- It makes us ready for the mandatory environment and helps us iron out any glitches.
- It increases the customer connect.
- Enables us to charge higher ARPU's to our direct cable subscribers.
- Increased carriage fees is also being realized as many new channels are preferring digital platforms.
- Gives the customer a superior experience. Prevents churn within the cable industry and to alternative technologies.

BROADBAND BUSINESS

We have invested significantly in this business in the last couple of years; in the back end and front end to give the customer a superior experience. We have also strengthened our management team. We have already rolled out high bandwidth (2 Mbps and 5 Mbps) products at market leading rates. We believe that wire line distribution of broadband shall be the preferred medium of distribution for higher bandwidth requirement.

Mobile broadband which is being addressed by wireless is being effectively countered by us with Wi-Fi. Our strategy will be to increase penetration of our services in the 1.45 million homes (Subscribers ~3,99,000) already passed by us. Going forward however it is our intention to grow the number of homes passed progressively in our universe.

REGULATION

Our business is subject to regulation by the Telecom Regulatory Authority of India ("TRAI"), the Ministry of Information and Broadcasting ("MIB") and Department of Telecommunication ("DOT").

PERFORMANCE REVIEW

Standalone Operating Revenue for the company for the year ended 31st March 2012 stood at Rs. 529 crores which represents a growth of 7% over the previous year. EBITDA was at Rs. 101 Crore (Previous Year Rs. 112 Crores) and PAT for the year stood at a loss of Rs. 52 crore (Previous Year Rs. 40 Crores). Consolidated Operating Revenue for the Company stood at Rs. 1,029 Crores (Previous Year Rs.

908 Crores) up by 13.3% and EBITDA at Rs. 184 Crores (PY Rs. 176 Crores) up by 4.9%. Consolidated PAT stood at a loss of Rs. 49 Crores (PY Rs. 31 Crores).

RISKS AND CONCERNS

MARKET RISK

We derive a significant portion of our subscription revenue from carriage and placement fees. In the event of any decline in the growth of the broadcasting business in India or if new channels are not introduced, our revenues may decrease. Further, revenues from placement fees depend upon the availability of frequencies. If the frequencies requested by a broadcaster have already been provided to another, we may not be able to provide such broadcaster with the same frequency, thereby adversely affecting our business and results of operations

Our relationships with existing LCOs — To maintain our secondary subscriber base, it is critical to maintain a healthy relationship with our LCOs in order to avoid such LCOs from considering alternatives to our cable television services; and

Competition — Our cable television services business faces competition from national cable television service providers as well as providers of television services through alternative technology platforms, such as DTH satellite television and IPTV. Our key competition for broadband Internet access service is ADSL technology, provided by companies such as BSNL/MTNL, Airtel, Tata Communication and Reliance.

FINANCING RISK

As at March 31, 2012, all of our outstanding indebtedness, of Rs. 2,404 million, was subject to floating interest rates. Our crystallized liabilities denominated in foreign currency amounted to Rs. 1,461 million (USD 28.7 Mn). As a result, our operations may be materially affected by fluctuations in interest and foreign currency rates. While we partly hedge through forward cover contracts our foreign currency risks, we have not entered into any hedging transactions with respect to interest rates.

HUMAN RESOURCES

An Orientation has been given to the personnel policy with emphasis on performance. The Company believes that a motivated and empowered employee base is essential in maintaining its competitive advantage. Thus the management is dedicated to the development of the expertise and knowhow of its employees and initiatives are taken to ascertain their levels of satisfaction.

CAUTIONARY STATEMENT

Statements in 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.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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. It stems from the management's mindset and cannot be regulated by legislation alone.

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.

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the report containing the details of governance systems and processes at Hathway Cable & Datacom Limited is as under:

2. Board of Directors

a) Composition of the Board of Directors

The Board of Directors ("Board") of the Company has an optimum combination of executive, non-executive and independent directors, who have in-depth 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 nine Non-Executive Directors. The Chairman of the Board is an Independent Director. Five Directors, of the total strength of the Board of Directors, are independent Directors. The composition of the Board and other relevant details relating to Directors for the financial year ended March 31, 2012 are as under:

| Name of the Director | Relationship with other Directors | Designation | Category of Directorship | No of Other Directorships ¹ | No of Other Committee Memberships ² | |
|---|--|-------------------------|----------------------------------|--|--|--------|
| | | | | | Chairman | Member |
| Mr. Bharat Shah | None | Chairman | Independent | 5 | - | 1 |
| Mr. Rajan Raheja | Father of Mr. Akshay Raheja & Mr. Viren Raheja | Director | Non- executive & Non Independent | 7 | - | 4 |
| Mr. Akshay Raheja | Son of Mr. Rajan Raheja & Brother of Mr. Viren Raheja | Director | Non- executive & Non Independent | 3 | - | 2 |
| Mr. Viren Raheja | Son of Mr. Rajan Raheja & Brother of Mr. Akshay Raheja | Director | Non- executive & Non Independent | 4 | - | 3 |
| Mr. K. Jayaraman | None | Managing Director & CEO | Executive | 1 | - | 1 |
| Mr. Vinayak Aggarwal | None | Director | Non- executive & Non Independent | 1 | - | - |
| Mr. Brahmaj Vasudevan ³ | None | Director | Independent | - | - | - |
| Mr. Sasha Mirchandani | None | Director | Independent | 2 | - | 1 |
| Mr. Sridhar Gorthi | None | Director | Independent | 2 | - | 3 |
| Mr. Devendra Shrotri | None | Director | Independent | - | - | - |
| Mr. Jagdish Kumar G Pillai ⁴ | None | Director | Non- executive & Non Independent | - | - | - |
| Mr. Uday Shankar ⁵ | None | Director | Non- executive & Non Independent | 2 | - | - |
| Mr. Hursh Shrivastava ⁶ | None | Director | Independent | - | - | - |

¹Directorships in Private, Foreign Companies, and Companies under Section 25 of Companies Act, 1956 if any, are excluded.

²Memberships of only Audit Committee and Shareholders' Grievance Committee have been considered.

³ Appointed as an Independent Director on 9th May 2011.

⁴ Ceased to be director on 27th September, 2011

⁵ Resigned as a director of the Company on 23rd January, 2012.

⁶ Resigned as a director of the Company on 23rd March 2012.

b) Re-appointment of Directors:

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, Mr. Bharat Shah and Mr. Sasha Mirchandani shall retire by rotation at the forthcoming Annual General Meeting. Mr. Bharat Shah has not offered himself for re-appointment due to his other pre-occupations and it is proposed to seek the approval of members that the said vacancy be not filled up. The Board of Directors has appointed Mr. Biswajit Subramanian as an additional director in the Board meeting held on May 11, 2012. As an additional Director Mr. Biswajit Subramanian holds office till the date of forthcoming Annual General Meeting. His appointment will be regularized in the forthcoming Annual General Meeting.

The Board has recommended to the shareholders the appointment/re-appointment of the aforesaid Director. The detailed resume of the aforesaid proposed appointees who has offered themselves for appointment/re-appointment are 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 2011-12, Five (5) Board Meetings were held on 9th May 2011, 12th August 2011, 11th November 2011, 6th January 2012 and 10th February 2012. The last Annual General Meeting of the Company was held on 27th September 2011. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:

| Name of the Director | No. of Board Meetings Attended | Attendance at Last Annual General Meeting |
|------------------------------|--------------------------------|---|
| Mr. Bharat Shah | 5 | Yes |
| Mr. Rajan Raheja | 5 | No |
| Mr. Akshay Raheja | 3 | Yes |
| Mr. Viren Raheja | 5 | Yes |
| Mr. K. Jayaraman | 5 | Yes |
| Mr. Vinayak Aggarwal | 5 | Yes |
| Mr. Brahmam Vasudevan | 2 | No |
| Mr. Jagdish Kumar G. Pillai* | 0 | No |
| Mr. Uday Shankar | 0 | No |
| Mr. Sasha Mirchandani | 5 | Yes |
| Mr. Sridhar Gorthi | 3 | No |
| Mr. Devendra Shrotri | 5 | Yes |
| Mr. Hursh Shrivastava** | 3 | N.A. |

* Cessation of directorship on 27th September, 2011

** appointed on 29th September, 2011, after AGM date.

d) 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 49 of the Listing Agreement, the declaration on compliance of the Company's code of conduct signed by Managing Director forms a part of this Annual Report.

3. Audit Committee

a) Constitution of Audit Committee:

The Committee comprises Five Non-executive Directors out of which four are independent directors. All the members of the Committee are financially literate.

b) Composition of Audit Committee and Number of Meetings Attended:

During the Financial year 2011-12, Four Audit Committee Meetings were held on 9th May 2011, 12th August 2011, 11th November 2011 and 10th February 2012. The composition of the Audit Committee and the number of meetings attended were as under:

| Committee Members Attending the Meeting | Designation | No. of Meetings Attended |
|---|-------------|--------------------------|
| Mr. Bharat Shah | Chairman | 4 |
| Mr. Viren Raheja | Member | 4 |
| Mr. Devendra Shrotri | Member | 4 |
| Mr. Sasha Mirchandani | Member | 4 |
| Mr. Sridhar Gorthi | Member | 2 |

c) Attendees:

The Audit Committee invites such of the Board Members, as it considers appropriate to be present at its meetings. The Statutory Auditors are also invited to these meetings.

d) 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) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 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 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 (2AA) of section 217 of the Companies Act, 1956.
 - (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 judgement 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) Disclosure of any related party transactions.
 - (g) Qualifications 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 performance of statutory and internal auditors adequacy of the internal control systems.
- viii) 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.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) 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.

- xi) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) 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.
- xiii) Review of information as prescribed under Clause 49 (II) (E) of the listing agreement.

4. Remuneration Committee

a) Constitution of Remuneration Committee:

The Remuneration Committee comprises of Seven Members. All the members are Non-Executive Directors of which four members are Independent Directors.

b) Composition of Remuneration Committee and the number of meetings attended:

During the Financial year 2011-12, one (1) Remuneration Committee Meeting was held on 12th August 2011.

| Committee Members Attending the Meeting | Designation | No. of Meetings Attended |
|---|-------------|--------------------------|
| Mr. Bharat Shah | Chairman | 1 |
| Mr. Akshay Raheja | Member | 1 |
| Mr. Viren Raheja | Member | 1 |
| Mr. Sridhar Gorthi | Member | 0 |
| Mr. Sasha Mirchandani | Member | 1 |
| Mr. Jagdish Kumar G. Pillai | Member | 0 |
| Mr. Brahmam Vasudevan | Member | 1 |

c) Terms of reference:

The Committee has the mandate to review and recommend compensation payable to the executive directors and senior management of the Company. The Committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year.

d) Remuneration Policy:

i) Management Staff:

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary based on the grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.

ii) Non-Executive Directors:

The Company pays sitting fees to all the Directors of the Company. The sitting fees paid is within the limits prescribed under the Companies Act, 1956.

The Board at their Meeting held on 21st September 2009 had approved payment of sitting fees up to Rs. 20,000/- (Rupees Twenty Thousand only) for each meeting of Board of Directors and Rs. 15,000/- (Rupees Fifteen Thousand only) for meeting of the Audit Committee. Details of the Sitting fees paid during the year 2011-12 are as under:

| Name of the Director | Sitting Fees Paid (Amt. in Rs.) |
|------------------------|---------------------------------|
| Mr. Bharat Shah | 1,60,000 |
| Mr. Rajan Raheja | 1,00,000 |
| Mr. Akshay Raheja | 60,000 |
| Mr. Viren Raheja | 1,60,000 |
| Mr. K. Jayaraman | 80,000 |
| Mr. Vinayak Aggarwal | 1,00,000 |
| Mr. Brahmam Vasudevan | 40,000 |
| Mr. Sasha Mirchandani | 1,60,000 |
| Mr. Sridhar Gorthi** | 90,000 |
| Mr. Devendra Shrotri | 1,60,000 |
| Mr. Hursh Shrivastava* | 60,000 |
| Total | 12,90,000 |

* Payments made directly to "Star India Pvt. Ltd"

** Payments made directly to "Trilegal"

iii) Executive Director:

Mr. K. Jayaraman, Managing Director & CEO, is the only Executive Director in the Company.

Details of remuneration paid to Executive Directors during year ended March 31, 2012 are given below:

| Name of the Executive Director | Designation | Salary & Perquisites (Rs.) | Commission (Rs.) | Total (Rs.) |
|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------|
| Mr. K. Jayaraman | Managing Director & CEO | 14,010,487 | - | 14,010,487 |

The Company had made an application to the Central Government for approval for payment of remuneration to the Managing Director & CEO from 8th August, 2010 for a period of three years in excess of limits prescribed under section 198 and 309 read with Schedule XIII to the Companies Act, 1956. The said approval is pending. Further the Company has made an application to the Central Government for waiver of excess remuneration and sitting fees paid to Mr. K. Jayaraman, Managing Director & CEO as per the approval of members of the Company obtained in the last Annual General Meeting.

5. Shareholders' / Investors' Grievance Committee

a) Constitution and Composition of Shareholders' Grievance Committee:

The Shareholders'/Investors' Grievance Committee has been constituted to look into investors' complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Vinayak Aggarwal, Non-Executive Director. During the financial year 2011-2012, one (1) Shareholders'/Investors' Grievance Committee Meeting was held on November 11, 2011. The present composition of the Shareholders'/ Investors' Grievance Committee is as under:

| Name of Director | Designation | No. of Meetings Attended |
|-------------------------|--------------------|---------------------------------|
| Mr. Vinayak Aggarwal | Chairman | 1 |
| Mr. Viren Raheja | Member | 1 |
| Mr. K. Jayaraman | Member | 1 |

b) Mr. Milind Karnik, President & Company Secretary is the Compliance officer of the Company.

c) During the year 2011 - 12, the Company has received 4 grievances. There were no complaints pending as at end of the year.

| Received from | Received during 2011-12 | Redressed during 2011-12 | Pending as on 31.03.2012 |
|-----------------------|--------------------------------|---------------------------------|---------------------------------|
| SEBI | 3 | 3 | 0 |
| NSE | 1 | 1 | 0 |
| BSE | 0 | 0 | 0 |
| NSDL/CDSL | 0 | 0 | 0 |
| Direct from Investors | 0 | 0 | 0 |
| Total | 4 | 4 | 0 |

d) Share Transfers in Physical Mode:

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 Shareholders' Committee of the Company meets as often as required. There were no physical transfers during the year under review.

6. General Body Meetings

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

| Year | Date | Venue | Time |
|-------------|-------------|---|-------------|
| 2009 | 26.08.2009 | Rahejas, 4 th Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400 054 | 11.00 am |
| 2010 | 28.09.2010 | ISKCON Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3.00 pm |
| 2011 | 27.09.2011 | ISKCON Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3.00 pm |

ii) Special Resolutions during previous three Annual General Meetings:

| Financial Year | Particulars of Special Resolutions Passed |
|------------------|---|
| 2008-09 | 1. Consolidation of 10 (Ten) equity shares of Re.1/- each into 1 (One) equity share of Rs. 10/- each. 2. Amendment to Memorandum of Association for Increase in Authorized Capital 3. Amendment to Articles of Association for Increase in Authorized Capital 4. Conversion of company from Private Limited to Public Limited. |
| 2009-10 | 1. Re-appointment of Mr. K. Jayaraman as a Managing Director & CEO of the Company for a period of 3 years. 2. Amendment to the Employee Stock Option Plan 2007 |
| 2010-2011 | 1. Re-appointment of Mr. K. Jayaraman as a Managing Director & CEO of the Company as per Central Government's directions for a remaining period of 2 years. 2. Approval for waiver of excess remuneration and sitting fees paid to Mr. K. Jayaraman, Managing Director & CEO |

During the year 2011-12, the Company has passed a resolution for variation in utilization of funds raised through initial public offer of the Company was passed by way of Postal Ballot on June 21, 2011.

7. 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 except the transactions mentioned under the section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31st March, 2012.

(b) Compliance by the Company:

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

(c) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, 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) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clause 49 of Listing Agreement. The Company has not implemented the non-mandatory requirements, except the constitution of Remuneration Committee, enlisted by way of annexure to Clause 49 of the listing agreement.

- i) All related Party Transactions are disclosed to the Board of Directors during the Board Meetings. During the year there were no transactions of material nature with the Directors of the Company or the relatives that had potential conflict with the interest of the company.
- ii) The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/ strictures was imposed on the Company by SEBI or Stock Exchange or any Statutory Authority during the last three years.
- iii) The Company affirms that no employee has been denied access to the Audit Committee.
- iv) The Company has complied with all mandatory requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange.
- v) The shares held by promoters have not been pledged with any Bank, Financial Institutions or with any Third party.
- vi) Gujarat Tele Link Private Limited (GTPL) is a material non-listed Indian subsidiary company in terms of Clause 49(III) of the listing Agreement. Accordingly, Mr. K. Jayaraman, Managing Director & CEO and Mr. Devendra Shrotri, Independent Director of the Company, are Directors on the Board of GTPL. The Company also has 75 non-material subsidiaries and step down subsidiaries.

8. CEO/CFO Certification:

As required under Section V of the clause 49 of the Listing Agreement with the Stock Exchanges, the Managing/Whole Time Directors and Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls in the prescribed format for the year ended March 31, 2012.

9. Means of Communication

- (i) The quarterly results of the Company are generally published in Aapla Mahanagar (*Marathi Newspaper*) and Business Standard (*English Newspaper*). The Company proposes that all quarterly, half-yearly and full year audited results be published at least in 2 newspapers. The quarterly results are further submitted to the National Stock Exchange and Bombay Stock Exchange immediately after the conclusion of the respective meetings.
- (ii) The Company has its own website www.hathway.com wherein the financial results are uploaded.
- (iii) The Management Discussion and Analysis Report forms a part of this Annual Report.

10. General Shareholder Information

| | | |
|----|---|--|
| a. | <i>Date, time and venue of Annual General Meeting of Shareholders</i> | 26th September, 2012 at 3.00 p.m. at ISKCON, Hare Krishna Land, Juhu, Mumbai - 400 049. |
| b. | <i>Dates of book closures</i> | 20 th September, 2012 to 26 th September, 2012 (Both days inclusive) |
| c. | <i>Dividend Payment</i> | Not Applicable |
| d. | <i>Financial Calendar</i> | The Company follows April to March as its financial year. The results for every quarter beginning from April are declared as per the listing agreement. |
| e. | <i>Listing on stock exchanges</i> | National Stock Exchange of India Limited (Code : Hathway) Bombay Stock Exchange Limited (Code : 533162) ISIN : INE 982F01028 |
| f. | <i>Listing fees</i> | Paid for F.Y. 2012-2013 to both the stock exchanges wherein the shares of the Company are listed. |
| g. | <i>Registered office</i> | "Rahejas", 4 th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai- 400 054. Tel: (022) 26001306 Fax: (022) 26001307 |
| h. | <i>Registrar and Share Transfer agents</i> | Link Intime India Private Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel : (022) 25963838 Fax : (022) 25946969 |
| i. | <i>Share Transfer System</i> | Shares sent for physical transfer are generally registered and returned within a period of 15-20 days from the date of receipt, if the documents are clear in all respects. The Shareholders/Investor Grievance committee of the Company meets as often as required. |
| j. | <i>Plant Locations</i> | The Company does not have any manufacturing activities. |

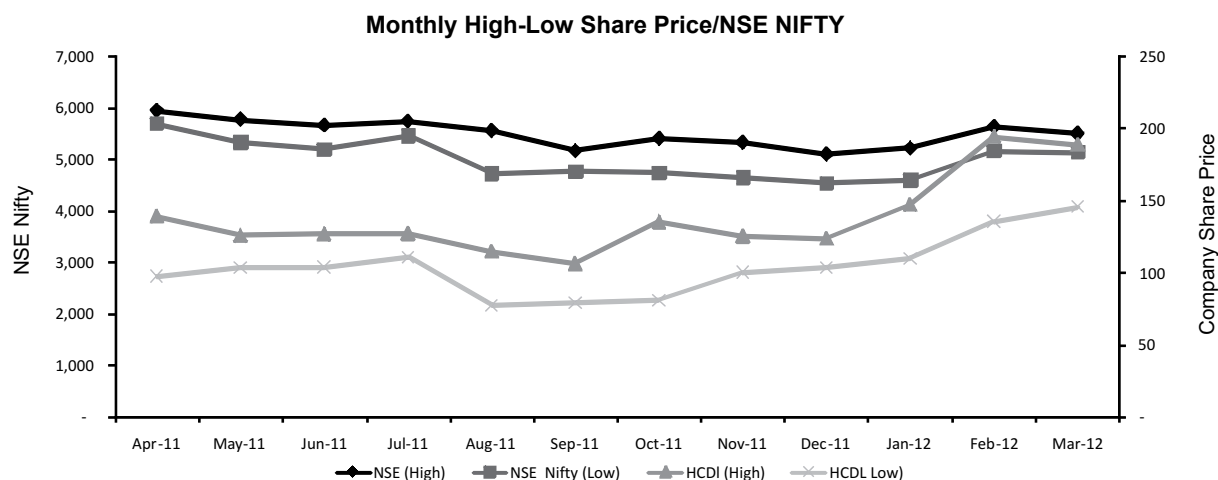
k. Stock Market price data

National Stock Exchange of India Limited

Monthly High and Low of Closing prices of the Company's Equity Shares traded at National Stock Exchange of India Limited for the financial year ended 31st March 2012 is noted below:

| Month | High (Rs.) | Low (Rs.) | NSE (High) | NSE Nifty (Low) |
|----------------|---------------|--------------|---------------|--------------------|
| April 2011 | 138.85 | 97.15 | 5,944.45 | 5,693.25 |
| May 2011 | 125.55 | 103.10 | 5,775.25 | 5,328.70 |
| June 2011 | 126.50 | 103.50 | 5,657.90 | 5,195.90 |
| July 2011 | 126.70 | 110.25 | 5,740.40 | 5,453.95 |
| August 2011 | 114.50 | 77.20 | 5,551.90 | 4,720.00 |
| September 2011 | 106.05 | 78.60 | 5,169.25 | 4,758.85 |
| October 2011 | 134.70 | 80.40 | 5,399.70 | 4,728.30 |
| November 2011 | 124.90 | 100.00 | 5,326.45 | 4,639.10 |
| December 2011 | 123.40 | 103.00 | 5,099.25 | 4,531.15 |
| January 2012 | 146.80 | 109.55 | 5,217.00 | 4,588.05 |
| February 2012 | 193.80 | 135.00 | 5,629.95 | 5,159.00 |
| March 2012 | 187.95 | 145.00 | 5,499.40 | 5,135.95 |

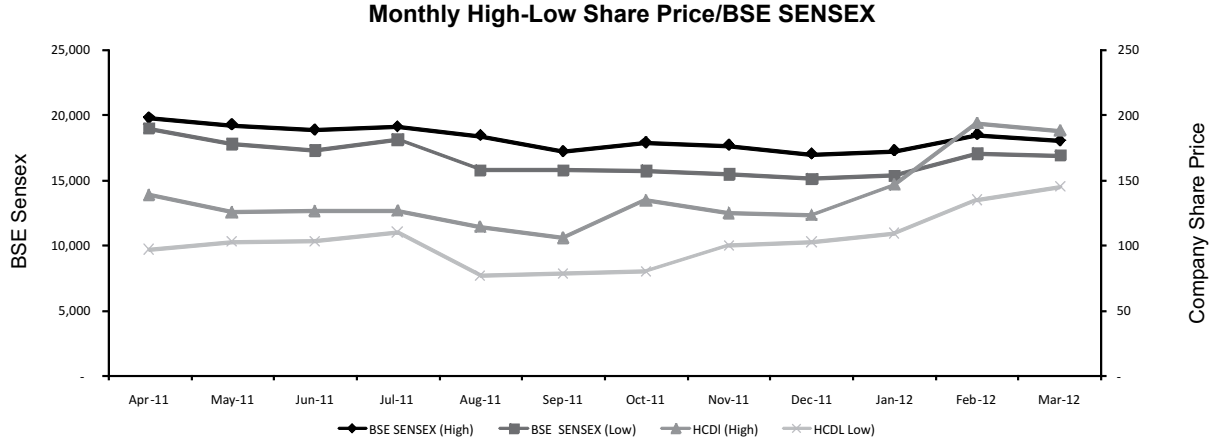
Performance in comparison to NSE Nifty:



Bombay Stock Exchange Limited

Monthly High and Low of Closing prices of the Company's Equity Shares traded at Bombay Stock Exchange Limited for the financial year ended 31st March 2012 is noted below:

| Month | High (Rs.) | Low (Rs.) | BSE Sensex (High) | BSE Sensex (Low) |
|----------------|---------------|--------------|----------------------|---------------------|
| April 2011 | 138.80 | 97.45 | 19,811.14 | 18,976.19 |
| May 2011 | 125.65 | 103.20 | 19,253.87 | 17,786.13 |
| June 2011 | 126.50 | 100.00 | 18,873.39 | 17,314.38 |
| July 2011 | 124.80 | 110.70 | 19,131.70 | 18,131.86 |
| August 2011 | 114.00 | 77.30 | 18,440.07 | 15,765.53 |
| September 2011 | 105.45 | 72.00 | 17,211.80 | 15,801.01 |
| October 2011 | 134.30 | 80.50 | 17,908.13 | 15,745.43 |
| November 2011 | 124.95 | 98.50 | 17,702.26 | 15,478.69 |
| December 2011 | 128.00 | 103.85 | 17,003.71 | 15,135.86 |
| January 2012 | 147.00 | 110.00 | 17,258.97 | 15,358.02 |
| February 2012 | 193.80 | 134.65 | 18,523.78 | 17,061.55 |
| March 2012 | 185.25 | 156.40 | 18,040.69 | 16,920.61 |

Performance in comparison to BSE SENSEX:

I. a) Distribution of Shareholding as on 31st March, 2012:

| Range (in Rs.) | No. of Share holders | % of Share holders | No of Shares | % of Total Shares |
|-------------------|----------------------|--------------------|--------------------|-------------------|
| 1 - 5,000 | 12,016 | 95.13 | 11,00,648 | 0.77 |
| 5,001 - 10,000 | 240 | 1.90 | 1,86,295 | 0.13 |
| 10,001 - 20,000 | 125 | 0.98 | 1,89,843 | 0.13 |
| 20,001 - 30,000 | 50 | 0.40 | 1,28,894 | 0.09 |
| 30,001 - 40,000 | 19 | 0.15 | 68,449 | 0.05 |
| 40,001 - 50,000 | 29 | 0.23 | 1,37,341 | 0.09 |
| 50,001 - 1,00,000 | 30 | 0.24 | 2,41,291 | 0.17 |
| 1,00,001 & above | 122 | 0.97 | 14,08,04,339 | 98.56 |
| Total | 12,631 | 100.00 | 142,857,100 | 100.00 |

b) Category wise Distribution Schedule as on 31st March 2012

| Sr. No. | Category | No. of Shares held | % |
|---------|--|--------------------|---------------|
| 1. | Promoters | 48,193,200 | 33.74 |
| 2. | Corporate Bodies (Promoter Companies) | 22,614,003 | 15.83 |
| 3. | Clearing Members | 404,588 | 0.28 |
| 4. | Other Bodies Corporate | 4,227,573 | 2.96 |
| 5. | Foreign Company | 6,861,281 | 4.80 |
| 6. | Financial Institutions | 630,950 | 0.44 |
| 7. | Foreign Institutional Investor | 34,776,066 | 24.34 |
| 8 | Mutual Funds | 19,322,488 | 13.53 |
| 9 | Nationalised Banks | 334,775 | 0.24 |
| 10 | Non Resident Indians | 2,252,768 | 1.58 |
| 11 | Non Resident Indians (Non Repatriable) | 38,915 | 0.03 |
| 12 | Office Bearers | 1 | 0.00 |
| 13 | Public | 3,200,492 | 2.24 |
| | Total | 142,857,100 | 100.00 |

m. Address for correspondence

For general Correspondence

“Rahejas”, 4th Floor,
Corner of Main Avenue & V.P. Road,
Santacruz (West), Mumbai – 400 054.
Tel: (022) 26001306 Fax: (022) 26001307
info@hathway.net; investorgrievance@hathway.net

For matters related to Share
transfers, Dematerialization, etc.

Link Intime India Private Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai 400 078
Tel : 022-25963838 Fax : 022-25946969
Email id: rnt.helpdesk@linkintime.co.in

n. Dematerialization of Shares and liquidity:

Your Company's shares are traded compulsorily in electronics form. The Company has established connectivity with both the depositories. i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

As on 31st March 2012, 99.09 % of shares have been held in dematerialized form and balance shares are in physical form.

- o. The Company has no outstanding GDR's/ADR's/Warrants or any convertible instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.
- p. Details as per clause 5A of Listing Agreement

Table (Clause 5A of the Listing Agreement)

| Unclaimed Shares as on 1st April, 2011 | | Details of Shareholders approached during the FY 2011-12 for the claiming of shares | | Details of Shareholders to whom the shares have been transferred during the FY 2011-12 | | Unclaimed Shares as on 31st March, 2012 | |
|---|------------------|--|------------------|---|------------------|--|-------------------|
| No. of share holders | No. of Shares | No. of share holders | No. of Shares | No. of share holders | No. of Shares | No. of share holders | No. of Shares* |
| 13 | 1,300 | 02 | 425 | 02 | 425 | 11 | 875 |

* Note: The Shareholders may please note that the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the same.

Request to investors:

- Investors 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, investors shall 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 are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification / assistance on the subject may contact the Company's share transfer agent.
- Investors 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.
- Investors 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.
- Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to “Investors Education and Protection Fund” in terms of Section 205C of the Companies Act, 1956.
- Ministry of Corporate Affairs (MCA) vide Circular bearing Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively has taken steps towards “Green Initiative”, by allowing paperless compliances by serving

documents through electronic mode (e-mail) by companies to its shareholders. As an enlightened corporate citizen, going forward we propose to send all future shareholders' communications like Notices, Company's Annual Report etc. through electronic mode. This will also ensure prompt receipt of communication; avoid loss in postal transit and saving of huge cost incurred in printing and postage.

In support to the "Green Initiative" taken by MCA and your Company's desire to participate in the same. We therefore request you to kindly provide your e-mail address to our Registrar, Link Intime India Private Limited.

As directed by MCA vide its above circulars, the Company would also make available these documents on the Company's website viz. <http://www.hathway.com> for perusal and download by the shareholders.

The Shareholders who still hold the shares in the physical mode are requested to convert their respective holding in Dematerialization form and get their e-mail registered with the Company / Registrar & Share Transfer Agent to enable your Company to actively participate in the said Green Initiative.

h) CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, 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.

K. JAYARAMAN
Managing Director & CEO

Place: Mumbai

Date: 21st August 2012

To

The Members of
HATHWAY CABLE AND DATACOM LIMITED

Corporate Governance Certificate

We have examined the compliance of conditions of Corporate Governance by **HATHWAY CABLE AND DATACOM LIMITED** ("Company") for the financial year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges 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 the above mentioned Listing Agreement.

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: 21st August, 2012
Place: Mumbai**

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

AUDITOR'S REPORT TO THE MEMBERS OF HATHWAY CABLE & DATACOM LIMITED

1. We have audited the attached Balance Sheet of **HATHWAY CABLE & DATACOM LIMITED** ('the Company') as at 31st March, 2012, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ('the Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - (ii) 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 the said books;
 - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) Without qualifying our report, we draw attention to
 - a. Note no. 4.05 (c) to the accounts in respect of operations of the Company in the State of Tamil Nadu.
 - b. Note no. 4.20 to the accounts in respect of the application to Central Government for approval of managing director's remuneration provided in the books which is in excess of the limits specified under the Schedule XIII to the Companies Act, 1956 for which application is pending before the Central Government.
 - (v) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act to the extent applicable;
 - (vi) Based on representations made by the directors of the Company and taken on records by the board, none of the directors of the Company are, prima-facie, as at 31st March, 2012 disqualified from being appointed as directors of the Company under clause (g) of sub-section (1) of section 274 of the Act, on the said date;
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with notes thereon 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:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - b. In the case of the Statement of Profit & Loss, of the losses of the Company for the year ended on that date, and
 - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

(ATUL SHAH)
Partner
(Membership No. 39569)

Mumbai
Dated: August 10, 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained records of fixed assets 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 / local cable operators.*
As confirmed by the management, such records have not been updated in certain cases to record movement of assets from one location to another and hence to that extent, location-wise particulars are to be updated.
- (b) Fixed assets were physically verified during the year, except the following:
- Access Devices with the subscribers / local cable operators; and
 - Distribution Equipments like cabling and other line equipments.
- The Company has initiated the process of reconciliation of book records with physical verification. *However, in absence of updated location-wise particulars of certain assets, actual discrepancies, if any, are yet to be ascertained.*
In our opinion, frequency and procedure for verification of Distribution Equipments, Access Devices and certain Head-end Equipments under control of local cable operators and subsequent reconciliation with book records need to be strengthened.
- (c) During the year, Company has not disposed off any substantial part of fixed assets.
- (ii) (a) to (c) The inventories have been physically verified by the management during the year. In our opinion and according to the information and explanation given to us, the frequency of verification and procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of such inventory. We have been informed that no material discrepancies were noticed on physical verification between the stocks and the book records. Access Devices held for installation are initially classified under Capital Work - in - Progress and on installation, such devices are capitalised or treated as sale as the case may be. Accordingly, these items are not considered as inventory.
- (iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 301 of the Act. These loans are interest free except loan to the extent of Rs. 60,000,000 granted to one company. The maximum amount involved in such transactions during the year was Rs. 257,489,085 and the balance at the end of the year was Rs. 234,995,459.
- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of above loans are not prima facie prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, no repayment schedule has been specified and the Company has not called for refund of such loans. Accordingly, the question of regularity in repayment of principal amount and interest thereon, wherever applicable, does not arise.
- (d) As stated above there are no overdue amounts in excess of Rs. One lakh.
- (e) to (g) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. In view of the same, sub-clauses (f) to (g) of the clause (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system with regards to purchases of the inventory and fixed assets and sale of goods and services. The management is in process of further strengthening the internal controls over documentation in certain areas so as to make it commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any other area of continuing failure to correct major weakness in internal controls.
- (v) (a) On perusal of the information available with the Company and based on explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act for the year that needs to be entered into the register maintained under that section have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rs. Five lakhs have been made at a prices which are reasonable having regard to prevailing market prices at the relevant time to the extent the same are available with the Company and / or in accordance with the approvals granted by the Central Government, wherever applicable.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under section 209(1)(d) 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.
- (ix) (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as Provident Fund, Income Tax, Custom Duty and other material statutory dues wherever applicable. According to the information and explanations given to us, there are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they became payable.

(b) The details of disputed statutory dues, that have not been deposited by the Company are as under:

| Sr. No. | Name of the statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount |
|---------|--|---|---|------------------------------------|-------------------|
| 1 | Bombay Sales Tax Act, 1959 | Sales Tax | Assistant Comm. of Sales Tax, Appeals | 1999-2000 | 70,979 |
| 2 | Hyderabad Entertainment Duty Act, 1939 | Entertainment Tax | Andhra Pradesh High Court | May 2005 to June 2006 | 5,813,760 |
| 3 | Andhra Pradesh Value Added Tax Act, 2005 | Value Added Tax & Penalty thereon | Commercial Tax Officer, Hyderguda | April 2005 to Nov. 2008 | 528,521 52,852 |
| 4 | Karnataka Sales Tax Act, 1957 | Sales Tax and interest | Dy. Commissioner of Commercial Tax, Bangalore | April 2000 to March 2009 | 54,406,240 |
| 5 | Karnataka Entertainment Tax Act, 1958 | Entertainment Tax | Karnataka High Court | April 2006 to Dec 2006 | 2,876,586 |
| 6 | Income Tax Act, 1961 | Tax deducted at source & interest thereon | Commissioner of Income Tax (Appeals) | April 2000 to March 2004 | 39,896,065 |
| 7 | Bombay Entertainments Duty Act, 1923 | Entertainment Tax & penalty thereon | Collector Office, Thane | Jun. 2006 to May 2007 | 8,865,450 |
| 8 | Bombay Entertainments Duty Act, 1923 | Entertainment Tax | Court of Divisional Commissioner, Aurangabad Division | May 2009 to Oct. 2010 | 79,192,049 |

As stated in note no. 4.01 (f) to the accounts, the Company has challenged the levy of Entertainment Tax pursuant to certain amendments to Karnataka Entertainment Tax Act, 1958 and Hyderabad Entertainment Duty Act, 1939. As informed to us, except as disclosed above, no demand has been quantified in relation to same by the concerned authorities.

- (x) The accumulated losses at the end of the financial year are not in excess of fifty percent of Net Worth of the Company. The Company has neither incurred cash losses during the financial year covered by our audit nor in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, clause 4(xiii) of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of its dealing in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name except certain government securities which are held in the name of the officials or ex- officials of the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries from a bank and others, the terms and conditions whereof, as explained to us, are not *prima facie* prejudicial to the interest of the Company.
- (xvi) Based on information and explanation given to us and based on overall review of the funds utilization, we are of the view that the Company has generally utilized funds for which they were obtained. However, pending such utilization these funds have been temporarily utilized to reduce the short term borrowings.
- (xvii) According to the information and explanations given to us and on overall examination of the financial statements of the Company, we are of the opinion that, the funds raised on short-term basis have generally not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year, accordingly, the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company has not issued any secured debentures hence the question of creation of securities does not arise.
- (xx) We have verified the end use of money raised by public issue and the same is as disclosed in note no. 4.22 to the accounts.
- (xxi) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit except cases of misappropriation of cash collection from the subscribers and fraudulent withdrawals of funds by employees aggregating to Rs. 2,464,471, of which Rs. 527,316 have been recovered by the Company.

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

(ATUL SHAH)
Partner

(Membership No. 39569)

Mumbai
Dated: August 10, 2012

Balance Sheet As At March 31, 2012

| | Notes | As at March 31, | |
|---|-------|-----------------------|-----------------------|
| | | 2012 Rupees | 2011 Rupees |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2.01 | 1,429,051,000 | 1,429,051,000 |
| Reserves and Surplus | 2.02 | 6,513,317,827 | 7,029,325,729 |
| Money received against Share Warrants | | - | - |
| Share application money pending allotment | | - | - |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 2.03 | 2,178,478,888 | 1,897,104,099 |
| Other Long-Term Liabilities | 2.04 | 136,983,425 | 346,789,988 |
| Current Liabilities | | | |
| Short-Term Borrowings | 2.05 | 10,639,278 | 110,000,000 |
| Trade Payables | 2.06 | 515,508,596 | 460,063,705 |
| Other Current Liabilities | 2.06 | 1,864,233,767 | 2,043,773,075 |
| Short-Term Provisions | 2.07 | 52,707,671 | 51,891,173 |
| | | 12,700,920,452 | 13,367,998,769 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.08 | 4,893,159,259 | 4,780,741,694 |
| Intangible Assets | 2.09 | 604,386,008 | 604,204,217 |
| Capital Work In Progress | | 951,484,037 | 441,474,605 |
| Non-Current Investments | 2.10 | 2,765,839,733 | 2,570,161,781 |
| Deferred Tax Assets (Net) | 2.11 | - | - |
| Trade Receivables | 2.12 | 129,224,654 | 36,458,823 |
| Long-Term Loans and Advances | 2.13 | 610,055,207 | 723,849,141 |
| Other Non-Current Assets | 2.14 | 148,878,115 | 114,862,167 |
| Current Assets | | | |
| Current Investments | 2.15 | 101,674,427 | 1,814,303,630 |
| Inventories | 2.16 | 10,714,985 | 18,802,217 |
| Trade Receivables | 2.12 | 1,354,732,195 | 1,575,487,401 |
| Cash and Bank Balances | 2.17 | 560,375,212 | 138,897,894 |
| Short-Term Loans & Advances | 2.13 | 563,121,747 | 543,081,132 |
| Other Current Assets | 2.14 | 7,274,873 | 5,674,067 |
| | | 12,700,920,452 | 13,367,998,769 |
| Summary of Significant Accounting Policies | 1.00 | | |
| Refer accompanying notes. These notes are integral part of the financial statements. | | | |

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 10, 2012

Mumbai
Dated : August 10, 2012

Statement of Profit and Loss for the Year Ended March 31, 2012

| | Notes | Year ended March 31, | |
|---|-------|----------------------|----------------------|
| | | 2012 Rupees | 2011 Rupees |
| Continuing Operations | | | |
| INCOME | | | |
| Revenue from Operations | 3.01 | 5,144,439,906 | 4,738,667,383 |
| Other Income | 3.02 | 142,609,360 | 222,495,833 |
| | | <u>5,287,049,266</u> | <u>4,961,163,216</u> |
| EXPENDITURE | | | |
| Purchase of Stock-In-Trade | 3.03 | 98,082,310 | 14,038,567 |
| Operational Expenses | 3.04 | 2,579,809,543 | 2,215,945,076 |
| Employee Benefits Expense | 3.05 | 380,297,897 | 416,461,712 |
| Other Expenses | 3.06 | 1,216,924,774 | 1,192,689,516 |
| | | <u>4,275,114,524</u> | <u>3,839,134,871</u> |
| Earnings before Finance cost, Depreciation, Amortization and Tax | | <u>1,011,934,742</u> | <u>1,122,028,345</u> |
| Depreciation and Amortization | 3.07 | 1,031,405,240 | 946,373,983 |
| Impairment of Tangible / Intangible Assets | | 33,997,179 | 27,030,014 |
| Finance Cost | 3.08 | 408,532,104 | 386,376,900 |
| Profit / (Loss) before Prior Period Items, Exceptional items and Tax | | <u>(461,999,781)</u> | <u>(237,752,552)</u> |
| Prior Period Expenses | 4.08 | 11,121,307 | 21,479,618 |
| Exceptional Items | 4.05 | | |
| Provision for Doubtful Advances / Investments / Receivables from Entities Under Control / Significant Influence | | 8,502,036 | 87,295,510 |
| Reversal of provision for Diminution on Investment | | (62,819,311) | - |
| Impairment and write off of Assets in respect of operations in Tamil Nadu | | 104,333,068 | 56,593,892 |
| Sundry balance written-back for Tamil Nadu | | (10,444,370) | - |
| Expenses on account of introduction of Digital Addressable System (DAS) | | 4,040,839 | - |
| Net Profit / (Loss) before Tax | | <u>(516,733,350)</u> | <u>(403,121,572)</u> |
| Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | 2.11 | - | - |
| Net Profit / (Loss) for the Year from Total Operations | | <u>(516,733,350)</u> | <u>(403,121,572)</u> |
| Earnings per equity share (nominal value of share Rs. 10 each) from Continuing and Total operation | | | |
| Weighted Average Number of Shares | | 142,857,100 | 142,857,100 |
| Earning / (Loss) Per Share (In Rs.) - Basic & Diluted | 4.15 | (3.62) | (2.82) |
| Summary of Significant Accounting Policies | 1.00 | | |
| Refer accompanying notes. These notes are integral part of the financial statements. | | | |

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai

Mumbai

Dated : August 10, 2012

Dated : August 10, 2012

Cash Flow Statement for the year ended March 31, 2012

| | | Year ended March 31, 2012 | | Year ended March 31, 2011 | |
|----------|---|---------------------------|----------------------|---------------------------|----------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| 1 | CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| | NET PROFIT / (LOSS) BEFORE TAX & PRIOR PERIOD ADJUSTMENTS | | (516,733,350) | | (403,121,572) |
| A | Adjustment for : | | | | |
| | Depreciation & Amortization | 1,031,405,240 | | 946,373,983 | |
| | Impairment of Tangible / Intangible Assets | 33,997,179 | | 27,030,014 | |
| | Loss on Shortages / Impairment of Tangible Assets of Tamilnadu | 104,333,068 | | 56,593,893 | |
| | Sundry Balance Write-back for Previous Year for Tamilnadu | (10,444,370) | | - | |
| | Provision for Bad & Doubtful Debts (Net) | 319,943,445 | | 291,698,241 | |
| | Provision for Bad & Doubtful Advances | 15,239,449 | | 890,769 | |
| | Provision for leave encashment and gratuity | 1,809,722 | | 7,404,486 | |
| | Employee Compensation Expense | 725,448 | | 4,802,882 | |
| | Unrealized foreign exchange loss | 54,546,192 | | - | |
| | Provision for Doubtful Advances / Investments / Receivables from Entities Under Control / Significant Influence | 8,502,036 | | 87,295,510 | |
| | Reversal of provision for Diminution on Investment | (62,819,311) | | | |
| | (Profit) / loss on sale of Fixed Assets | 37,545,877 | | 40,933,057 | |
| | Interest and Finance Charges | 408,532,104 | | 386,376,900 | |
| | Income from Investments | (40,742,388) | | (51,050,828) | |
| | (Profit) / loss on sale of Investments | (75,859,338) | | (142,923,434) | |
| | | | 1,826,714,353 | | 1,655,425,472 |
| | Operating Profit Before Working Capital | | 1,309,981,003 | | 1,252,303,900 |
| B | Change in Working Capital | | | | |
| | (Increase) / Decrease in Inventories | 8,087,232 | | 6,159,060 | |
| | (Increase) / Decrease in Trade Receivables | (191,954,070) | | (689,076,825) | |
| | (Increase) / Decrease in Loans & Advance | 6,665,897 | | 5,715,168 | |
| | Increase / (Decrease) in Liabilities & Provisions | (102,670,879) | | (115,001,646) | |
| | | | (279,871,820) | | (792,204,243) |
| | Cash Generated from Operations | | 1,030,109,183 | | 460,099,657 |
| | Taxes paid (Net) | | 2,351,346 | | (15,469,068) |
| | Net Cash from Operation Activities | | 1,032,460,529 | | 444,630,588 |
| 2 | CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| | Income from Investments | 40,742,388 | | 51,050,828 | |
| | Sale Proceeds of Fixed assets | 2,866,026 | | 5,972,083 | |
| | Payment for Fixed Assets | (1,461,133,915) | | (1,585,062,669) | |
| | Loans & Advance in Subsidiaries (Net) | (95,334,663) | | (163,061,746) | |
| | Investment in Subsidiaries | 820,945 | | (123,329,603) | |
| | Purchase of Other Investments | (5,972,513,651) | | (20,078,414,311) | |
| | Sale Proceeds of Other Investments | 7,047,067,476 | | 23,220,957,566 | |
| | Net cash Realized from Investing Activities | | (437,485,395) | | 1,328,112,148 |

| | | Year ended March 31, 2012 | | Year ended March 31, 2011 | |
|----------|---|---------------------------|----------------------|---------------------------|------------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| 3 | CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| | Interest and Finance Charges | (408,859,288) | | (373,296,711) | |
| | Loan Funds borrowed | 1,375,668,001 | | 261,092,558 | |
| | Loan Funds repaid | (1,820,115,297) | | (1,489,040,774) | |
| | Net cash Realized from Financing Activities | | (853,306,584) | | (1,601,244,927) |
| | Net increase in Cash and Cash equivalent | | (258,331,450) | | 171,497,809 |
| | Cash and Cash equivalents at the beginning of year | | 885,381,089 | | 713,883,279 |
| | Cash and Cash equivalents at the end of year | | 627,049,638 | | 885,381,089 |
| | Components of cash and cash equivalents | | | | |
| | Balances with banks: | | | | |
| | In Current Accounts | | 54,543,450 | | 134,357,940 |
| | Fixed Deposits with original maturity of less than 3 months | | 500,000,000 | | - |
| | Cash in hand | | 5,831,763 | | 4,539,954 |
| | Mutual funds with original maturity of less than 3 months | | 66,674,425 | | 746,483,195 |
| | Total cash and cash equivalents | | 627,049,638 | | 885,381,089 |

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

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 10, 2012

Mumbai
Dated : August 10, 2012

Significant accounting policies and notes on accounts

Company overview

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

1.00 Summary of significant accounting policies

1.01 METHOD OF ACCOUNTING AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 Revised Schedule VI to the Companies Act, 1956 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of services rendered by the Company and realization of consideration in cash and cash equivalents, the Company has ascertained its Operating Cycle as less than 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.

1.02 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences on account of revision of estimates actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

1.03 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) Set Top Boxes (STBs) and Internet Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized or treated as sale as the case may be.
- (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, Movie & Serial Rights, Bandwidth Rights, Goodwill and Softwares.

1.04 DEPRECIATION / AMORTISATION

- a) Depreciation on tangible fixed assets, except STBs, is computed on written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. 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 or disposal, as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.
- b) The cost of STBs are depreciated on straight-line method over a period of eight years except STBs deployed in Conditional Access System (CAS) notified areas. Such STBs are depreciated over a period of five years.

- c) 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) Non Compete Fees classified as Goodwill is amortized over the non-compete period stated in the underlying agreements and in absence of the same, over ten years.
 - (iii) Goodwill arising on transfer of business of subsidiaries is fully amortized in the same year.
 - (iv) Goodwill other than mentioned above is amortized over the specific tenor of the relevant agreement and in absence of such tenor, over ten years.
 - (v) Softwares are amortized over the license period and in absence of such tenor, over five years.
 - (vi) Movie Rights are amortized on exploitation over the balance license period in equal installments.
 - (vii) Bandwidth Rights are amortized over the period of the underlying agreements.

1.05 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. Certificate of Deposits are valued at lower of amount of cost and proportionate income thereon or rates published by FIMMDA. Other current investments are recorded at lower of cost or fair value.

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.

1.06 INVENTORIES

Inventories are valued as follows:

Spares and maintenance items are valued at lower of cost (net of taxes recoverable) on first in first out basis and net realizable value.

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

1.07 BORROWING COSTS

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.

1.08 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 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.

1.09 EMPLOYEE BENEFITS

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account 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 are 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.

- c) In respect of employees' stock options, the excess of fair price on the date of grant over the exercise price is recognized uniformly over vesting period of the option.

1.10 EMPLOYEE STOCK OPTION SCHEME

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Accordingly, the excess of fair price on the date of grant over the exercise price is recognized uniformly over vesting period of the option.

1.11 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.

a) 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.

b) As Lessor – Operating Lease

Assets subject to Operating Leases are included in Fixed Assets. Lease income is recognized in the 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. Costs, including depreciation are recognized as an expense in the Statement of Profit & Loss.

c) As Lessee – Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets and depreciated as per the applicable policy.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability. Initial direct cost of lease is capitalized.

1.12 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

Revenue from sale of prepaid Internet Service plans, which are active at the year end, is recognized on time proportion basis. In other cases of sale of prepaid Internet Service plans, entire revenue is recognized in the year of sale.

The revenue relating to Conditional Access System (CAS) notified areas is governed by TRAI and the same is recognized in accordance with prescribed regulations.

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.

Other Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Advertisement revenue is accrued on release of the advertisement for public viewing.

Lease rentals are recognized on accrual basis over the terms of related agreements.

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.

SALE OF GOODS

Revenue from sale of Access Devices is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

OTHER OPERATING INCOME

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognized upon achieving milestones as per the terms of underlying agreements.

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.

1.13 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.

1.14 FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rate prevailing at the date of transactions. Exchange difference arising on settlement of transactions is recognized as income or expense in the year in which they arise except for transactions covered under (c) below.
- b) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at the year-end rate and difference in translations and realized gains / (losses) on foreign currency transactions are recognized in the statement of profit & loss except for transactions covered under (c) below.
- c) The exchange difference in respect of long-term monetary items arising in respect of accounting period commencing on or after 07th December, 2006 to the extent they relate to the acquisition of depreciable capital assets are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets.
- d) The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

1.15 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.

1.16 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.

1.17 MEASUREMENT OF EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

1.18 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.

NOTES TO THE FINANCIAL STATEMENTS

| 2.01 SHARE CAPITAL | As at March 31, | |
|---|----------------------|----------------|
| | 2012 Rupees | 2011 Rupees |
| SHARE CAPITAL | | |
| Authorised Capital | | |
| 199,800,000 (March 31, 2011: 199,800,000) Equity Shares of Rs. 10 (10) each | 1,998,000,000 | 1,998,000,000 |
| 200,000 (March 31, 2011: 200,000) Non- Cumulative Redeemable Preference Shares of Rs. 10 (10) each | 2,000,000 | 2,000,000 |
| | 2,000,000,000 | 2,000,000,000 |
| Issued, Subscribed and Paid up Capital | | |
| 142,857,100 (March 31, 2011: 142,857,100) Equity Shares of Rs. 10(10) each fully paid-up | 1,428,571,000 | 1,428,571,000 |
| 48,000 (March 31, 2011: 48,000) 0% Non-cumulative Redeemable Preference Shares of Rs. 10(10) each fully paid-up | 480,000 | 480,000 |
| | 1,429,051,000 | 1,429,051,000 |

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

| | As at March 31, | | | |
|---|--------------------|----------------------|-------------|---------------|
| | 2012 | | 2011 | |
| | Number | Amount | Number | Amount |
| <u>Equity Shares of Rs.10 each</u> | | | | |
| Shares Outstanding at the beginning of the year | 142,857,100 | 1,428,571,000 | 142,857,100 | 1,428,571,000 |
| Shares Issued during the year | - | - | - | - |
| Shares Bought back/ Other movements during the year | - | - | - | - |
| Shares Outstanding at the end of the year | 142,857,100 | 1,428,571,000 | 142,857,100 | 1,428,571,000 |
| <u>0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each</u> | | | | |
| Shares Outstanding at the beginning of the year | 48,000 | 480,000 | 48,000 | 480,000 |
| Shares Issued during the year | - | - | - | - |
| Shares Bought back/ Other movements during the year | - | - | - | - |
| Shares Outstanding at the end of the year | 48,000 | 480,000 | 48,000 | 480,000 |

b) Aggregate number of Bonus Shares Issued, Shares Allotted pursuant to contract(s) without payment being received in cash and shares bought back during the period of five years immediately preceding the reporting date:

| | As at March 31, | |
|---|-----------------------|-----------------------|
| | 2012 No. of Shares | 2011 No. of Shares |
| <u>Equity Shares of Rs. 10 each</u> | | |
| Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account | 74,236,874 | 74,236,874 |
| | 74,236,874 | 74,236,874 |
| <u>0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each</u> | | |
| Preference shares allotted pursuant of contract(s) without payment received in cash | | |
| Pursuant to Scheme of Demerger | 48,000 | 48,000 |
| | 48,000 | 48,000 |

NOTES TO THE FINANCIAL STATEMENTS

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

| | As at March 31, | | | |
|--|--------------------|--------------|--------------------|--------------|
| | 2012 | | 2011 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares of Rs. 10 each | | | | |
| Mr. Akshay Raheja | 24,282,600 | 17.00 | 24,282,600 | 17.00 |
| Mr. Viren Raheja | 23,910,600 | 16.74 | 23,910,600 | 16.74 |
| Hathway Investments Private Limited | 14,964,003 | 10.47 | 14,900,800 | 10.43 |
| Providence Equity Advisors Mauritius Limited | 14,143,552 | 9.90 | - | - |
| Macquarie Bank Limited | 10,556,644 | 7.39 | - | - |
| Reliance Capital Trustee Co. Limited | 9,995,556 | 7.00 | 8,929,900 | 6.25 |
| Spur Cable and Datacom Private Limited | 7,650,000 | 5.36 | 7,650,000 | 5.36 |
| Asian Cables Systems Private Limited | - | - | 24,715,500 | 17.30 |
| 0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each | | | | |
| Hathway New Concept Cable & Datacom Private Limited | - | - | 48,000 | 100.00 |
| Hathway Cabletech Services Private Limited | 48,000 | 100.00 | - | - |

d) Rights, Preference and restrictions attached to Shares;

Terms/ Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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.

Terms of Conversion/ Redemption/ Rights attached to Preference Shares

0% Non-cumulative Preference shares of Rs.10 each are redeemable on or before December 12, 2012 at the option of Board of Directors of the issuer Company and the Preference Shareholders by giving one week's notice to either party.

e) Shares reserved for issue under options

620,199 No. of equity shares (as at March 31, 2011 : 769,999 equity shares) of Rs.10 each towards outstanding employees stock option granted/ available for grant. Ref Note 4.07.

| 2.02 RESERVES & SURPLUS | As at March 31, | |
|---|----------------------|----------------------|
| | 2012 Rupees | 2011 Rupees |
| Securities Premium | | |
| Balances as at the beginning of the year | 11,999,692,444 | 11,999,692,444 |
| Add: Securities premium credited on Share issue | - | - |
| Less: Deduction during the year | - | - |
| Balances as at the end of the year | 11,999,692,444 | 11,999,692,444 |
| Employee Stock Options Outstanding Account | | |
| Balances as at the beginning of the year | 24,157,165 | 19,354,283 |
| Add: Compensation for options during the year (net) | 725,448 | 4,802,882 |
| Less: Deduction during the year | - | - |
| Balances as at the end of the year | 24,882,613 | 24,157,165 |
| Surplus/ (Deficit) In the Statement of Profit and Loss | | |
| Balance at the beginning of the year | (4,994,523,880) | (4,591,402,308) |
| Add : Net Profit/ (Loss) for the year | (516,733,350) | (403,121,572) |
| Less : Appropriations | - | - |
| Deficit in the Statement of Profit and Loss | (5,511,257,230) | (4,994,523,880) |
| | 6,513,317,827 | 7,029,325,729 |

NOTES TO THE FINANCIAL STATEMENTS

| 2.03 LONG TERM BORROWINGS | Non-Current | | Current | |
|---|-----------------|---------------|-----------------|---------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Term Loans | | | | |
| Secured | | | | |
| From Banks | 404,500,000 | 586,249,998 | 216,500,000 | 201,000,000 |
| From Financial Institutions | 399,450,000 | 724,650,008 | 250,200,000 | 237,699,992 |
| From Others | 92,857,130 | 121,428,562 | 28,571,432 | 51,785,724 |
| External Commercial Borrowings | | | | |
| Secured | 7,631,625 | 33,442,500 | 30,526,500 | 26,754,000 |
| Buyers Credit | | | | |
| Secured | 874,962,834 | 284,484,943 | 87,839,241 | 380,035,028 |
| Deferred payment liabilities | | | | |
| Secured | 291,136,607 | - | 271,646,482 | - |
| Finance Lease Obligations | | | | |
| Secured | 107,761,917 | 146,203,280 | 81,053,708 | 189,779,655 |
| Vehicle Loans from Banks | | | | |
| Secured | 178,775 | 644,808 | 466,032 | 522,138 |
| | 2,178,478,888 | 1,897,104,099 | 966,803,395 | 1,087,576,537 |
| Amount disclosed under the head 'Other Current Liabilities' (Note No. 2.06) | | | 966,803,395 | 1,087,576,537 |
| Net Amount | 2,178,478,888 | 1,897,104,099 | - | - |
| The above amount includes | | | | |
| Aggregate amount of Secured Borrowings | 2,178,478,888 | 1,897,104,099 | | |

(a) Nature of Security and terms of repayment for secured borrowings:

| | Nature of Security | Terms of Repayment |
|-----------|---|---|
| i | Term Loan from Banks | |
| a) | Terms loan from Yes Bank Ltd. amounting to Rs.226,000,000 (March 31, 2011: NIL) are secured by, 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. 2) pari passu hypothecation of present & future Current Assets of the Company. 3) undertaking given by certain shareholders of the Company for non-disposal of their shareholding in the Company so long as Term Loan is outstanding. | Principal Repayable in 12 equal quarterly installments of Rs.18,833,333 with 1st installment due at the end of 15th Month (30-Sep-2012). Interest is payable on Monthly basis. Applicable Rate of Interest is Yes Bank BR + 3.25%. |
| b) | Terms loan from Yes Bank Ltd. amounting to Rs.NIL (March 31, 2011: Rs.168,750,000) are secured by, 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. 2) pari passu hypothecation of present & future Current Assets of the Company. | Principal Repayable in 16 equal quarterly installments of Rs.18,750,000 with 1st installment due at the end of 15th Month (20-Aug-2009). Interest is payable on Monthly basis. Applicable Rate of Interest is Yes Bank PLR - 5.25%. |
| c) | Terms loan from ICICI Bank Ltd. amounting to Rs.120,000,000 (March 31, 2011: Rs.120,000,000) are secured by pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. | Principal Repayable in 20 equal quarterly installments of Rs.15,000,000 starting from the end of 5th quarter (24-May-2009). Interest is payable on Monthly basis. Applicable Rate of Interest is ICICI Bank Benchmark advance rate - 4.05%. |

NOTES TO THE FINANCIAL STATEMENTS

| | | |
|-----|--|--|
| | <p>d) Terms loan from Bank of India Ltd. amounting to Rs.275,000,000 (March 31, 2011: Rs.374,999,998) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. 2) pari passu hypothecation of present & future Current Assets of the Company. | Principal repayable in 20 equal quarterly installments of Rs.25,000,000 with 1st installment due 12 months after the 1st date of disbursement (12-Mar-2010). Interest is payable on monthly basis. Applicable Rate of Interest is Bank of India Base rate + 4.5%. |
| | <p>e) Terms loan from Vijaya Bank Ltd. amounting to Rs NIL (March 31, 2011: Rs.123,500,000) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. 2) pari passu hypothecation of present & future Current Assets of the Company. | Principal repayable in 20 equal quarterly installments of Rs.6,500,000 with 1st installment due after one year from the date of 1st disbursement (4-Feb-2011). Interest is payable on monthly basis. Applicable Rate of Interest is Base PLR. |
| ii | <p><u>Term Loan from Financial Institutions</u></p> <p>a) Terms loan from IDFC Ltd. amounting to Rs.305,900,000 (March 31, 2011: Rs. 418,600,000) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. 2) pari passu hypothecation of the present & future Current Assets of the Company. 3) pari passu first charge on present & future book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature. 4) First charge on the uncalled capital of the company. 5) Lien on 3,500,000 (March 31, 2011 : 3,500,000) units of IDFC Fixed Maturity Plan Yearly Series 63 (March 31, 2011 IDFC Fixed Maturity Plan Yearly Series 40) | Principal repayable in 20 quarterly installments commencing at the end of 12 months from the date of first disbursement (15-Aug-2009). Installment amount for 1st, 2nd, 3rd year, 4th year and 5th year is Rs.6,250,000, Rs.18,800,000, Rs.31,300,000, Rs.31,300,000 and Rs.37,600,000 respectively and last installment amount is Rs.36,600,000. Interest is payable on monthly basis. Applicable Rate of Interest is 1 year IDFC Benchmark rate + 3.25%. |
| | <p>b) Terms loan from IDFC Ltd. amounting to Rs.343,750,000 (March 31, 2011: Rs.468,750,000) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. 2) pari passu hypothecation of the present & future Current Assets of the Company. 3) pari passu first charge on present & future book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature. 4) First charge on the uncalled capital of the company. 5) Lien on Fixed Deposits with Bank of Rs.27,000,000 (March 31, 2011: Rs.27,000,000) | Principal repayable in 16 equal quarterly installments of Rs.31,250,000 commencing at the end of 12 months from the date of first disbursement (15th Mar, 2011). Interest is payable on monthly basis at 1 year IDFC Benchmark rate + 3.50%. |
| | <p>c) Terms loan from SREI Infrastructure Finance Ltd. amounting to Rs. NIL (March 31, 2011: Rs.75,000,000) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. 2) pari passu hypothecation of the present & future Current Assets of the Company. 3) Pledge of NIL (March 31, 2011: 202,000) fully paid equity shares of Gujarat Telelink Private Limited. | Principal repayable in 48 equal monthly installments of Rs.6,250,000 commencing after 13 months from the date of disbursement (22nd March 2010). Interest is paid on monthly basis. Applicable Rate of Interest is SREI Benchmark rate. |
| iii | <p><u>Term Loan from others</u></p> <p>a) Terms loan from HDFC Ltd. amounting to Rs.121,428,562 (March 31, 2011: Rs.149,999,994) are secured by, pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company.</p> | Principal repayable in 28 equal quarterly installments of Rs.7,142,858 commencing from 30-Sep-2009. Interest is payable on Monthly basis. Applicable Interest rate is HDFC PLR - 3.75%. |

NOTES TO THE FINANCIAL STATEMENTS

| | | |
|------|---|--|
| | <p>b) Terms loan from HDFC Ltd. amounting to Rs. NIL (March 31, 2011: Rs.12,500,000) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. 2) undertaking given by certain shareholders of the Company for non- disposal of their shareholding in the Company so long as Term Loan is outstanding to the tune of Rs. NIL (March 31, 2011: Rs. 12,500,000) | Principal repayable in 12 equal quarterly installments of Rs.12,500,000 from 31-Jul-2008. Interest is payable on Monthly basis. Applicable Interest rate is HDFC PLR - 3.75%. |
| | <p>c) Terms loan from HDFC Ltd. amounting to Rs. NIL (March 31, 2011: Rs.10,714,292) are secured by,</p> <ol style="list-style-type: none"> 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. 2) undertaking given by certain shareholders of the Company for non-disposal of their shareholding in the Company so long as Term-Loan is outstanding to the tune of Rs. NIL (March 31, 2011: Rs. 10,714,296). | Principal repayable in 14 equal quarterly installments of Rs.5,357,142 (30-Jun-2008). Interest is payable on Monthly basis. Applicable Interest rate is HDFC PLR - 3.75%. |
| iv | <p>External Commercial Borrowings</p> <p>a) External Commercial Borrowings from Banks amounting to Rs.38,158,125 (March 31, 2011: Rs.60,196,500) are secured by, pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company.</p> | Principal repayable in 20 equal quarterly installments of USD.150,000 commencing after 12 months from the date of first disbursement (10-Jul-2008). Interest is payable on Monthly basis. Applicable Rate of Interest is 6 months LIBOR +2%. |
| v | <p>Buyers Credit</p> <p>a) Buyers Credit from Axis Bank Ltd. amounting to Rs.193,996,643 (March 31, 2011: Rs.167,226,761) are secured by, secured by hypothecation of Current Assets of the Company both present & future and extension of pari passu hypothecation of movable Fixed Assets of the Company both present & future.</p> <p>b) Buyers Credit from Yes Bank Ltd. amounting to Rs.768,805,432 (March 31, 2011: Rs.292,394,712) are secured by,</p> <ol style="list-style-type: none"> 1) Secured by hypothecation of Current Assets of the Company both present & future and extension of pari passu hypothecation of movable Fixed Assets of the Company both present & future. 2) Cash Margin of 10% by Fixed deposit with Bank. <p>c) Buyers Credit from ICICI Bank Ltd. amounting to Rs. NIL (March 31, 2011: Rs.204,898,498) are secured by, hypothecation of Assets acquired under LC facility.</p> | <p>Principal repayable with Interest on completion of 6 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is 6 months LIBOR + Spread prevailing as on the date of the drawdown.</p> <p>Principal repayable with Interest on completion of 6 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is 6 months LIBOR + Spread prevailing as on the date of the drawdown.</p> <p>Principal repayable with Interest on completion of 33 months from the date of drawdown. Interest is payable on half yearly basis. Applicable Rate of Interest is LIBOR + 0.60%.</p> |
| vi | <p>Deferred payment liabilities</p> <p>a) Deferred payment liabilities amounting to Rs.562,783,089 (March 31, 2011: Rs. NIL):</p> <ol style="list-style-type: none"> 1) Ericsson Television Ltd. amounting to Rs.184,890,260 (March 31, 2011: Rs. NIL) secured by Usance Letter of Credit issued by a bank. 2) NDS Ltd. amounting to Rs.377,892,829 (March 31, 2011: Rs. NIL) secured by Usance Letter of Credit issued by a bank. | <p>Principal repayable after 2 years along with Interest. Applicable Rate of Interest for first 6 months is NIL and balance 18 months is 2.388% p.a.</p> <p>Principal repayable in 6 equal quarterly installments along with Interest. Applicable Rate of Interest is @3.83%.</p> |
| vii | <p>Finance Lease Obligations</p> <p>Cisco System Capital (India) Pvt. Ltd. - Finance Lease amounting to Rs.188,815,625 (March 31, 2011: Rs.335,982,935) secured by hypothecation of underlying assets taken on lease</p> | Principal with Interest is payable in quarterly installments over the period of 5 years from inception of lease agreement. Applicable Rate of Interest varies between 9% - 10% p.a. |
| viii | <p>Vehicle Loans from Banks</p> <p>Vehicle Loans amounting to Rs.644,807 (March 31, 2011: Rs.1,166,947) are secured by Hypothecation of Vehicles.</p> | Principal repayable in 36 - 60 equal monthly installments along with Interest. Applicable rate of interest is within the range of 7.62% - 11.40% p.a. |

NOTES TO THE FINANCIAL STATEMENTS

(b) Details of long-term borrowings guaranteed by directors :

| Particulars | As at March 31, | |
|--|-----------------|-------------|
| | 2012 | 2011 |
| Term loans from banks | | |
| Term loan from Yes Bank Ltd. | - | 168,750,000 |
| Term loan from ICICI Bank Ltd. | 120,000,000 | 120,000,000 |
| Term loans from Financial Institution | | |
| Terms loan from IDFC Ltd | 305,900,000 | 418,600,000 |
| Term loans from others | | |
| Terms loan from HDFC Ltd. | 121,428,562 | 173,214,290 |
| Buyers Credit from bank | | |
| From ICICI Bank Ltd. | - | 204,898,498 |

| | | |
|--|--------------------|--------------------|
| 2.04 OTHER LONG-TERM LIABILITIES | As at March 31, | |
| | 2012 | 2011 |
| Others | | |
| Income received in advance (Refer Note No. 2.06) | 38,350,778 | 233,288,811 |
| Security Deposits (Refer Note No. 2.06) | 98,632,647 | 113,501,177 |
| | 136,983,425 | 346,789,988 |

| | | |
|---|-------------------|--------------------|
| 2.05 SHORT TERM BORROWINGS | As at March 31, | |
| | 2012 | 2011 |
| Loans repayable on demand | | |
| Secured | | |
| Working Capital Loans repayable on demand from a bank | - | 110,000,000 |
| Cash Credit with banks | 10,639,278 | - |
| | 10,639,278 | 110,000,000 |

(a) Nature of Security for secured borrowings :

| | Nature of Borrowing | Nature of Security |
|----|---|--|
| i | a) Working Capital Demand Loan from Yes Bank Ltd. outstanding Rs.Nil (March 31, 2011: Rs.110,000,000) [Sanctioned Amount Rs. 250,000,000 (March 31, 2011: Rs. 250,000,000)] | a) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. (b) pari passu hypothecation of present & future Current Assets of the Company. |
| ii | a) Cash Credit with Axis Bank Ltd outstanding Rs.9,621,644 (March 31, 2011: Rs.Nil) [Sanctioned amount Rs. 700,000,000 (March 31, 2011: Rs. 700,000,000)] | (a) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. (b) pari passu hypothecation of present & future Current Assets of the Company. |
| | b) Cash Credit with Yes Bank Ltd amounting to Rs.1,017,634 (March 31, 2011: Rs.Nil) [Sanctioned amount Rs. 100,000,000 (March 31, 2011: Rs. 100,000,000)] | (a) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. (b) pari passu hypothecation of present & future Current Assets of the Company. |
| | c) Cash Credit with ICICI Bank Ltd outstanding Rs.NIL (March 31, 2011: Rs.NIL) [Sanctioned amount Rs.NIL (March 31, 2011: Rs. 50,000,000)] | pari passu hypothecation of present & future inventory and Book Debts of the Company. |

NOTES TO THE FINANCIAL STATEMENTS

(b) Details of Short-term borrowings guaranteed by some of the directors or others:

| Particulars | As at March 31, | |
|--|-----------------|------|
| | 2012 | 2011 |
| Cash Credit with Banks | | |
| ICICI Bank Ltd. outstanding Rs.NIL (March 31, 2011: Rs.NIL) [Sanctioned amount Rs. NIL (March 31, 2011: Rs. 50,000,000)] | Nil | Nil |

| 2.06 OTHER CURRENT LIABILITIES | Non-Current | | Current | |
|---|-----------------|-------------|-----------------|---------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Trade Payables* | - | - | 515,508,596 | 460,063,705 |
| | - | - | 515,508,596 | 460,063,705 |
| Current maturities of Long-Term Debts (Refer note no. 2.03) | - | - | 885,749,687 | 897,796,882 |
| Current maturities of Finance Lease Obligations (Refer note no. 2.03) | - | - | 81,053,708 | 189,779,655 |
| Interest accrued but not due on borrowings | - | - | 14,700,990 | 11,675,395 |
| Income received in advance | 38,350,778 | 233,288,811 | 351,301,550 | 172,000,873 |
| Statutory Payables | - | - | 80,977,297 | 203,390,980 |
| Payables - Capital Expenditure | - | - | 190,410,115 | 302,710,205 |
| Employee Payables | - | - | 31,759,566 | 40,930,600 |
| Security Deposits | 98,632,647 | 113,501,177 | 279,836 | 810,467 |
| Advance from Customers | - | - | 69,249,695 | 65,447,425 |
| Other Liabilities | - | - | 158,751,323 | 159,230,593 |
| - | 136,983,425 | 346,789,988 | 1,864,233,767 | 2,043,773,075 |
| Amount disclosed under 'Other long-term liabilities' (Note No. 2.04) | 136,983,425 | 346,789,988 | - | - |
| | - | - | 2,379,742,363 | 2,503,836,780 |

*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.

| 2.07 SHORT TERM PROVISIONS | Short-term | |
|--|-------------------|-------------------|
| | As at March 31, | |
| | 2012 | 2011 |
| Provision for Employee Benefits | | |
| Gratuity | 4,535,373 | 5,528,596 |
| Leave Encashment | 48,172,298 | 46,362,577 |
| | 52,707,671 | 51,891,173 |

NOTES TO THE FINANCIAL STATEMENTS

FIXED ASSETS

(In Rupees)

| 2.08 TANGIBLE ASSETS | <-----Gross Block (at Cost) -----> | | | | <-----Depreciation/Amortisation/Impairment-----> | | | | | <-----Net Block-----> | |
|---------------------------------------|------------------------------------|---------------------------|----------------------------|---------------------|--|------------------|------------------------------|----------------------------|--------------------|-----------------------|------------------|
| | As at 01-04-2011 | Additions during the year | Deductions during the year | Other Adjustments * | As at 31-3-2012 | As at 01-04-2011 | Additions during the year ** | Deductions during the year | Other Adjustments* | As at 31-3-2012 | As at 31-03-2011 |
| Own Assets: | | | | | | | | | | | |
| Plant and Machinery | 7,040,823,207 | 1,086,488,496 | 238,458,470 | 414,901,999 | 8,303,755,232 | 2,878,636,696 | 889,528,584 | 210,263,721 | 224,826,800 | 3,782,728,359 | 4,162,186,511 |
| Air Conditioners | 28,473,420 | 2,268,251 | 54,055 | - | 30,687,616 | 16,848,228 | 1,785,436 | 31,812 | - | 18,601,852 | 11,625,191 |
| Structural Fittings | 25,508,656 | 71,916 | - | - | 25,580,572 | 7,268,531 | 912,852 | - | - | 17,399,189 | 18,240,125 |
| Furniture & Fixtures | 87,058,729 | 3,222,911 | 25,800 | - | 90,255,841 | 60,981,724 | 5,099,053 | 25,800 | - | 66,054,977 | 26,077,005 |
| Mobile, Pagers & Telephones | 17,772,106 | 558,461 | 715,855 | - | 17,614,712 | 11,847,164 | 874,112 | 581,782 | - | 12,139,494 | 5,924,942 |
| Computers | 112,512,011 | 5,363,245 | 1,044,927 | - | 116,830,329 | 95,886,093 | 8,126,016 | 1,002,659 | - | 103,009,449 | 16,625,919 |
| Office Equipments | 17,794,040 | 3,831,463 | 228 | - | 21,625,275 | 10,779,953 | 1,352,818 | 228 | - | 12,132,542 | 7,014,087 |
| Electrical Fittings | 25,254,897 | 4,162,10 | 21,081 | - | 25,650,026 | 15,027,445 | 1,494,922 | 9,610 | - | 16,512,757 | 10,227,452 |
| Motor Vehicles | 24,135,865 | 1,418,295 | 2,414,778 | - | 23,139,382 | 17,378,492 | 2,270,947 | 1,862,405 | - | 17,787,034 | 6,757,373 |
| Movie Master Tapes | 1,803,392 | - | - | - | 1,803,392 | 1,686,659 | 16,615 | - | - | 1,703,274 | 116,733 |
| | 7,381,136,323 | 1,103,639,248 | 242,735,195 | 414,901,999 | 8,656,942,376 | 3,116,340,984 | 911,461,354 | 213,778,017 | 224,826,800 | 4,038,651,121 | 4,618,091,255 |
| Assets Taken on Finance Lease: | | | | | | | | | | | |
| Plant and Machinery | 851,901,345 | 24,213,067 | - | (414,901,999) | 461,212,413 | 335,954,991 | 75,016,218 | - | (224,826,800) | 186,144,409 | 275,068,004 |
| | 851,901,345 | 24,213,067 | - | (414,901,999) | 461,212,413 | 335,954,991 | 75,016,218 | - | (224,826,800) | 186,144,409 | 275,068,004 |
| | 8,233,037,669 | 1,127,852,315 | 242,735,195 | - | 9,118,154,789 | 3,452,295,975 | 986,477,572 | 213,778,017 | - | 4,224,995,530 | 4,780,741,694 |
| Previous Year | 7,209,789,668 | 1,143,608,692 | 120,360,691 | | 8,233,037,669 | 2,676,797,391 | 862,475,196 | 86,976,611 | | 3,452,295,975 | 4,780,741,694 |

* During the year the Company has reclassified Assets under Finance Lease amounting to Rs. 414,901,999 (March 31, 2011: Rs. 165,429,327) (Gross Block) and Rs. 224,826,800 (March 31, 2011: Rs. 23,011,219) (Depreciation) as Owned Assets on completion of the lease period.

** Additions to Depreciation includes Impairment of Plant and Machinery Rs. 112,139,520 (March 31, 2011: Rs.87,504,276)

| 2.09 INTANGIBLE ASSETS | <-----Gross Block (at Cost)-----> | | | | <-----Depreciation/Amortisation/Impairment-----> | | | | <-----Net Block-----> | | |
|-----------------------------|-----------------------------------|---------------------------|----------------------------|-------------------|--|------------------|---------------------------|----------------------------|-----------------------|-----------------|------------------|
| | As at 01-04-2011 | Additions during the year | Deductions during the year | Other Adjustments | As at 31-3-2012 | As at 01-04-2011 | Additions during the year | Deductions during the year | Other Adjustments | As at 31-3-2012 | As at 31-03-2011 |
| Goodwill | 259,184,374 | 9,514,424 | 414,600 | - | 268,284,198 | 225,037,715 | 29,784,629 | 225,009 | - | 254,597,335 | 34,146,659 |
| Cable Television Franchisee | 737,894,429 | 6,472,426 | - | - | 744,366,855 | 233,954,742 | 35,740,495 | - | - | 269,695,237 | 503,939,687 |
| Movie & Serial Rights | 18,492,879 | 23,391,600 | 11,509,743 | - | 30,374,736 | 14,245,884 | 7,746,424 | 11,509,743 | - | 10,482,565 | 4,246,995 |
| Softwares | 95,222,667 | 42,857,675 | 20,000 | - | 138,060,343 | 66,302,523 | 14,943,406 | 20,000 | - | 81,225,929 | 28,920,144 |
| Bandwidth Rights | 279,069,533 | 46,810,037 | 279,057,145 | - | 46,822,425 | 246,118,800 | 40,459,827 | 279,057,145 | - | 7,521,482 | 32,950,733 |
| | 1,389,863,882 | 129,046,162 | 291,001,488 | - | 1,227,908,556 | 785,659,664 | 128,674,780 | 290,811,897 | - | 623,522,548 | 604,204,217 |
| Previous Year | 1,492,585,576 | 32,562,836 | 135,284,532 | | 1,389,863,882 | 750,735,522 | 168,370,869 | 133,446,727 | - | 785,659,664 | 741,850,054 |

Note :

| Range of remaining period of amortisation of Intangible Assets is as below : | | | | | | | | | |
|--|-------------|--------------|---------------|---------------|-------------|--|--|--|--|
| | 0 to 5 Year | 5 to 10 Year | 10 to 15 Year | 15 to 20 Year | Total WDV | | | | |
| Goodwill | 11,445,637 | 2,241,226 | | | 13,686,863 | | | | |
| Cable Television Franchisee | 178,737,342 | 169,093,956 | 100,346,578 | 26,493,742 | 474,671,618 | | | | |
| Movie & Serial Rights | 19,881,292 | 10,878 | | | 19,892,170 | | | | |
| Softwares | 56,834,414 | | | | 56,834,414 | | | | |
| Bandwidth Rights | 28,080,463 | 6,871,026 | 4,349,454 | | 39,300,943 | | | | |

** Additions to Amortisation includes Impairment of Software Rs.Nil (Previous Year Rs.59,507)

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 amortized over a period of twenty years from the date of acquisition.

Based on factors such as past experience, remaining contract period, industry trends, estimated residual value etc., the Company is of the opinion that the useful life of the Movie & Serial Rights acquired by the company will exceed fifteen years. Accordingly, the same has been amortized up to a period of fifteen years from the date of commencement of the agreement.

NOTES TO THE FINANCIAL STATEMENTS

| 2.10 NON-CURRENT INVESTMENTS | FACE VALUE | As at March 31, 2012 | | As at March 31, 2011 | |
|--|-----------------|----------------------|---------------|----------------------|---------------|
| | Rs. Per Unit | Quantity | Rupees | Quantity | Rupees |
| Trade investments (valued at cost) | | | | | |
| Quoted equity instruments | | | | | |
| Investment in Equity Shares of Subsidiaries | | | | | |
| Hathway Bhawani Cabletel and Datacom Ltd. | 10 | 1,920,000 | 22,800,000 | 1,920,000 | 22,800,000 |
| | | | 22,800,000 | | 22,800,000 |
| Unquoted equity instruments | | | | | |
| Investment in Equity Shares of Subsidiaries | | | | | |
| Gujarat Telelink Pvt. Ltd.* | 10 | 742,500 | 1,340,721,167 | 705,000 | 1,250,721,167 |
| Hathway Bhaskar Multinet Pvt. Ltd. | 10 | 598,944 | 390,951,539 | 598,944 | 390,951,539 |
| Hathway Sai Star Cable & Datacom Pvt. Ltd. | 10 | 68,850 | 270,914,254 | 68,850 | 270,914,254 |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | 10 | 51,000 | 163,608,000 | 51,000 | 163,608,000 |
| Hathway Rajesh Multi Channel Pvt. Ltd. | 10 | 144,849 | 74,364,130 | 122,354 | 62,831,844 |
| Hathway New Concept Cable & Datacom Pvt. Ltd. | 10 | 25,500 | 71,400,002 | 25,500 | 71,400,002 |
| Hathway MCN Pvt. Ltd. | 10 | 810,000 | 64,800,000 | 510,000 | 40,800,000 |
| Hathway Channel 5 Cable & Datacom Pvt. Ltd. ### | 10 | 249,000 | 62,819,311 | 249,000 | 62,819,311 |
| Hathway Media Vision Pvt. Ltd. | 10 | 65,040 | 59,231,098 | 65,040 | 59,231,098 |
| Hathway Krishna Cables Pvt. Ltd. | 10 | 4,860,000 | 48,600,000 | 4,860,000 | 48,600,000 |
| Hathway Dattatray Cable Network Pvt. Ltd. | 10 | 20,400 | 40,522,500 | 20,400 | 40,522,500 |
| Hathway Kokan Crystal Network Pvt. Ltd. | 10 | 27,990 | 22,950,000 | 27,990 | 22,950,000 |
| Ideal Cables Pvt. Ltd. | 10 | 76,020 | 22,210,200 | 76,020 | 22,210,200 |
| Net 9 Online Hathway Pvt. Ltd. | 10 | 5,000 | 20,050,000 | 5,000 | 20,050,000 |
| Hathway Cable MCN Nanded Pvt Ltd | 10 | 1,305,717 | 13,057,170 | 491,987 | 4,919,870 |
| Channels India Network Pvt. Ltd. ## | 10 | 87,500 | 10,855,000 | 87,500 | 10,855,000 |
| Hathway Latur MCN Cable & Datacom Pvt. Ltd. | 10 | 51,000 | 9,180,560 | 51,000 | 9,180,560 |
| Hathway Jai Mata Di Sherawali Cable & Datacom Pvt. Ltd. ## | 10 | 800,000 | 8,000,000 | 800,000 | 8,000,000 |
| Vision India Networks Pvt. Ltd. ## | 10 | 87,700 | 7,439,500 | 87,700 | 7,439,500 |
| Hathway Palampur Cable & Datacom Pvt. Ltd. | 10 | 15,300 | 6,760,000 | 15,300 | 6,760,000 |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | 10 | 10,200 | 6,555,569 | 10,200 | 6,555,569 |
| Hathway C-Net Pvt. Ltd. ## | 10 | 100,000 | 5,985,000 | 100,000 | 5,985,000 |
| Chennai Cable Vision Network Pvt. Ltd. ## | 10 | 136,800 | 5,634,482 | 136,800 | 5,634,482 |
| Hathway Nashik Cable Network Pvt. Ltd. ## | 10 | 45,300 | 4,503,000 | 45,300 | 4,503,000 |
| Hathway ICE Television Pvt. Ltd. | 10 | 102,000 | 4,080,000 | 102,000 | 4,080,000 |
| Bee Network & Communication Pvt. Ltd. ## | 10 | 99,989 | 3,999,140 | 99,989 | 3,999,140 |
| Hathway Mysore Cable Network Pvt. Ltd. | 10 | 292,100 | 2,921,000 | 292,100 | 2,921,000 |
| UTN Cable Communications Pvt. Ltd. | 10 | 25,500 | 2,632,440 | 25,500 | 2,632,440 |
| Hathway Prime Cable & Datacom Pvt. Ltd. | 10 | 229,500 | 2,295,000 | 229,500 | 2,295,000 |
| Win Cable and Datacom Pvt. Ltd. ## | 10 | 200,000 | 2,000,000 | 200,000 | 2,000,000 |
| Hathway Software Developers Pvt. Ltd. | 10 | 195,000 | 1,950,000 | 195,000 | 1,950,000 |
| Elite Cable Network Pvt. Ltd. ## | 10 | 48,000 | 480,000 | 48,000 | 480,000 |
| Hathway Space Vision and Cabletel Pvt. Ltd. ## | 10 | 10,020 | 100,200 | 10,020 | 100,200 |
| Hathway Enjoy Cable Network Pvt. Ltd. | 10 | 10,000 | 100,000 | 10,000 | 100,000 |
| Hathway Gwalior Cable & Datacom Pvt. Ltd.## | 10 | 10,000 | 100,000 | 10,000 | 100,000 |
| Hathway JMD Farukabad Cable & Datacom Pvt. Ltd. | 10 | 10,000 | 100,000 | 10,000 | 100,000 |
| Binary Technology Transfers Pvt. Ltd. ## | 100 | 1,000 | 100,000 | 1,000 | 100,000 |
| Hathway Internet Satellite Pvt.Ltd. ## | 10 | 10,000 | 100,000 | 10,000 | 100,000 |

NOTES TO THE FINANCIAL STATEMENTS

| 2.10 NON-CURRENT INVESTMENTS | FACE VALUE | As at March 31, 2012 | | As at March 31, 2011 | |
|---|-----------------|----------------------|----------------------|----------------------|---------------|
| | Rs. Per Unit | Quantity | Rupees | Quantity | Rupees |
| Hathway United Cables Pvt. Ltd. ## | 10 | 10,000 | 100,000 | 10,000 | 100,000 |
| Hathway Universal Cabletel and Datacom Pvt. Ltd. ## | 100 | 1,000 | 100,000 | 1,000 | 100,000 |
| ITV Interactive Media Pvt. Ltd. ## | 100 | 1,000 | 100,000 | 1,000 | 100,000 |
| Liberty Media Vision Pvt. Ltd. ## | 10 | 10,000 | 100,000 | 10,000 | 100,000 |
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 10 | 9,800 | 98,000 | 9,800 | 98,000 |
| | | | 2,752,568,262 | | 2,618,898,676 |
| Less : Provision for diminution in value | | | 51,906,522 | | 114,625,833 |
| | | | 2,700,661,740 | | 2,504,272,843 |
| <u>Investment in Equity Shares of Joint Venture</u> | | | | | |
| Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 10 | 71,075 | 40,200,839 | 72,628 | 41,021,784 |
| | | | 40,200,839 | | 41,021,784 |
| <u>Investment in Equity Shares of Associates</u> | | | | | |
| Hathway VCN Cablenet Pvt. Ltd. ## | 10 | 12,520 | 1,006,132 | 12,520 | 1,006,132 |
| Pan Cable Services Pvt. Ltd. ## | 10 | 10 | 100 | 10 | 100 |
| | | | 1,006,232 | | 1,006,232 |
| Less : Provision for diminution in value | | | 1,006,232 | | 1,006,232 |
| <u>Investment in Equity Shares of other Companies</u> | | | | | |
| Hathway Cable Entertainment Pvt. Ltd. | 10 | 47,009 | 470,594 | 47,009 | 470,594 |
| Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd. ## | 10 | 60,000 | 2,206,295 | 60,000 | 2,206,295 |
| | | | 2,676,889 | | 2,676,889 |
| Less : Provision for diminution in value | | | 2,206,295 | | 2,206,295 |
| | | | 470,594 | | 470,594 |
| <u>Investment in Preference Shares of Subsidiary</u> | | | | | |
| Hathway Bhaskar Multinet Pvt. Ltd. | 10 | 26,020 | 260,200 | 26,020 | 260,200 |
| <u>Others Investments (valued at cost)</u> | | | | | |
| Unquoted Investment in Government Securities | | | | | |
| National Savings Certificates | | | 1,446,360 | | 1,336,360 |
| Total Non-current Investments | | | 2,765,839,733 | | 2,570,161,781 |
| Aggregate amount of quoted investments | | | 22,800,000 | | 22,800,000 |
| Market Value of Quoted Investments | | | 19,200,000 | | 17,952,000 |
| Aggregate amount of unquoted investments | | | 2,743,039,733 | | 2,547,361,781 |
| Aggregate provision for diminution in value of investments | | | 55,119,049 | | 117,838,360 |

* 202,000 No. of equity shares (March 31, 2011: 202,000) Pledged with a Financial Institution

Provision for diminution in value of investments on entire value

Provision for diminution in value of investments on entire value made during previous year reversed in current year

NOTES TO THE FINANCIAL STATEMENTS

| 2.11 DEFERRED TAX ASSETS (NET) | As at March 31, | |
|---|-----------------|-------------|
| | 2012 | 2011 |
| <u>Deferred Tax Liabilities on</u> | | |
| a) Difference between book and tax depreciation | 66,803,855 | 121,262,137 |
| <u>Deferred Tax Assets on</u> | | |
| a) Unabsorbed Depreciation Losses | 66,803,855 | 121,262,137 |
| NET DEFERRED TAX ASSETS | - | - |

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 and other items 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.

| 2.12 TRADE RECEIVABLES | Non-Current | | Current | |
|--|-----------------|-------------|-----------------|---------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Unsecured, considered good unless stated otherwise | | | | |
| Unsecured, considered good | 111,255,297 | - | 1,354,732,195 | 1,575,487,401 |
| Doubtful Outstanding | 330,126,537 | 460,081,914 | - | - |
| | 441,381,834 | 460,081,914 | 1,354,732,195 | 1,575,487,401 |
| Less: Provision for doubtful trade receivables | 312,157,180 | 423,623,091 | - | - |
| | 129,224,654 | 36,458,823 | 1,354,732,195 | 1,575,487,401 |
| Outstanding for a period exceeding six months from the date they are due for payment | | | 240,683,128 | 401,436,475 |
| Other receivables | | | 1,114,049,067 | 1,174,050,926 |
| | | | 1,354,732,195 | 1,575,487,401 |

Trade Receivables include receivable from private companies in which director of the Company is a director or member as detailed below:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|---|-----------------------|------------------------|
| Private Company in which Director is a member | 154,131,602 | 119,734,054 |

| 2.13 LOANS AND ADVANCES | Long - Term | | Short - Term | |
|---|-----------------|-------------|-----------------|------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| <u>CAPITAL ADVANCES</u> | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Network Acquisitions | 7,057,918 | 9,507,614 | - | - |
| Advance to Suppliers | 99,457,984 | 117,848,612 | - | - |
| Less: Provision for doubtful advances | 5,076,220 | 5,076,220 | - | - |
| | 101,439,682 | 122,280,006 | - | - |
| <u>SECURITY DEPOSITS</u> | | | | |
| Unsecured, considered good | | | | |
| Security Deposits | 154,011,341 | 132,557,174 | 11,891,916 | 43,272,979 |
| | 154,011,341 | 132,557,174 | 11,891,916 | 43,272,979 |
| <u>LOANS AND ADVANCES TO RELATED PARTIES</u> | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Advance to Subsidiaries | 626,388,585 | 597,082,856 | 95,500,808 | 79,701,520 |
| Advance to Firm in which Subsidiaries are partner | 171,575,839 | 165,015,779 | - | - |
| Advance for other Cable Ventures | 61,018,580 | 61,018,580 | - | - |

NOTES TO THE FINANCIAL STATEMENTS

| 2.13 LOANS AND ADVANCES | Long - Term | | Short - Term | |
|---|-----------------|-------------|-----------------|-------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Loan to Key Managerial Personnel | 2,767,912 | 2,767,912 | - | - |
| Share Application Money | 27,732,490 | 117,732,490 | - | - |
| Less: Provision for doubtful loans and advances | 645,039,755 | 633,766,471 | - | - |
| | 244,443,651 | 309,851,146 | 95,500,808 | 79,701,520 |
| OTHER LOANS AND ADVANCES | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Prepaid expenses | 44,534,315 | 51,843,291 | 84,363,915 | 99,267,396 |
| Staff Advances | 144,744 | 121,696 | 4,285,199 | 7,429,063 |
| Staff Loan | 4,291,403 | 3,947,776 | 1,105,380 | 1,241,315 |
| Sundry Advances | 28,343,069 | 32,110,687 | 76,943,098 | 24,662,663 |
| Service Tax Claimable | - | - | 112,851,747 | 132,175,309 |
| Loans Given | 3,074,485 | 3,342,886 | 271,522 | 8,104,963 |
| Advance Tax (Net) | 47,680,000 | 70,272,654 | 108,066,707 | 87,825,399 |
| Cenvat Receivable | - | - | 67,841,455 | 59,400,525 |
| Less: Provision for doubtful loans and advances to others | 17,907,483 | 2,478,175 | - | - |
| | 110,160,533 | 159,160,815 | 455,729,023 | 420,106,633 |
| | | | | |
| | 610,055,207 | 723,849,141 | 563,121,747 | 543,081,132 |

| Loans and advances due by directors or other officers, etc., | Long - Term | | Short - Term | |
|--|-----------------|-------------|-----------------|------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| The above include | | | | |
| Dues from Director | 2,767,912 | 2,767,912 | - | - |
| To subsidiary companies carrying Cable TV business | 181,527,019 | 271,527,019 | 60,000,000 | - |
| | 184,294,931 | 274,294,931 | 60,000,000 | - |

| 2.14 OTHER ASSETS | Non-Current | | Current | |
|--|-----------------|-------------|-----------------|-----------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Unsecured, considered good unless stated otherwise | | | | |
| Non-current other bank balances (Note No. 2.17) | 148,878,115 | 114,862,167 | - | - |
| Other Receivables | - | - | 3,244,489 | 1,632,086 |
| Interest accrued but not due | - | - | 4,030,384 | 4,041,981 |
| | 148,878,115 | 114,862,167 | 7,274,873 | 5,674,067 |

NOTES TO THE FINANCIAL STATEMENTS

| 2.15 CURRENT INVESTMENTS | As at March 31, 2012 | | As at March 31, 2011 | |
|--|----------------------|-------------|----------------------|---------------|
| | Quantity | Rupees | Quantity | Rupees |
| Current investments (valued at lower of cost and fair value, unless stated otherwise) | | | | |
| Other Investments | | | | |
| Quoted | | | | |
| Mutual Funds | | | | |
| ICICI Prudential Plan | | | | |
| - FMP Series 51- 13MONTHS PLAN C | - | - | 3,500,000 | 37,406,600 |
| - Interval Fund II- Quarterly Interval Plan F- Inst-Growth | - | - | 9,335,238 | 100,000,000 |
| IDFC Mutual Fund | | | | |
| - FMP- Yearly Series 63** | 3,500,000 | 35,000,000 | - | - |
| - FMP- Yearly Series 40* | - | - | 3,500,000 | 35,000,000 |
| Reliance Mutual Fund | | | | |
| - Monthly Interval Fund- Series II - Institutional -Growth | - | - | 7,518,175 | 100,000,000 |
| | | 35,000,000 | | 272,406,600 |
| Unquoted | | | | |
| Mutual Funds | | | | |
| IDFC Mutual Fund | | | | |
| - Money Manager Fund- Treasury Plan-Super Inst Plan C - Growth | - | - | 8,723,053 | 101,626,189 |
| UTI Mutual Fund | | | | |
| - Liquid Cash Plan- Institutional- Growth | 9,953 | 17,500,729 | - | - |
| Templeton India Fund | | | | |
| - Treasury Management Account- Super Institutional- Growth | 5,756 | 9,173,698 | - | - |
| Reliance Mutual Fund | | | | |
| - Money Manager Fund- Institutional- Growth | - | - | 56,823 | 76,051,995 |
| - Liquid Fund- Treasury Plan- Institutional- Growth | 1,533,554 | 40,000,000 | | - |
| Fidelity Mutual Fund | | | | |
| - Ultra Short Term Debt Fund- Super Institutional- Growth | - | - | 28,976,564 | 368,805,011 |
| | | 66,674,427 | | 546,483,195 |
| Investment in Certificate of Deposits of Banks | | | | |
| Vijaya Bank | - | - | 5,000 | 497,141,850 |
| Yes Bank | - | - | 2,500 | 248,902,685 |
| Canara Bank | - | - | 2,500 | 249,369,300 |
| | | - | | 995,413,835 |
| Total Current Investments | | 101,674,427 | | 1,814,303,630 |
| Aggregate amount of quoted investments | | 35,000,000 | | 272,406,600 |
| Market Value of Quoted Investments | | 35,364,000 | | 272,871,819 |
| Aggregate amount of unquoted investments | | 66,674,427 | | 1,541,897,030 |

* Includes NIL units (March 31, 2011: 3,500,000 units) where lien has been marked in favour of a Financial Institution

** Includes 3,500,000 units units (March 31, 2011: NIL units) where lien has been marked in favour of a Financial Institution

NOTES TO THE FINANCIAL STATEMENTS

| 2.16 INVENTORIES | | | Current | |
|-------------------------------------|--|--|-------------------|-------------------|
| | | | As at March 31, | |
| | | | 2012 | 2011 |
| Inventories : | | | | |
| Stock of Spares & Maintenance Items | | | 10,714,985 | 18,802,217 |
| | | | <u>10,714,985</u> | <u>18,802,217</u> |

| 2.17 CASH AND BANK BALANCES | Non-Current | | Current | |
|---|-----------------|-------------|-----------------|-------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Cash & Cash Equivalents | | | | |
| Balances with banks: | | | | |
| In Current Accounts | - | - | 54,543,450 | 134,357,940 |
| Fixed Deposits with original maturity of less than 3 months | - | - | 500,000,000 | - |
| Cash in hand | - | - | 5,831,762 | 4,539,954 |
| | | | | |
| | - | - | 560,375,212 | 138,897,894 |
| Other Bank Balance | | | | |
| Margin money deposit | 148,878,115 | 114,862,167 | - | - |
| | 148,878,115 | 114,862,167 | - | - |
| Less: Amount disclosed under non current asset (Note 2.14) | 148,878,115 | 114,862,167 | - | - |
| | - | - | 560,375,212 | 138,897,894 |

NOTES TO THE FINANCIAL STATEMENTS

| 3.01 REVENUE FROM OPERATIONS | Year ended March 31, | |
|---|----------------------|----------------|
| | 2012 Rupees | 2011 Rupees |
| Sale of services | | |
| Subscription Income | 4,747,393,939 | 4,362,682,413 |
| Rental Income on Equipments | 111,237,535 | 109,615,485 |
| Consultancy Income | 83,255,937 | 153,662,854 |
| Advertisement Income | 41,054,575 | 35,471,913 |
| Commission Income | 22,607,563 | 35,243,935 |
| | 5,005,549,549 | 4,696,676,600 |
| Sale of products | | |
| Sale of Access Devices | 95,538,838 | 5,165,672 |
| | 95,538,838 | 5,165,672 |
| Other operating revenues | | |
| Interest - Cable Ventures | 7,426,849 | 577,800 |
| Other Operational Income | 35,924,670 | 36,247,311 |
| | 43,351,519 | 36,825,111 |
| | 5,144,439,906 | 4,738,667,383 |
| | | |
| 3.02 OTHER INCOME | Year ended March 31, | |
| | 2012 Rupees | 2011 Rupees |
| Profit on Sale of Current Investments (Net) | 75,859,338 | 142,923,434 |
| Amount No Longer Payable Written Back | 24,201,398 | 9,869,948 |
| Interest on Fixed Deposits | 23,107,865 | 5,997,784 |
| Interest on Certificate of Deposits | 9,923,417 | 44,150,203 |
| Interest on Income Tax Refund | 5,718,058 | 4,438,978 |
| Miscellaneous Income | 3,515,027 | 14,790,445 |
| Interest on Loans | 284,257 | 325,041 |
| | 142,609,360 | 222,495,833 |
| | | |
| 3.03 Purchase of Stock-In-Trade | Year ended March 31, | |
| | 2012 Rupees | 2011 Rupees |
| Purchase of Access Device | 98,082,309 | 14,038,568 |
| | 98,082,309 | 14,038,568 |
| | | |
| 3.04 OPERATIONAL EXPENSES | Year ended March 31, | |
| | 2012 Rupees | 2011 Rupees |
| Pay Channel Cost | 1,436,108,140 | 1,196,935,848 |
| Distribution Cost | 366,351,471 | 282,313,802 |
| Commission | 220,196,064 | 229,805,115 |
| Repairs & Maintenance (Plant & Machinery) | 158,017,868 | 143,456,589 |
| Bandwidth & Lease Line Cost | 146,840,431 | 118,353,277 |
| Rent | 99,940,124 | 91,375,531 |
| Feed charges | 44,927,987 | 44,604,293 |
| Other Sundry Operational Cost | 43,974,295 | 24,953,664 |
| Consultancy & Technical Fees | 28,669,980 | 34,339,752 |
| Software & Programming Cost | 17,691,592 | 18,035,722 |
| Hire Charges | 9,673,920 | 11,902,303 |
| Freight & Octroi Charges | 7,417,671 | 19,869,180 |
| | 2,579,809,543 | 2,215,945,076 |

NOTES TO THE FINANCIAL STATEMENTS

| 3.05 EMPLOYEE BENEFITS EXPENSE | Year ended March 31, | |
|--|----------------------|--------------------|
| | 2012 Rupees | 2011 Rupees |
| Salaries & Bonus | 337,209,390 | 365,116,317 |
| Contribution to provident and other fund | 22,093,459 | 25,369,332 |
| Staff Welfare | 20,269,600 | 21,173,181 |
| Employee Stock Compensation Expense | 725,448 | 4,802,882 |
| | <u>380,297,897</u> | <u>416,461,712</u> |

| 3.06 OTHER EXPENSES | Year ended March 31, | |
|--|----------------------|----------------------|
| | 2012 Rupees | 2011 Rupees |
| Service Charges | 335,938,105 | 324,583,523 |
| Bad Debts | 431,409,356 | 230,998,520 |
| Less: Transfer from Provision for Doubtful Debts | 431,409,356 | 230,998,520 |
| | - | - |
| Provision for Bad and Doubtful debts | 319,943,445 | 291,698,241 |
| Electricity Expenses | 97,751,563 | 84,139,488 |
| Rates & taxes | 62,738,219 | 70,498,726 |
| Office Expenses | 49,387,579 | 61,565,921 |
| Conveyance | 47,889,718 | 49,717,876 |
| Legal & Professional Charges | 47,641,115 | 44,159,369 |
| Rent - Offices | 45,538,971 | 50,551,832 |
| Loss on disposal / shortage of assets | 37,545,877 | 40,933,057 |
| Advertisement & Promotion expenses | 36,072,014 | 41,956,928 |
| Communication Charges | 29,654,850 | 39,087,878 |
| Travelling | 23,148,496 | 19,218,992 |
| Repairs & Maintainance (Others) | 22,751,410 | 23,323,784 |
| Provision for Bad & Doubtful Advances | 15,239,449 | 890,769 |
| Printing & Stationery | 13,021,755 | 14,619,463 |
| Miscellaneous Expenses | 7,303,310 | 7,214,506 |
| Business Promotion Expenses | 6,903,359 | 10,198,191 |
| Insurance Charges | 4,078,924 | 2,868,139 |
| Sundry Advances Written Off | 3,510,555 | 3,264,665 |
| Sitting Fees | 1,170,000 | 1,290,000 |
| Interest on Taxes | 996,060 | 1,541,600 |
| Auditor's Remuneration | | |
| - Statutory Audit Fees | 3,250,000 | 3,000,000 |
| - Audit Fees | 825,000 | 750,000 |
| - Limited Review, Consolidation & Certification Fees | 1,810,000 | 2,550,000 |
| - Tax Representation Fees | 150,000 | 100,000 |
| - Other Consultancy Services | 2,665,000 | 2,875,000 |
| - Out of pocket expenses | - | 91,568 |
| | <u>1,216,924,774</u> | <u>1,192,689,516</u> |

| 3.07 DEPRECIATION AND AMORTISATION | Year ended March 31, | |
|------------------------------------|----------------------|--------------------|
| | 2012 Rupees | 2011 Rupees |
| Depreciation on Tangible Assets | 914,091,709 | 791,401,535 |
| Amortisation of Intangible Assets | 117,313,531 | 154,972,448 |
| | <u>1,031,405,240</u> | <u>946,373,983</u> |

| 3.08 FINANCE COST | Year ended March 31, | |
|---|----------------------|--------------------|
| | 2012 Rupees | 2011 Rupees |
| Interest and Finance Charges | 278,135,200 | 316,221,150 |
| Bank Charges | 63,785,740 | 70,155,750 |
| Foreign Exchange difference to the extent considered as an adjustment to finance cost | 66,611,164 | - |
| | <u>408,532,104</u> | <u>386,376,900</u> |

NOTES TO THE FINANCIAL STATEMENTS

4.01 CONTINGENT LIABILITIES

- a) The Company has given a counter indemnity favouring the bankers to the extent of Rs.48,707,075 (March 31, 2011: Rs.60,988,500) for issue of Bank Guarantees in favour of the Company.
- b) The Company has given Corporate Guarantees of Rs.634,500,000 (March 31, 2011: Rs.414,345,000) to Banks & Rs. 328,000,000 (March 31, 2011: Rs.328,000,000) to Others towards various credit facilities given by the Bank & Others to its subsidiary companies.
- c) Other Claims against the Company not acknowledged as debts are as under:

| Matters with | 2011-2012 | 2010-2011 |
|------------------------------|--------------------|--------------------|
| | (Rs.) | (Rs.) |
| Broadcasters / Channels | 96,949,806 | 38,060,471 |
| Operators | 29,568,089 | 53,761,542 |
| Entertainment Tax Department | 141,706,475 | 53,648,976 |
| Other Statutory Departments | 9,634,351 | 581,373 |
| Other miscellaneous matters | 9,350,000 | 1,515,574 |
| Total | 287,208,721 | 147,567,936 |

- d) Pending finalization of negotiations with one of the broadcasters, the Company has accounted pay channel cost net of discounts expected from such broadcaster. The Company as well as few broadcasters have claims and counter claims against each other, which are yet to be finalized and settled. The contingent liability in respect of such claims wherever ascertained, have been considered under Claims against the Company not acknowledged as debts.
- e) The relevant Authority under the Karnataka Sales Tax / VAT had initiated proceeding to reassess the Company's liability for the financial years 2001-02 to 2008-09 on the argument that light energy created while using OFC network for the purposes of transmission is goods and hence liable to tax under relevant state legislation.

On writ petition, the Karnataka High Court has held against the Company. On further appeal, the Honourable Supreme Court remanded the matter to the Tribunal. However, Sales Tax Tribunal did not entertain the appeal of the Company as no assessment was made.

The Assessing Officer, acting on Nil returns filed by the Company, has proposed to complete best judgment re-assessment to tax light energy as goods. This may result in approximate demand of Rs. 54,406,240 (March 31, 2011: Rs. 54,406,240). The Company has filed a detailed reply to the show cause notice issued by the assessing officer and the matter is pending.

- f) Pursuant to various amendments under Karnataka Entertainment Tax Act, 1958 to levy entertainment tax on LCO's and MSO's, the Government of Karnataka has issued various notices for re-assessment for various periods. The Company has challenged the notices and validity of amendments with the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka has issued stay order against such notices on payment of Rs. 6,431,950 being 50% of the Basic Entertainment Tax liability.

The Company has filed a petition before the Honourable Court of Andhra Pradesh challenging the vires of the amendment to the Andhra Pradesh Entertainment Tax Act, 1939 which has resulted in the levying of the Entertainment Tax on MSOs. The petition has been admitted and the levy and the action pursuant thereto have been ordered to be stayed.

- g) The Collector of Aurangabad had initiated proceeding for recovery of an amount of Rs.79,192,049 towards non payment of Entertainment Tax up to the period September 30, 2011. The Company has preferred an appeal before the Divisional Commissioner who has by his order dated January 16, 2012 partly allowed the appeal by setting aside the order of the Additional Collector. The matter has been remanded to the Additional Collector for a de novo enquiry.

The matters stated against (g) above, are pending and based on the outcome of the respective petitions, liability may extend to period beyond notice period. The contingent liability in respect of claims is considered as part of Claims against Company not acknowledged as debts.

h) Income Tax Matters

| Particulars | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
|---|--------------------|--------------------|
| Income Tax matter under appeal (Of the above an amounts of Rs. 88,65,792/- (March 31, 2011: Rs.Nil) has already been deposited with Income Tax Department) | 39,896,066 | 39,896,066 |

4.02 CAPITAL AND OTHER COMMITMENTS:

Estimated amount of contracts (including acquisition of intangible assets net of advances) remaining to be executed on capital account and not provided for aggregate to Rs.1,858,829,743 (March 31, 2011: Rs.698,716,613).

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

NOTES TO THE FINANCIAL STATEMENTS

4.03 MATTERS RELATING TO SUBSIDIARIES:

- a) Two wholly owned subsidiaries of the Company viz. Binary Technologies Transfers Pvt. Ltd. or Hathway Internet Satellite Pvt. Ltd. are majority partners in a partnership firm namely M/s. Hathway Space Vision (the firm). The aforesaid majority partners of the firm had initiated legal action against the minority partners viz. Space Vision Cabletel Pvt. Ltd. with reference to some management and operational issues. The minority partners had also filed certain claims against the Company and majority partners. After a long drawn legal battle, the firm stands dissolved under the directions of the Bombay High Court. The Court Receiver, High Court of Bombay has been appointed as the Receiver of the assets and business of the firm and the Company has been appointed as the Agent of the court receiver. The issues concerning accounts and dissolution including adjudicating upon the original claims and counter claims made before the earlier Arbitrator are referred to Arbitration by Justice Srikrishna. The court receiver has taken formal possession of the movable assets of the firm and has appointed a valuer, the report thereof is pending.

The Company, based on legal advice has not made any provision towards claims raised by the minority partner of the firm and such claims are frivolous in nature and are considered as claims against the Company not acknowledged as debt and included in Note No.4.01 (c).

- b) The Company has filed petition to wind up Hathway Jai Mata Di Sherawali Cable & Datacom Private Limited (HJMD), a subsidiary company, on just and equitable ground. The Company has investment of Rs.8,000,000 and receivable of Rs. 7,450,717 from HJMD and the same have been fully provided for. In view of the Management disputes with the Other Shareholders, the Company has decided to take such an action. The Delhi High Court by its order dated May 5, 2010 directed that it is just and equitable that HJMD be wound up. The Official Liquidator, as appointed and directed by the Delhi High Court, has taken charge of HJMD and the process of liquidation is under progress.

- 4.04 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, long-term Loans & Advances, Trade Receivables and Current 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.

4.05 EXCEPTIONAL ITEMS

- a) The Company in its ordinary course of business has promoted / acquired interest in various entities. The Company's exposure to these entities on account of Investments in equity shares and preference shares, on account of amounts advanced as Loans & Advances and Trade Receivables is Rs. 2,820,432,866 (March 31, 2011: Rs. 2,686,763,281), Rs. 954,182,741 (March 31, 2011: Rs. 1,020,556,884) and Rs. 455,415,525 (March 31, 2011: Rs. 490,526,323) respectively. Most of the entities have accumulated losses and negative net worth. The Company's exposure to such loss making entities on account of investments in equity shares and preference shares, on account of amounts advanced as Loans & Advances and Trade Receivables is Rs.898,878,542 (March 31, 2011: Rs. 475,529,504), Rs. 707,281,325 (March 31, 2011: Rs. 726,181,972) and Rs. 283,971,361 (March 31, 2011: Rs. 258,683,331). The Company has made provision on overall basis of Rs. 44,912,654 (March 31, 2011: Rs. 107,631,965), Rs. 631,000,421 (March 31, 2011: Rs. 619,727,136) and Rs.59,039,346 (March 31, 2011: Rs. 62,865,799) against such Investments, Loans and Advances and Trade Receivables respectively.

Considering the long-term involvement of the Company in these entities and strategic impact it has on the business of the Company, the Company has committed to provide financial support to these entities. The provisions made during the year include the amounts advanced during the year.

- b) During the previous year the Company had, in respect of a joint venture viz. Hathway Channel 5 Cable & Datacom Private Limited, filed a complaint against the joint venture partner for committing various criminal offences such as misappropriation of funds, falsification of accounts, fraudulent destruction of security etc. and had made claim of Rs.74,321,905. The matter has since been settled out of court and both the parties have withdrawn their respective cases. The exposure of the Company is Rs. 99,779,696 (March 31, 2011: Rs.104,934,075) against which a provision of Rs. Nil (March 31, 2011: Rs.62,819,311) has been made. On settlement of disputes, the provision made during the previous year has been reversed.
- c) During the year 2009-10, due to certain business exigencies in the state of Tamilnadu, local cable operators and subscribers had migrated to competing Multi System Operator (MSO) and other service providers. As a consequence, the Company relocated part of its assets to other States so as to maximize the economic returns to the Company and is in the process of recovering balance access devices and other assets. However, as a matter of abundant caution, additional provision has been made as an Exceptional Item for Rs. 104,333,070 (March 31, 2011: Rs.56,593,892). The balance WDV of the Distribution Equipments, Access Devices and Other Assets located in the State of Tamil Nadu as on 31st March 2012 is Rs.Nil (March 31, 2011: Rs.6,552,000), Rs. Nil (March 31, 2011: Rs. 112,653,753) and Rs. Nil (March 31, 2011: Rs.1,086,104) respectively.

Also In addition to the above Rs.10,444,370 (March 31, 2011: Rs.Nil) has been written back after netting of expense for loans and advances, deposits and other current assets against current liabilities and deposit received outstanding in the books in the state of Tamilnadu.

- d) Pursuant to the proposed implementation of Digital Addressable System (DAS), the Company has incurred expenditure amounting to Rs.4,040,839 (March 31, 2011: Rs.Nil) towards promotional campaign relating to awareness of DAS for 100% digitalization for all the four metros from November 01, 2012.

NOTES TO THE FINANCIAL STATEMENTS

4.06 OUTSTANDING LETTER OF CREDIT :

Outstanding Letters of Credit Rs.459,212,667 (March 31, 2011: Rs.203,898,846) secured against assets acquired under LC facility, hypothecation of present and future current assets of the Company and extension of pari passu hypothecation of present and future movable fixed assets of the Company.

4.07 EMPLOYEE STOCK OPTION PLAN

The shareholders of the Company have approved Employee Stock Option Plan i.e. HATHWAY ESOP 2007 ("The Plan"). The Plan provides for issue of options (underlying equity share of Rs.10 each) to the persons specified in the scheme at the price determined by the remuneration committee appointed by the Board of Directors. Price determined by the remuneration committee is in the range of Rs.110.20 to Rs.157.30.

The Options granted under the Plan shall vest within not less than one year and not more than five years from the date of grant of options. Under the terms of the Plan, 20% of the options will vest to the employees every year. Once the options vest as per the Plan, they would be exercisable by the Option Grantee at any time within a period of three years from the date of vesting and the shares received on exercise of such options shall not be subject to any lock-in period.

The value of the options granted is determined by the management based on the rates at which shares were allotted to the investors during the relevant year and the same has been considered as fair value of option.

Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense) is as follows:

| Particulars | 31st March 2012 (Rs.) | 31st March 2011 (Rs.) |
|--|--------------------------|--------------------------|
| Total accounting value of Options Outstanding (A) | 4,928,443 | 17,129,765 |
| Deferred Employee Compensation Expense | 29,085,608 | 36,484,048 |
| Less: Amortized | 24,882,613 | 24,157,165 |
| Net Deferred Employee Compensation Expense (B) | 4,202,995 | 12,326,883 |
| Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense) (A – B) | 725,448 | 4,802,882 |

The following table summarizes the Company's Stock Options activity:

Shares Underlying Options Outstanding

| Sr. No. | | Particulars | 31st March 2012 (Rs.) | | 31st March 2011 (Rs.) | |
|---------|---|---|--------------------------|---------------------------------------|--------------------------|---------------------------------------|
| | | | No. of Shares | Weighted Average Exercise Price (Rs.) | No. of Shares | Weighted Average Exercise Price (Rs.) |
| A | a | Outstanding at the beginning of the year | 769,999 | 117.33 | 879,499 | 116.97 |
| | b | Granted during the year | Nil | Nil | Nil | Nil |
| | c | Forfeited/ Cancelled during the year | 13,500 | 110.20 | 109,500 | 110.20 |
| | d | Exercised during the year | Nil | Nil | Nil | Nil |
| | e | Expired during the year – I | 127,200 | 110.20 | Nil | Nil |
| | f | Expired during the year – II | 9,100 | 157.30 | Nil | Nil |
| B | | Outstanding at the end of the year | 620,199 | 118.36 | 769,999 | 117.33 |
| C | | Exercisable at the end of the year | 491,159 | 118.15 | 456,999 | 117.09 |
| D | | Method of Settlement | Equity | Equity | Equity | Equity |
| E | | Weighted average remaining contractual life (in months) | 8.56 | | 19.89 | |
| F | | Weighted average Fair Value of Option granted during the year | | Nil | | Nil |

NOTES TO THE FINANCIAL STATEMENTS

4.08 PRIOR PERIOD ITEMS

Detail of Prior Period Income and Expenses is as under:

| Particulars | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
|---|---------------------|---------------------|
| Income of earlier years credited to Statement of Profit and Loss | 1,665,110 | 4,729,915 |
| Expenses of earlier years reversed and credited to Statement of Profit and Loss | 2,236,730 | 3,367,986 |
| TOTAL CREDIT (A) | 3,901,840 | 8,097,901 |
| Income of earlier years reversed and debited to Statement of Profit and Loss | 2,286,323 | 327,281 |
| Expenses of earlier years debited to Statement of Profit and Loss | 12,736,824 | 29,250,238 |
| TOTAL DEBIT (B) | 15,023,147 | 29,577,519 |
| Net (Debit) / Credit to Statement of Profit and Loss (A-B) | (11,121,307) | (21,479,618) |

4.09 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.

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 | March 31, 2012 [Gratuity (Rs.)] | March 31, 2011 [Gratuity (Rs.)] |
|----------|--|------------------------------------|-------------------------------------|
| 1 | Change in benefit obligations: | | |
| | Projected benefit obligations at beginning of the year | 25,332,917 | 13,098,219 |
| | Current Service Cost | 5,023,215 | 12,894,806 |
| | Interest Cost | 1,942,033 | 913,388 |
| | Benefits Paid | (2,416,558) | (2,638,379) |
| | Actuarial Gain / (Loss) | (335,250) | 1,064,883 |
| | Projected benefit obligations at end of the year | 29,546,357 | 25,332,917 |
| 2 | Change in plan assets: | | |
| | Plan assets at the beginning of the year | 21,918,913 | 14,675,293 |
| | Expected return on plan assets | 2,105,209 | 1,415,665 |
| | Actuarial Gain / (Loss) | (1,190,810) | (127,462) |
| | Contributions | 4,594,230 | 8,593,796 |
| | Benefits Paid | (2,416,558) | (2,638,379) |
| | Plan assets at the end of the year | 25,010,984 | 21,918,913 |
| 3 | Reconciliation of present value of the obligation and the fair value of plan assets | | |
| | Fair Value of plan assets at the end of the year | 25,010,984 | 21,918,913 |
| | Present value of the defined benefit obligations at the end of the year | 29,546,357 | 25,332,917 |
| | Liability / (Asset) recognized in the Balance Sheet | 4,535,373 | 3,414,004 |
| 4 | Cost for the year | | |
| | Current Service Cost | 5,023,215 | 12,652,871 |
| | Interest Cost | 1,942,033 | 913,388 |
| | Expected return on plan assets | (2,105,209) | (1,415,665) |
| | Actuarial Gain / (Loss) | 855,560 | 1,192,345 |
| | Net Cost recognized in the Statement of Profit and Loss | 5,715,599 | 13,342,939 |
| 5 | Assumptions | | |
| | Interest rate for discount | 8.50% | 8.05% |
| | Estimated rate of return on plan assets | 8.05-9.15% | 8.05-9.15% |
| | Mortality | LIC (94-96) Mortality Table | LIC (94-96) Mortality Table |
| | Salary Escalation | 8.00% | 10% For 1 year and 7% thereafter |

NOTES TO THE FINANCIAL STATEMENTS

b) Defined Contribution Plans:

“Contribution to provident and other funds” is recognized as an expense in Schedule L of the Statement of Profit and Loss

4.10 SEGMENTAL REPORTING

The Company is a Multi System Operator providing Cable Television Network Services, Internet Services and allied services which is considered as the only reportable segment. The Company's operations are based in India.

4.11 RELATED PARTY DISCLOSURES

Particulars of Related Parties

Names of related parties and related party relationship where control exist

A. Under Control of the Company

| | | |
|---|----------------------------|--|
| 1 | Wholly Owned Subsidiaries: | Bee Network & Communication Pvt. Ltd. |
| | | Binary Technology Transfers Pvt. Ltd. |
| | | Hathway C-Net Pvt. Ltd. |
| | | Hathway Enjoy Cable Network Pvt. Ltd. |
| | | Hathway Gwalior Cable & Datacom Pvt. Ltd. |
| | | Hathway Internet Satellite Pvt. Ltd. |
| | | Hathway JMD Farukhabad Cable Network Pvt Ltd. |
| | | Hathway Media Vision Pvt. Ltd. |
| | | Hathway Space Vision Cabletel Pvt. Ltd. |
| | | Hathway United Cables Pvt. Ltd. |
| | | Hathway Universal Cabletel & Datacom Pvt Ltd. |
| | | Ideal Cables Pvt. Ltd. |
| | | ITV Interactive Media Pvt. Ltd. |
| | | Liberty Media Vision Pvt. Ltd. |
| | | Vision India Networks Pvt. Ltd. |
| | | Win Cable and Datacom Pvt. Ltd. |
| 2 | Other – Subsidiaries | Chennai Cable Vision Network Pvt. Ltd. |
| | | Channels India Network Pvt. Ltd |
| | | Elite Cable Network Pvt. Ltd. |
| | | Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. |
| | | Hathway ICE Television Pvt. Ltd. |
| | | Hathway Sonali Om Crystal Cable Pvt. Ltd. |
| | | Hathway MCN Pvt. Ltd. |
| | | Hathway Nashik Cable Network Pvt. Ltd. |
| | | Hathway Krishna Cables Pvt. Ltd. |
| | | Hathway Rajesh Multi channel Pvt. Ltd. |
| | | Hathway Software Developers Pvt. Ltd |
| | | UTN Cable Communications Pvt. Ltd. |
| | | Gujarat Telelink Pvt. Ltd. |
| | | Hathway Bhaskar Multinet Pvt. Ltd. |
| | | Hathway Latur MCN Cable & Datacom Pvt. Ltd. |
| | | Hathway Channel 5 Cable & Datacom Pvt. Ltd. |
| | | Hathway Mysore Cable Network Pvt. Ltd. |
| | | Hathway Prime Cable & Datacom Pvt Ltd |
| | | Hathway Mantra Cable & Datacom Pvt. Ltd. |
| | | Hathway Jai Mata Di Sherawali Cable & Datacom Pvt Ltd. |
| | | Hathway Sai Star Cable & Datacom Pvt. Ltd. |
| | | Hathway New Concept Cable & Datacom Pvt. Ltd. |
| | | Hathway Palampur Cable Network Pvt. Ltd. |
| | | Hathway Cable MCN Nanded Pvt. Ltd. |
| | | Net 9 Online Hathway Pvt. Ltd. |

NOTES TO THE FINANCIAL STATEMENTS

| | | |
|--|--|---|
| | | Hathway Bhawani Cabletel and Datacom Ltd.* |
| | | Hathway Dattatray Cable Network Pvt. Ltd. |
| | | Hathway Bhaskar CCN Multinet Pvt. Ltd. |
| | | CCN Entertainment India Pvt. Ltd. |
| | | Chhattisgarh Broadband Network Pvt Ltd. |
| | | Hathway Kokan Crystal Cable Network Pvt. Ltd. |

B. Related party with whom transaction has taken place :

| | | |
|---|--------------------------|---|
| 1 | Joint Ventures | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. |
| 2 | Associate Company | Pan Cable Services Pvt. Ltd. |
| | | Hathway VCN Cabletel Pvt. Ltd. |
| 3 | Others | Hathway Space Vision |
| | | Hathway Cable Entertainment Pvt. Ltd. |
| | | Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd. |
| 4 | Key Managerial Personnel | K Jayaraman-Managing Director (Refer Note No: 4.20) |

The transactions with related parties and the closing balances due to/from parties are as follows. The previous year figures are mentioned in brackets:

In Addition to aforementioned transactions, the Company has given Corporate Guarantees of Rs.853,000,000 (March 31, 2011: Rs.719,250,000) on behalf of Gujarat Telelink Private Limited, Rs.100,000,000 (March 31, 2011: Rs.Nil) on behalf of Hathway Bhaskar Multinet Pvt. Ltd., Rs. 9,500,000 (March 31, 2011: Rs.22,895,000) on behalf of Hathway MCN Private Limited and given counter indemnity favouring the Bankers towards Bank Guarantees issued on behalf of Hathway MCN Private Limited and Hathway Media Vision Private Limited of Rs. Nil (March 31, 2011: Rs. 2,500,000) and Rs.Nil (March 31, 2011: Rs. 200,000) respectively included in. Also for Letter of Credit facility availed by Gujarat Telelink Private Limited.

Details of debits / credits which are purely in the nature of reimbursements are not included in above.

| Related Party | Year | Income | | | | Expenses | | | | | | Purchase | Sale | |
|---|---------|---------------------|--------------------|---------------------------|-----------------------------|--------------------------|-------------------|--------------|----------------|-----------------|-------------------------|----------|-------------|------------------|
| | | Subscription Income | Consultancy Income | Interest - Cable Ventures | Rental Income on Equipments | Other Operational Income | Distribution Cost | Feed charges | Other Expenses | Service Charges | Managerial Remuneration | | | Interest on Loan |
| Gujarat Telelink Pvt. Ltd. | 2011-12 | 2,207,972 | Nil | 7,426,849 | 16,900,365 | 370,290 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (2,953,722) | (15,000,000) | Nil | (16,951,824) | (20,000,000) | (9,999,993) | Nil | Nil | Nil | Nil | Nil | (5,158,661) | Nil |
| Hathway Bhaskar CBN Multinet Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 10,941,998 | Nil | Nil | Nil | Nil | Nil | Nil | (2,863,158) |
| | 2010-11 | (73,500) | Nil | Nil | Nil | Nil | (6,879,781) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Bhaskar CCN Entertainment (India) Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 17,171,658 | Nil | Nil | Nil | Nil | Nil | Nil | (2,403,509) |
| | 2010-11 | (73,500) | Nil | Nil | Nil | Nil | (8,987,740) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Bhaskar CCN Multinet Private Limited | 2011-12 | Nil | Nil | Nil | Nil | Nil | 13,041,814 | Nil | Nil | Nil | Nil | Nil | Nil | (1,635,088) |
| | 2010-11 | (73,500) | Nil | Nil | Nil | Nil | (7,070,082) | Nil | Nil | Nil | Nil | Nil | Nil | (452,117) |
| Hathway Bhaskar Multinet Pvt Ltd | 2011-12 | 10,749,459 | Nil | Nil | 4,920,866 | 7,606,200 | 33,735,379 | 604,526 | Nil | Nil | Nil | Nil | Nil | 55,780,998 |
| | 2010-11 | (3,260,600) | Nil | Nil | (5,260,236) | (7,240,838) | (77,389,203) | Nil | Nil | Nil | Nil | Nil | 694,232 | (122,138) |
| Hathway Bhawani Cabletel & Datacom Ltd. | 2011-12 | 11,809,503 | Nil | Nil | 396,704 | Nil | 12,421,229 | Nil | Nil | Nil | Nil | Nil | (299,742) | 2,780,000 |
| | 2010-11 | (8,782,434) | Nil | Nil | (178,517) | Nil | (9,978,766) | Nil | Nil | Nil | Nil | Nil | (299,742) | (4,693,333) |
| Hathway Cable MCN Nanded Pvt Ltd | 2011-12 | Nil | Nil | Nil | Nil | Nil | 2,844,173 | 187,670 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (2,194,285) | (206,709) | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Channel 5 Cable & Datacom Pvt Ltd. | 2011-12 | 4,900,000 | Nil | Nil | Nil | 84,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 143,629 |
| | 2010-11 | (6,242,514) | Nil | Nil | Nil | Nil | (1,626,917) | Nil | (119,674) | Nil | Nil | Nil | Nil | Nil |
| Hathway Digital Saharanpur Cable & Datacom Pvt Ltd | 2011-12 | Nil | 3,900,000 | Nil | Nil | Nil | 14,903,794 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (52,500) | Nil | Nil | Nil | Nil | (13,596,671) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Gwallor Cable & Datacom Pvt Ltd | 2011-12 | Nil | 1,800,000 | Nil | Nil | Nil | 4,112,480 | Nil | Nil | Nil | Nil | Nil | Nil | 62,662 |
| | 2010-11 | (82,950) | (1,800,000) | Nil | Nil | Nil | (5,277,863) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Ice Television Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | 2,100,000 | 17,883,620 | Nil | Nil | Nil | Nil | Nil | Nil | 601,654 |
| | 2010-11 | (189,000) | Nil | Nil | Nil | Nil | (5,400,230) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Konkani Crystal Cable Network Pvt Ltd | 2011-12 | Nil | 1,208,824 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (201,471) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Krishna Cable Pvt Ltd | 2011-12 | 13,081,165 | Nil | Nil | Nil | Nil | 9,881,410 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (6,094,419) | Nil | Nil | Nil | Nil | (7,794,225) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Latur MCN Cable & Datacom Pvt Ltd | 2011-12 | Nil | Nil | Nil | Nil | Nil | 2,108,167 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (1,991,665) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway MCN Pvt Ltd | 2011-12 | Nil | 8,950,000 | Nil | Nil | Nil | 25,462,633 | 22,186,729 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (10,571,334) | Nil | Nil | Nil | (19,237,068) | (22,939,500) | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Media Vision Pvt Ltd | 2011-12 | 49,118,528 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 112,118,031 | Nil | Nil | Nil | Nil |
| | 2010-11 | (29,648,137) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | (110,656,687) | Nil | Nil | Nil | Nil |

| Related Party | Year | Income | | | | Expenses | | | | | | Purchase | Sale | |
|--|---------|---------------------|--------------------|---------------------------|-----------------------------|--------------------------|-------------------|--------------|----------------|-----------------|--------------------------|-------------|------|------------------|
| | | Subscription Income | Consultancy Income | Interest - Cable Ventures | Rental Income on Equipments | Other Operational Income | Distribution Cost | Feed charges | Other Expenses | Service Charges | Managerial Re-muneration | | | Interest on Loan |
| Hathway Mysore Cable Network Pvt Ltd | 2011-12 | Nil | Nil | Nil | Nil | Nil | 6,684,081 | 1,578,396 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (6,202,432) | (1,349,058) | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway New Concept Cable & Datacom Pvt Ltd | 2011-12 | 29,669,038 | Nil | Nil | Nil | 2,400,000 | 5,780,270 | Nil | 49,864 | Nil | Nil | Nil | Nil | 16,494,656 |
| | 2010-11 | (29,223,430) | Nil | Nil | Nil | (2,400,000) | (7,109,632) | Nil | (548,504) | Nil | Nil | Nil | Nil | (333,703) |
| Hathway Palampur Cable Network Pvt Ltd | 2011-12 | 220,000 | 1,008,299 | Nil | Nil | Nil | 2,153,310 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (26,250) | (1,020,000) | Nil | Nil | Nil | (1,998,324) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Prime Cable & Datacom Pvt Ltd | 2011-12 | Nil | 540,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (540,000) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Rajesh Multi Channel Pvt Ltd | 2011-12 | 515,558 | 9,511,111 | Nil | Nil | Nil | 15,905,450 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (290,000) | (13,688,000) | Nil | Nil | Nil | (11,061,453) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Sai Star Cable & Datacom Pvt Ltd | 2011-12 | Nil | 30,940,000 | Nil | Nil | Nil | 21,080,550 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (48,440,000) | Nil | Nil | Nil | (17,513,884) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway software Pvt. Ltd | 2011-12 | Nil | Nil | Nil | Nil | Nil | 14,131,533 | 7,210,622 | 384,000 | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | (577,800) | Nil | Nil | (11,208,197) | (7,210,623) | (234,584) | Nil | Nil | Nil | Nil | Nil |
| Hathway Sonali Om Crystal Cable Pvt Ltd | 2011-12 | 1,938,364 | 18,836,091 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (26,893,740) | Nil | Nil | Nil | Nil | (1,897,567) | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Sukhamit Cable & Datacom Pvt Ltd | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | (2,582,985) |
| | 2010-11 | Nil | (30,000,000) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | (2,582,985) |
| Hathway United Cables Private Limited | 2011-12 | 8,574,484 | Nil | Nil | Nil | 1,103,351 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (600,000) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Vcn Cablenet P Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 629,935 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (1,520,831) | Nil | Nil | Nil | Nil | (1,520,834) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Ideal Cables Private Limited | 2011-12 | 2,178,377 | Nil | Nil | Nil | Nil | 1,492,044 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (27,951,431) | Nil | Nil | Nil | Nil | (19,339,840) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Liberty Media Vision Pvt Ltd | 2011-12 | 838,027 | Nil | Nil | Nil | Nil | Nil | Nil | 85,435 | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (716,015) | Nil | Nil | Nil | Nil | Nil | Nil | (71,524) | Nil | Nil | Nil | Nil | Nil |
| Net 9 Online Pvt Ltd | 2011-12 | 2,111,286 | 3,060,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (1,460,647) | (2,475,000) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| UTN Cable Communication P.Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 17,697,237 | 6,567,396 | Nil | Nil | 606,659 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (13,856,774) | (6,567,396) | (605,000) | Nil | Nil | Nil | Nil | Nil |
| Globus Stores Outlook Publishing (India) Pvt Ltd | 2011-12 | 834,166 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 500,000 | Nil | Nil | Nil | Nil | Nil |
| K. Jayaraman* | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | | | | | | | | | | 14,010,487 | (9,804,868) | | |

*The above figures do not include provision for gratuity and leave encashment payable to the managing director as the same is determined based on actuarial valuation for the company as a whole.

| Related Party | Year | Investments | Provision on Investment | Loans and Advances | Provision against Loans and Advances | Trade Receivables | Provision against Trade Receivables | Current Liabilities | Provision against current liabilities |
|---|---------|-----------------|-------------------------|--------------------|--------------------------------------|-------------------|-------------------------------------|---------------------|---------------------------------------|
| Bee Network & Communications Pvt. Ltd. | 2011-12 | 3,999,140 | 3,999,140 | 3,694,558 | 3,694,558 | 9,734,872 | 9,734,872 | Nil | Nil |
| Pvt. Ltd. | 2010-11 | (3,999,140) | (3,999,140) | (3,694,558) | (3,694,558) | (9,734,872) | (9,734,872) | Nil | Nil |
| Binary Technology Transfers Pvt. Ltd. | 2011-12 | 100,000 | 100,000 | 15,909,137 | 15,909,137 | Nil | Nil | Nil | Nil |
| | 2010-11 | (100,000) | (100,000) | (15,909,137) | (15,909,137) | Nil | Nil | Nil | Nil |
| Channels India Network Pvt. Ltd. | 2011-12 | 10,855,000 | 10,855,000 | 64,205 | 64,205 | 13,269,084 | 13,269,084 | Nil | Nil |
| | 2010-11 | (10,855,000) | (10,855,000) | (64,205) | (64,205) | (13,269,084) | (13,269,084) | Nil | Nil |
| Chennai Cable Vision Network Pvt. Ltd. | 2011-12 | 5,634,482 | 5,634,482 | 19,718,767 | 19,718,767 | Nil | Nil | Nil | Nil |
| | 2010-11 | (5,634,482) | (5,634,482) | (19,718,767) | (19,718,767) | Nil | Nil | Nil | Nil |
| Elite Cable Network Pvt. Ltd. | 2011-12 | 480,000 | 480,000 | 195,728 | 195,728 | Nil | Nil | Nil | Nil |
| | 2010-11 | (480,000) | (480,000) | (195,728) | (195,728) | Nil | Nil | Nil | Nil |
| Gujarat Telelink Pvt. Ltd. | 2011-12 | 1,340,721,167 | Nil | 226,665,383 | Nil | 80,671,773 | Nil | Nil | Nil |
| | 2010-11 | (1,250,721,167) | Nil | (256,665,383) | Nil | (97,051,336) | Nil | (2,702,349) | Nil |
| Hathway Bhaskar CBN Multinet Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | 3,264,000 | Nil | 5,469,105 | Nil |
| | 2010-11 | Nil | Nil | (5,664) | Nil | Nil | Nil | (3,878,944) | Nil |
| Hathway Bhaskar CCN Entertainment (India) Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | 2,740,000 | Nil | 9,775,004 | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (6,046,624) | Nil |
| Hathway Bhaskar CCN Multinet Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | 20,283,783 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | (1,257,101) | Nil | (28,371,454) | Nil | (2,697,458) | Nil |
| Hathway Bhaskar Multinet Pvt. Ltd. | 2011-12 | 391,211,739 | Nil | 8,330,076 | Nil | 79,623,012 | Nil | 71,614,133 | Nil |
| | 2010-11 | (391,211,739) | Nil | (8,330,076) | Nil | (13,303,717) | Nil | (6,124,710) | Nil |
| Hathway Bhawani Cabletel & Datacom Ltd. | 2011-12 | 22,800,000 | Nil | Nil | Nil | 368,377 | Nil | Nil | Nil |
| | 2010-11 | (22,800,000) | Nil | Nil | Nil | (15,910,561) | Nil | (8,359,199) | Nil |
| Hathway C Net Pvt. Ltd. | 2011-12 | 5,985,000 | 5,985,000 | 4,463,282 | 4,463,282 | Nil | Nil | Nil | Nil |
| | 2010-11 | (5,985,000) | (5,985,000) | (4,463,282) | (4,463,282) | Nil | Nil | Nil | Nil |
| Hathway Cable MCN Nanded Pvt. Ltd. | 2011-12 | 13,057,170 | Nil | 2,134,060 | Nil | Nil | Nil | 10,145 | Nil |
| | 2010-11 | (4,919,870) | Nil | (5,287,048) | Nil | (4,702,066) | Nil | Nil | Nil |
| Hathway Channel 5 Cable & Datacom Pvt. Ltd. | 2011-12 | 62,819,311 | Nil | Nil | Nil | 36,960,385 | Nil | Nil | Nil |
| | 2010-11 | (62,819,311) | (62,819,311) | Nil | Nil | (44,568,043) | Nil | (2,453,279) | Nil |
| Hathway Datatray Cable Network Pvt. Ltd. | 2011-12 | 40,522,500 | Nil | 4,743,729 | Nil | 189,610 | Nil | Nil | Nil |
| | 2010-11 | (40,522,500) | Nil | (4,743,729) | Nil | Nil | Nil | Nil | Nil |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | 2011-12 | 6,555,569 | Nil | 3,742,629 | Nil | 3,871,530 | Nil | Nil | Nil |
| | 2010-11 | (6,655,069) | Nil | (8,748,644) | Nil | Nil | Nil | (4,740,788) | Nil |
| Hathway Enjoy Cable Network Pvt. Ltd. | 2011-12 | 100,000 | Nil | 43,528 | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | (100,000) | Nil | (43,528) | Nil | Nil | Nil | Nil | Nil |
| Hathway Gwalior Cable & Datacom Pvt. Ltd. | 2011-12 | 100,000 | Nil | 5,181,036 | 5,181,036 | 876,258 | 876,258 | Nil | Nil |
| | 2010-11 | (100,000) | Nil | (10,694,579) | Nil | (6,096,694) | Nil | (1,621,411) | Nil |
| Hathway Ice Television Pvt. Ltd. | 2011-12 | 4,080,000 | Nil | 7,763,079 | Nil | Nil | Nil | 9,418,967 | Nil |
| | 2010-11 | (4,080,000) | Nil | (7,763,079) | Nil | Nil | Nil | (2,609,011) | Nil |
| Hathway Internet Satellite Pvt. Ltd. | 2011-12 | 100,000 | 100,000 | 15,915,359 | 15,915,359 | Nil | Nil | Nil | Nil |
| | 2010-11 | (100,000) | (100,000) | (15,915,359) | (15,915,359) | Nil | Nil | Nil | Nil |
| Hathway Jai Mata Di Balaji Cable Network | 2011-12 | Nil | Nil | 1,630,366 | 1,630,366 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | (1,630,366) | (1,630,366) | Nil | Nil | Nil | Nil |
| Hathway Jai Mata Di Sherawali Cable Network Pvt. Ltd. | 2011-12 | 8,000,000 | 8,000,000 | 5,421,482 | 5,421,482 | 7,450,717 | 7,450,717 | Nil | Nil |
| | 2010-11 | (8,000,000) | (8,000,000) | (5,421,482) | (5,421,482) | (7,450,717) | (7,450,717) | Nil | Nil |
| Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd. | 2011-12 | 2,206,295 | 2,206,295 | 1,109,559 | 1,109,559 | Nil | Nil | Nil | Nil |
| | 2010-11 | (2,206,295) | (2,206,295) | (1,109,559) | (1,109,559) | Nil | Nil | Nil | Nil |
| Hathway JMD Farukabad Cable Network Pvt. Ltd. | 2011-12 | 100,000 | Nil | 11,233 | Nil | 10,309 | Nil | Nil | Nil |
| | 2010-11 | (100,000) | Nil | (11,233) | Nil | Nil | Nil | Nil | Nil |
| Hathway Kokan Crystal Cable Network Pvt. Ltd. | 2011-12 | 22,950,000 | Nil | 70,349 | Nil | 264,785 | Nil | Nil | Nil |
| | 2010-11 | (22,950,000) | Nil | (70,349) | Nil | Nil | Nil | Nil | Nil |
| Hathway Krishna Cable Pvt. Ltd. | 2011-12 | 48,600,000 | Nil | 1,587,532 | Nil | 43,525,710 | Nil | Nil | Nil |
| | 2010-11 | (48,600,000) | Nil | (26,005,688) | Nil | (18,769,335) | Nil | (980,891) | Nil |
| Hathway Latur MCN Cable & Datacom Pvt. Ltd. | 2011-12 | 9,180,560 | Nil | 1,696,999 | Nil | 1,232,510 | Nil | Nil | Nil |
| | 2010-11 | (9,180,560) | Nil | (2,274,991) | Nil | (1,290,510) | Nil | (63,198) | Nil |

| Related Party | Year | Investments | Provision on Investment | Loans and Advances | Provision against Loans and Advances | Trade Receivables | Provision against Trade Receivables | Current Liabilities | Provision against current liabilities |
|--|---------|---------------|-------------------------|--------------------|--------------------------------------|-------------------|-------------------------------------|---------------------|---------------------------------------|
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 2011-12 | 98,000 | Nil | 30,321 | Nil | Nil | Nil | Nil | Nil |
| Hathway MCN Pvt. Ltd. | 2010-11 | (98,000) | Nil | (30,321) | Nil | Nil | Nil | Nil | Nil |
| | 2011-12 | 64,800,000 | Nil | 823,331 | Nil | 4,696,161 | Nil | Nil | Nil |
| | 2010-11 | (40,800,000) | Nil | (823,331) | Nil | (26,382,989) | Nil | Nil | Nil |
| Hathway Media Vision Pvt. Ltd. | 2011-12 | 59,231,098 | Nil | 21,117,820 | Nil | Nil | Nil | 10,393,367 | Nil |
| | 2010-11 | (59,231,098) | Nil | (21,117,820) | Nil | Nil | Nil | (15,211,650) | Nil |
| Hathway Mysore Cable Network Pvt. Ltd. | 2011-12 | 2,921,000 | Nil | 5,534,498 | Nil | 262,260 | Nil | Nil | Nil |
| | 2010-11 | (2,921,000) | Nil | (5,534,498) | Nil | Nil | Nil | (410,231) | Nil |
| Hathway Nashik Cable Network Pvt. Ltd. | 2011-12 | 4,503,000 | 4,503,000 | 104,087,351 | 104,087,351 | Nil | Nil | Nil | Nil |
| | 2010-11 | (4,503,000) | (4,503,000) | (104,087,351) | (104,087,351) | Nil | Nil | Nil | Nil |
| Hathway New Concept Cable & Datacom Pvt. Ltd. | 2011-12 | 71,400,002 | Nil | 438,551 | Nil | 36,306,878 | Nil | Nil | Nil |
| | 2010-11 | (71,400,002) | Nil | (438,551) | Nil | (30,103,721) | Nil | (4,828,169) | Nil |
| Hathway Prime Cable & Datacom Pvt. Ltd. | 2011-12 | 2,295,000 | Nil | 212,569 | Nil | 2,063,352 | Nil | Nil | Nil |
| | 2010-11 | (2,295,000) | Nil | (212,569) | Nil | (1,527,343) | Nil | Nil | Nil |
| Hathway Rajesh Multi Channel Pvt. Ltd. | 2011-12 | 74,364,130 | Nil | Nil | Nil | 9,832,067 | Nil | Nil | Nil |
| | 2010-11 | (62,831,844) | Nil | (2,606,196) | Nil | (25,687,679) | Nil | (6,457,309) | Nil |
| Hathway Sai Star Cable & Datacom Pvt. Ltd. | 2011-12 | 270,914,254 | Nil | Nil | Nil | 19,137,929 | Nil | Nil | Nil |
| | 2010-11 | (270,914,254) | Nil | Nil | Nil | (34,524,475) | Nil | (13,209,575) | Nil |
| Hathway Software Developers Pvt. Ltd. | 2011-12 | 1,950,000 | Nil | Nil | Nil | Nil | Nil | 2,160,498 | Nil |
| | 2010-11 | (1,950,000) | Nil | (400,300) | Nil | (1,480,645) | Nil | (1,351,628) | Nil |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | 2011-12 | 163,608,000 | Nil | 1,127,235 | Nil | 3,635,464 | Nil | Nil | Nil |
| | 2010-11 | (163,608,000) | Nil | (1,127,235) | Nil | (12,653,799) | Nil | (174,605) | Nil |
| Hathway Space Vision (Firm) | 2011-12 | Nil | Nil | 169,945,473 | 169,945,473 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | (163,385,413) | (163,385,413) | Nil | Nil | Nil | Nil |
| Hathway Space Vision Cabletel Pvt. Ltd. | 2011-12 | 100,200 | 100,200 | 10,418,080 | 10,418,080 | Nil | Nil | Nil | Nil |
| | 2010-11 | (100,200) | (100,200) | (10,418,080) | (10,418,080) | Nil | Nil | Nil | Nil |
| Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 2011-12 | 40,200,839 | Nil | 2,192,845 | Nil | 42,133,426 | Nil | Nil | Nil |
| | 2010-11 | (41,021,784) | Nil | (2,192,845) | Nil | (45,173,507) | Nil | (134,225) | Nil |
| Hathway United Cables Network Pvt. Ltd. | 2011-12 | 100,000 | 100,000 | Nil | Nil | 1,551,008 | 1,551,008 | Nil | Nil |
| | 2010-11 | (100,000) | (100,000) | Nil | Nil | (5,806,160) | Nil | (2,482,310) | Nil |
| Hathway Universal Cabletel & Datacom Pvt. Ltd. | 2011-12 | 100,000 | 100,000 | 230,744 | 230,744 | Nil | Nil | Nil | Nil |
| | 2010-11 | (100,000) | (100,000) | (230,744) | (230,744) | Nil | Nil | Nil | Nil |
| Hathway VCN Cablenet Pvt. Ltd. | 2011-12 | 1,006,132 | 1,006,132 | 55,140,654 | 55,140,654 | Nil | Nil | Nil | Nil |
| | 2010-11 | (1,006,132) | (1,006,132) | (55,140,653) | (55,140,653) | Nil | Nil | Nil | Nil |
| Ideal Cables Pvt. Ltd. | 2011-12 | 22,210,200 | 2,210,200 | 4,388,902 | 3,263,226 | 3,729,109 | 3,729,109 | Nil | Nil |
| | 2010-11 | (22,210,200) | (2,210,200) | (4,388,902) | (3,263,226) | (17,496,945) | (10,748,103) | (8,055,224) | Nil |
| ITV Interactive Media Pvt. Ltd. | 2011-12 | 100,000 | 100,000 | 4,503,940 | 5,229,933 | Nil | Nil | Nil | Nil |
| | 2010-11 | (100,000) | (100,000) | (5,229,933) | (5,229,933) | Nil | Nil | Nil | Nil |
| K. Jayaraman | 2011-12 | Nil | Nil | 2,767,912 | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | (2,767,912) | Nil | Nil | Nil | Nil | Nil |
| Liberty Media Vision Pvt. Ltd. | 2011-12 | 100,000 | 100,000 | 12,743,309 | 12,743,309 | 11,407,058 | 11,407,058 | Nil | Nil |
| | 2010-11 | (100,000) | (100,000) | (12,743,309) | (12,743,309) | (10,615,069) | (10,641,783) | Nil | Nil |
| Net 9 Online Hathway Pvt. Ltd. | 2011-12 | 20,050,000 | Nil | 2,017,642 | Nil | 2,038,078 | Nil | Nil | Nil |
| | 2010-11 | (20,050,000) | Nil | (2,017,642) | Nil | (1,998,922) | Nil | Nil | Nil |
| Palampur City Cable Network Pvt. Ltd. | 2011-12 | 6,760,000 | Nil | Nil | Nil | 1,815,220 | Nil | Nil | Nil |
| | 2010-11 | (6,760,000) | Nil | Nil | Nil | (156,654) | Nil | (292,674) | Nil |
| Pan Cable Services Pvt. Ltd. | 2011-12 | 100 | 100 | 5,877,927 | 5,877,927 | Nil | Nil | Nil | Nil |
| | 2010-11 | (100) | (100) | (5,877,927) | (5,877,927) | Nil | Nil | Nil | Nil |
| R & S Business Centre | 2011-12 | Nil | Nil | 200,000 | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | (200,000) | Nil | Nil | Nil | Nil | Nil |
| UTN Cable Communications Pvt. Ltd. | 2011-12 | 2,632,440 | Nil | 11,110,911 | Nil | Nil | Nil | 8,666,153 | Nil |
| | 2010-11 | (2,632,440) | Nil | (11,110,911) | Nil | (3,929,209) | Nil | (10,830,509) | Nil |
| Vision India Network Pvt. Ltd. | 2011-12 | 7,439,500 | 7,439,500 | 2,183,170 | 2,183,170 | 18,471,957 | 18,471,957 | Nil | Nil |
| | 2010-11 | (7,439,500) | (7,439,500) | (2,183,170) | (2,183,170) | (18,471,957) | (18,471,957) | Nil | Nil |
| Win Cable & Datacom Pvt. Ltd. | 2011-12 | 2,000,000 | 2,000,000 | 202,616,411 | 202,616,411 | Nil | Nil | Nil | Nil |
| | 2010-11 | (2,000,000) | (2,000,000) | (200,116,165) | (200,116,165) | Nil | Nil | Nil | Nil |

| Name of Related Party | Year | Provision Against Investments made during the year | Provision Against Advances made during the year | Provision Against Trade Receivables made during the year | Provision against advances written back during the year | Investment Written off during the year | Net Advances made during the year | Net advances recovered during the year | Share Application Money given during the year | Investment made during the year | Investment Sold during the year |
|--|---------|--|---|--|---|--|-----------------------------------|--|---|---------------------------------|---------------------------------|
| Bee Network & Communications Pvt. Ltd Binary Technology Transfers Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (4,500) | Nil | Nil | Nil | (4,500) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (45,907) | Nil | Nil | Nil | (16,336) | Nil | Nil | Nil | Nil |
| Channels India Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (5,400) | Nil | Nil | Nil | (5,400) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (37,843) | Nil | Nil | Nil | (36,540) | Nil | Nil | Nil | Nil |
| Chennai Cable Vision Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (10,500) | Nil | Nil | Nil | (10,500) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 43,677,214 | (90,000,000) | 90,000,000 | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (5,714,402) | (90,000,000) | Nil | Nil |
| Hathway Bhaskar CBN Multinet Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 1,673,839 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (5,562) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 988,380 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Bhaskar CCN Entertainment (India) Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 6,647,313 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (1,178,539) | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | 829,872 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (6,531,560) | Nil | Nil | Nil | Nil |
| Hathway Bhawani Cabletel & Datacom Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 7,182,985 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (12,434) | Nil | Nil | Nil | (12,434) | Nil | Nil | Nil | Nil |
| Hathway Cable MCN Nanded Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 7,865,219 | Nil | 8,137,300 | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (3,044,638) | Nil | Nil | Nil | Nil |
| | 2011-12 | (62,819,311) | Nil | Nil | Nil | Nil | Nil | 5,154,379 | Nil | Nil | Nil |
| | 2010-11 | (62,819,311) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Channel 5 Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 189,610 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (659,826) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | 3,606,303 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (4,041,972) | Nil | Nil | (6,502,500) | Nil |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (21,448) | Nil | Nil | Nil |
| | 2011-12 | 100,000 | 5,181,036 | 876,258 | Nil | Nil | Nil | 9,112,568 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (4,259,242) | Nil | Nil | Nil | Nil |
| Hathway Ice Television Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 6,809,956 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (2,138,670) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (122,136) | Nil | Nil | Nil | (122,136) | Nil | Nil | Nil | Nil |

| Name of Related Party | Year | Provision Against Investments made during the year | Provision Against Advances made during the year | Provision Against Trade Receivables made during the year | Provision against advances written back during the year | Investment Written off during the year | Net Advances made during the year | Net advances recovered during the year | Share Application Money given during the year | Investment made during the year | Investment Sold during the year |
|---|---------|--|---|--|---|--|-----------------------------------|--|---|---------------------------------|---------------------------------|
| Hathway Jai Mata Di Balaji Cable Network | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | (1,634) | (105,731) | Nil | Nil | Nil | Nil | Nil |
| Hathway Jai Mata Di Sherawali Cable Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway JMD Farukabad Cable Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 10,309 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (3,500) | Nil | Nil | Nil | Nil |
| Hathway Kokan Crystal Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 264,785 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (70,349) | Nil | Nil | (22,950,000) | Nil |
| Hathway Krishna Cable Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 25,319,109 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (24,000,000) | Nil | (24,000,000) | Nil | Nil |
| Hathway Latur MCN Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 582,794 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (356,718) | Nil | Nil | Nil | Nil |
| Hathway Mantra (Partnership Firm) | 2010-11 | Nil | Nil | Nil | Nil | (22,000) | Nil | Nil | Nil | Nil | Nil |
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (31,079) | Nil | Nil | Nil |
| Hathway MCN Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 21,686,828 | Nil | 24,000,000 | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (2,297,806) | Nil | Nil | Nil |
| Hathway Media Vision Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 4,818,283 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Hathway Mysore Cable Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 672,491 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (2,322,788) | Nil | Nil | Nil | Nil |
| Hathway Nashik Cable Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (95,074) | Nil | Nil | Nil | (95,074) | Nil | Nil | Nil | Nil |
| Hathway New Concept Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 11,031,326 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (438,551) | Nil | Nil | Nil | Nil |
| Hathway Prime Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 536,009 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (133,093) | Nil | Nil | Nil | Nil |
| Hathway Rajesh Multi Channel Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 9,398,302 | Nil | 11,532,286 | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (2,606,196) | Nil | (2,606,197) | (3,924,034) | Nil |
| Hathway Sai Star Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 2,176,971 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | (70,000,000) | Nil |
| Hathway Software Developers Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 2,289,515 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (14,058,274) | Nil | Nil | Nil |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 8,843,730 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (6,907) | Nil | Nil | Nil | Nil |
| Hathway Space Vision (Firm)* | 2011-12 | Nil | 6,560,060 | Nil | Nil | Nil | 6,560,060 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (16,482,618) | Nil | Nil | Nil | (16,482,618) | Nil | Nil | Nil | Nil |
| Hathway Space Vision Cabletel Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (17,196) | Nil | Nil | Nil | (17,196) | Nil | Nil | Nil | Nil |

| Name of Related Party | Year | Provision Against Investments made during the year | Provision Against Advances made during the year | Provision Against Trade Receivables made during the year | Provision against advances written back during the year | Investment off written during the year | Net Advances made during the year | Net advances recovered during the year | Share Application Money given during the year | Investment made during the year | Investment Sold during the year |
|--|---------|--|---|--|---|--|-----------------------------------|--|---|---------------------------------|---------------------------------|
| Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 2,905,856 | Nil | Nil | 820,945 |
| Hathway United Cables Network Pvt. Ltd.* | 2010-11 | Nil | Nil | Nil | Nil | Nil | (254,598) | Nil | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 1,772,842 | Nil | Nil | Nil |
| Hathway Universal Cabletel & Datacom Pvt. Ltd. | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | (1,197,556) | Nil | Nil | Nil |
| | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (7,191) | Nil | Nil | Nil | (7,191) | Nil | Nil | Nil | Nil |
| Hathway VCN Cablenet Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (7,583,572) | Nil | Nil | Nil | (7,583,572) | Nil | Nil | Nil | Nil |
| Ideal Cables Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | 7,018,994 | Nil | Nil | 5,712,612 | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (4,388,902) | Nil | Nil | (20,000,000) | Nil |
| ITV Interactive Media Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (26,000) | Nil | Nil | Nil | (26,000) | Nil | Nil | Nil | Nil |
| K. Jayaraman | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Liberty Media Vision Pvt. Ltd.* | 2011-12 | Nil | Nil | 791,990 | Nil | Nil | 791,990 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | (26,714) | Nil | Nil | (26,714) | Nil | Nil | Nil |
| Mona cable Network | 2010-11 | Nil | Nil | Nil | Nil | (52,569) | Nil | Nil | Nil | Nil | Nil |
| Net 9 Online Hathway Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 39,156 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | (3,345) | Nil | Nil | Nil | Nil |
| Palampur City Cable Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | 1,951,240 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Pan Cable Services Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (2,500) | Nil | Nil | Nil | (2,500) | Nil | Nil | Nil | Nil |
| R & S Business Centre | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| UTN Cable | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | 1,764,853 | Nil | Nil | Nil |
| Communications Pvt. Ltd. | 2010-11 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Vision India Network Pvt. Ltd. | 2011-12 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (6,600) | Nil | Nil | Nil | (6,600) | Nil | Nil | Nil | Nil |
| Win Cable & Datacom Pvt. Ltd. | 2011-12 | Nil | 2,500,247 | Nil | Nil | Nil | 2,500,246 | Nil | Nil | Nil | Nil |
| | 2010-11 | Nil | (1,706,345) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total | | (125,538,622) | (11,924,474) | 1,668,248 | 6,990,646 | (180,300) | (18,900,385) | 120,046,501 | (206,606,197) | 10,293,052 | 820,945 |

NOTES TO THE FINANCIAL STATEMENTS

4.12 Supplementary statutory information required to be given pursuant to Clause 32 of the listing agreement:

Loans and advances in the nature of loans to subsidiaries and Associates:

| NAME OF RELATED PARTY | YEAR | | | YEAR | | |
|---|----------------|------------------------------|--|----------------|------------------------------|--|
| | March 31, 2012 | | | March 31, 2011 | | |
| | CONTROL | ASSOCIATE AND JOINT VENTURES | MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR | CONTROL | ASSOCIATE AND JOINT VENTURES | MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR |
| Hathway Mysore Cable Network Pvt. Ltd. | 5,534,498 | - | 5,534,498 | 3,211,710 | - | 3,211,710 |
| Hathway Software Developers Pvt. Ltd. | - | - | - | 14,458,574 | - | 14,458,574 |
| Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | - | 2,192,845 | 2,192,845 | | 1,938,247 | - |
| Hathway Media Vision Pvt. Ltd. | 21,117,820 | - | 21,117,820 | 21,117,820 | - | 21,117,820 |
| UTN Cable Communications Pvt. Ltd. | 11,110,911 | - | 11,110,911 | 11,110,910 | - | 11,110,910 |
| Hathway Ice Television Pvt. Ltd. | 7,763,079 | - | 7,763,079 | 5,624,409 | - | 5,624,409 |
| Hathway MCN Pvt. Ltd. | 823,331 | - | 3,121,137 | 3,121,137 | - | 3,121,137 |
| Gujarat Telelink Pvt. Ltd. ** | 226,665,383 | - | 226,665,383 | 166,665,383 | - | 172,379,785 |
| Net 9 Online Hathway Pvt. Ltd. | 2,017,642 | - | 2,017,642 | 2,014,297 | - | 2,014,297 |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | 1,127,235 | - | 1,127,235 | 1,120,328 | - | 1,120,328 |
| Hathway Gwalior Cable & Datacom Pvt. Ltd. | 51,81,036 | - | 10,694,579 | 6,435,337 | - | 6,435,337 |
| Hathway Enjoy Cable Network Pvt. Ltd. | 43,528 | - | 64,976 | 64,976 | - | 64,976 |
| Hathway Latur MCN Cable & Datacom Pvt. Ltd. | 1,696,999 | - | 1,918,273 | 1,918,273 | - | 1,918,273 |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | 3,742,629 | - | 4,706,672 | 4,706,672 | - | 4,706,672 |
| Hathway Cable Entertainment Pvt. Ltd. | 817,423 | - | 817,423 | 700,111 | - | 700,111 |
| Hathway Jai Mata Di Sherawali Cable Network Pvt. Ltd. | 5,421,482 | - | 5,421,482 | 5,421,482 | - | 5,421,482 |
| Hathway JMD Farukhabad Cable Network Pvt. Ltd. | 11,233 | - | 23,042 | 7,733 | - | 7,733 |
| Hathway Cable MCN Nanded Pvt. Ltd. | 2,134,060 | - | 2,242,410 | 2,242,410 | - | 2,242,410 |
| Hathway Dattatray Cable Network Pvt. Ltd. | 4,743,729 | - | 4,743,729 | 4,083,903 | - | 4,083,903 |
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 30,321 | - | 61,400 | 61,400 | - | 61,400 |
| Hathway Bhaskar Multinet Pvt. Ltd. | 8,330,076 | - | 8,330,076 | 8,330,076 | - | 8,330,076 |
| Hathway Bhaskar CCN Multinet Pvt. Ltd. | - | - | 2435640 | 2,435,640 | - | 2,435,640 |
| Hathway Prime Cable & Datacom Pvt. Ltd. | 212,569 | - | 212,569 | 79,476 | - | 79,476 |
| Hathway Krishna Cable Pvt. Ltd. | 1,587,532 | - | 2,005,688 | 2,005,688 | - | 2,005,688 |
| Hathway New Concept Cable & Datacom Pvt. Ltd. | 438,551 | - | 476,119 | - | - | - |
| Hathway Konkan Crystal Cable Network Pvt. Ltd. | 70,349 | - | 70,349 | - | - | - |
| Bee Network & Communications Pvt. Ltd.* | 3,694,558 | - | 3,697,058 | 3,690,058 | - | 3,690,058 |
| Binary Technology Transfers Pvt. Ltd.* | 15,909,137 | - | 15,909,137 | 15,892,801 | - | 15,892,801 |
| Chennai Cable Vision Network Pvt. Ltd.* | 19,718,767 | - | 19,718,767 | 19,682,227 | - | 19,682,227 |
| Channels India Network Pvt. Ltd.* | 64,205 | - | 64,205 | 58,805 | - | 58,805 |
| Elite Cable Network Pvt. Ltd.* | 195,728 | - | 195,728 | 185,228 | - | 185,228 |
| Hathway C Net Pvt. Ltd.* | 4,463,282 | - | 4,595,142 | 4,450,848 | - | 4,450,848 |
| Hathway Internet & Satellite Pvt. Ltd.* | 15,915,359 | - | 15,915,359 | 15,793,223 | - | 15,793,223 |
| Hathway Nashik Cable Network Pvt. Ltd.* | 104,087,351 | - | 104,087,351 | 103,992,277 | - | 103,992,277 |
| Hathway Space Vision Cabletel Pvt. Ltd.* | 10,418,080 | - | 10,419,580 | 10,400,884 | - | 10,400,884 |
| Hathway United Cables Network Pvt. Ltd.* | - | - | 1197556 | 1,197,556 | - | 1,197,556 |
| Hathway Universal Cabletel & Datacom Pvt. Ltd.* | 230,744 | - | 233,344 | 223,553 | - | 223,553 |
| Ideal Cables Pvt. Ltd.* | 4,388,902 | - | 4,415,677 | - | - | - |
| ITV Interactive Media Pvt. Ltd.* | 4,503,940 | - | 5,203,933 | 5,203,933 | - | 5,203,933 |

NOTES TO THE FINANCIAL STATEMENTS

| NAME OF RELATED PARTY | YEAR | | | YEAR | | |
|---|----------------|------------------------------|--|----------------|------------------------------|--|
| | March 31, 2012 | | | March 31, 2011 | | |
| | CONTROL | ASSOCIATE AND JOINT VENTURES | MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR | CONTROL | ASSOCIATE AND JOINT VENTURES | MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR |
| Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd.* | - | 1,109,559 | 1,109,559 | - | 1,109,559 | - |
| Liberty Media Vision Pvt. Ltd.* | 12,743,309 | - | 12,775,008 | 12,770,023 | - | 12,770,023 |
| Vision India Network Pvt. Ltd.* | 2,183,170 | - | 2,185,670 | 2,176,570 | - | 2,176,570 |
| Win Cable & Datacom Pvt. Ltd.* | 202,616,411 | - | 203,696,843 | 201,886,666 | - | 201,886,666 |
| Hathway Space Vision (Firm)* | - | 169,945,473 | 170,029,403 | - | 146,902,795 | - |
| Pan Cable Services Pvt. Ltd.* | - | 5,877,927 | 5,877,927 | - | 5,875,427 | - |
| Hathway Jai Mata Di Balaji Cable Network* | - | 1,630,366 | 1,630,366 | - | 1,630,366 | - |
| Hathway VCN Cablenet Pvt. Ltd.* | - | 55,140,654 | 55,140,654 | - | 47,557,081 | - |
| Chhattisgarh Broadband Network Pvt. Ltd. | - | - | - | 102 | - | 102 |

** Interest levied on Rs.60,000,000

All the above loans are repayable on demand

(*) These loans and advances in the nature of loans to firms/companies in which directors are interested

4.13 LOANS AND ADVANCES IN THE NATURE OF LOANS WHERE THERE IS NO REPAYMENT SCHEDULE AND NO INTEREST PAYMENTS:

| Name of the Party | March 31, 2012 | | March 31, 2011 | |
|--|---------------------|--|---------------------|--|
| | Balance Outstanding | Maximum Amount outstanding during the year | Balance Outstanding | Maximum Amount outstanding during the year |
| K Jayaraman | 2,767,912 | 2,767,912 | 2,767,912 | 2,767,912 |
| Arun Singh | 2,243,793 | 2,513,793 | 2,513,793 | 2,683,094 |
| Bharat Pandit | 965,692 | 965,692 | 965,692 | 965,692 |
| Sanjay Ghagare | 500,000 | 500,000 | 500,000 | 500,000 |
| Shankar Nair | 500,000 | 500,000 | 500,000 | 500,000 |
| A Sivaraman | 100,000 | 100,000 | 100,000 | 100,000 |
| Stanley Palanna | Nil | 268,364 | 268,364 | 505,390 |
| Devidas Dahale | Nil | 500,000 | 500,000 | 500,000 |
| Hathway Cabletech Services Private Limited | Nil | 7,700,000 | 7,700,000 | 35,700,000 |

4.14 LEASES

(a) Finance Leases (As Lessee):

Lease rentals outstanding as at March 31, 2012 in respect of fixed assets taken on finance lease are as under:

| Due | Total minimum lease payments outstanding as at March 31, 2012 | Interest not due | Present value of minimum lease payments as at March 31, 2011 |
|--|---|------------------|--|
| Not Later than 1 year | 96,701,702 | 15,647,994 | 81,053,708 |
| | (217,955,204) | (28,175,549) | (189,779,655) |
| Later than 1 year and not later than 5 years | 122,484,919 | 12,290,019 | 110,194,900 |
| | (174,678,559) | (22,950,576) | (151,727,983) |
| Later than 5 years | Nil | Nil | Nil |
| | (Nil) | (Nil) | (Nil) |
| Total | 219,186,621 | 27,938,013 | 191,248,608 |
| | (392,633,763) | (51,126,125) | (341,507,638) |

Finance Lease obligation of Long-Term Borrowing (Ref: Note No: 2.03) include Rs. 188,815,625 payable to lessor under finance lease arrangement (March 31, 2011: Rs.335,982,935).

NOTES TO THE FINANCIAL STATEMENTS

- (b) Operating Leases (As Lessee): The Company's significant leasing arrangements in terms of Accounting Standard on Leases (AS 19) are in respect of Operating Leases for Premises and Equipments. The period of these leasing arrangements, which are cancellable in nature range between eleven months to six years and are renewable by mutual consent.
- (c) Details of Non-Cancellable Leases are as under:

| Particulars | 2011-12 | 2010-11 |
|--|------------|------------|
| Rental Expense debited to Statement of Profit and Loss | 37,608,569 | 46,156,527 |
| Payable in the next one year | 23,100,906 | 33,385,512 |
| Payable after next one year but Before next five years | 2,625,800 | 23,561,544 |
| Payable after five years | Nil | Nil |

- (d) Details of Cancellable Leases are as under:

The treatment of the rental by the Company is as under:

Rental Expenses debited to the Statement of Profit and Loss Account Rs. 228,879,929 (March 31, 2011 : Rs. 132,587,724)

- (e) Operating Leases (As Lessor):

| Particulars | 2011-12 | 2010-11 |
|---|-------------|-------------|
| Gross Carrying Amount of Assets capitalized as Plant & Machinery and given on operating lease | 128,945,830 | 124,947,534 |
| Depreciation for the year | 12,638,547 | 13,714,728 |

4.15 EARNINGS / (LOSS) PER SHARE

| Particulars | 2011-12 | 2010-11 |
|--|---------------|---------------|
| Profit \ (Loss) after tax (but including prior period adjustments) – (Rs.) | (516,733,350) | (403,121,572) |
| Weighted / Adjusted No. of ordinary shares (No.'s) | 142,857,100 | 142,857,100 |
| Nominal value of ordinary shares (Rs.) (Face Value restated) | 10 | 10 |
| Basic and Diluted Earnings per share (Rs.) | (3.62) | (2.82) |

In view of the losses, potential issue of equity under conversion of the Employee Stock Option Plan is anti-dilutive and accordingly, has not been considered in calculation of diluted earnings per share.

4.16 JOINT VENTURES

The Company has the following Joint Venture arrangements in the capacity of a Venturer in the following as on 31 March 2012 :

- Hathway Sukhamrit Cable and Datacom Private Limited*
- Hathway Jai Mata Di Balaji Cable Network
- Mantra Enterprises
- Mona Cable

With respect to above, the country of incorporation, proportion of ownership control and the proportionate share of each of Assets, Liabilities, Income and Expenses as per the Financial Statement for the period ended on March 31, 2012 is listed below:

| Joint Venture | Country of Incorporation | % Of Shareholding / Ownership Control | Proportionate share of Income | Proportionate share of Expense | Proportionate share of Assets | Proportionate share of Liabilities | Proportionate share of Contingent Liabilities and capital commitments |
|--|--------------------------|---------------------------------------|-------------------------------|--------------------------------|-------------------------------|------------------------------------|---|
| Hathway Sukhamrit Cable and Datacom Private Limited* | India | 49% 50% | 97,301,838 (97,877,788) | 84,633,859 (92,376,752) | 158,568,619 (98,824,027) | 119,356,551 (71,078,232) | Nil (Nil) |
| Hathway Jai Mata Di Balaji Cable Network | India | 2.00% | Refer Note Below ** | | | | |
| Mantra Enterprises | India | 1.00% | Refer Note Below ** | | | | |
| Mona Cable | India | 0.50% | Refer Note Below ** | | | | |

* In absence of the audited financial statements, figures for current year are based on provisional financial statements certified by nominee Directors of the said Venture.

NOTES TO THE FINANCIAL STATEMENTS

** The Company was a partner in these firms. These firms were dissolved as on March 31, 2011. In absence of any financial statements of these firms since the financial year 2007-08 up to the date of dissolution, no liability on such dissolution has been recognized and in opinion of the management, such liability, if any, would not be material. The amounts outstanding in the books as capital contribution have been fully written off.

4.17 DEFERRAL/CAPITALIZATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items.

In accordance with the amendment/earlier amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to Rs.48,930,843 (March 31, 2011: Rs.886,565) to the cost of plant and equipment's. The company has also capitalized exchange gain, arising on long-term foreign forward contract, undertaken to partially hedge the foreign current loan, amounting to Rs.4,618,573 rupees (March 31, 2011: Rs.176,958 rupees) to the cost of plant and equipments. The company does not have any other long-term foreign currency monetary item. Hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is Rs.NIL (March 31, 2011: Rs.NIL).

4.18 ADDITIONAL INFORMATION AS REQUIRED UNDER PARA 5 (viii) OF PART II OF REVISED SCHEDULE VI TO THE COMPANIES ACT, 1956 HAS BEEN GIVEN TO THE EXTENT APPLICABLE TO THE COMPANY.

| | Particulars | Current Year | Previous Year |
|----------|--|---------------|---------------|
| | | (Rs.) | (Rs.) |
| A | CIF Value of Imports: | | |
| | Capital Goods | 1,332,095,089 | 848,210,397 |
| | Stores, Spares and Others | 9,358,543 | 12,260,710 |
| B | Consumption Details of Stores, Spares & Others: | | |
| | Value of Imported Stores, Spares & Others consumed during year | 4,972,509 | 3,748,133 |
| | Percentage of total consumption | 37.91% | 21.48% |
| | Value of Indigenous Stores, Spares & Others consumed during year | 8,145,401 | 13,698,777 |
| | Percentage of total consumption | 62.09% | 78.52% |
| C | Expenditure in foreign currency | | |
| | Interest | 15,049,446 | 16,008,172 |
| | Subscription Charges | 816,81,686 | Nil |
| | Repairs and Maintenance | 2,611,581 | 9,125,056 |
| | Foreign Travel | 8,760,725 | 4,843,427 |
| | Others | 630,685 | 1,733,574 |
| D | Earning in foreign currency | Nil | Nil |

4.19 UNHEDGED FOREIGN CURRENCY EXPOSURE

| Currency | March 31, 2012 | | | March 31, 2011 | | |
|-------------------------------|----------------------------|---------------|---------------|----------------------------|---------------|---------------|
| (USD) | Amount in Foreign Currency | Exchange Rate | Amount in INR | Amount in Foreign Currency | Exchange Rate | Amount in INR |
| Secured Loans | | | | | | |
| | 10,466,598 | 50.88 | 5,325,143,46 | 12,657,725 | 44.59 | 564,407,950 |
| Accounts Payables | | | | | | |
| | 8,051,468 | 50.88 | 409,638,588 | 3,670,454 | 44.59 | 163,665,566 |
| Other Firm Commitments | | | | | | |
| | 23,360,242 | 50.88 | 1,188,510,718 | 12,667,200 | 44.59 | 564,830,448 |

4.20 MANAGERIAL REMUNERATION

The Company had made an application to the Central Government for approval for payment of remuneration to the Managing Director & CEO from August 7, 2010 for a period of three years in excess of limits prescribed under section 198 and 309 read with Schedule XIII to the Companies Act, 1956. In response to the application, the Central Government has called for certain additional information and the same are being furnished.

However, while responding to the above application, the Central Government has directed the Company to either recover or apply for waiver of the remuneration paid in excess of remuneration prescribed under the said schedule during the period August 26, 2009 (the date on which the status of the Company change to public limited company) to August 7, 2010. Since the remuneration paid during

NOTES TO THE FINANCIAL STATEMENTS

the period February 7, 2010 to August 7, 2010 was at minimum scale prescribed under Schedule XIII to the Act, there is no question of having paid excess remuneration. The remuneration for the period prior to that was finalized when the Company was a private company and accordingly, as legally advised; the Company was not required to apply the Government for the approval. However, as required by the Central Government, the Company is in the process of applying for the waiver of remuneration and sitting fees for the period August 26, 2009 to February 7, 2010.

4.21 During the year under review, the Company has not capitalized any borrowing cost in the absence of any qualifying assets.

4.22 The Initial Public Offer (IPO) proceeds have been utilized as per objects as stated in the prospectus dated February 17, 2010 and as subsequently modified and approved by the Shareholders by an Ordinary Resolution through Postal ballot as per the provision of Section 192A of the Companies Act, 1956

| Particulars | Amount (Rs.) | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | March 31, 2012 | | March 31, 2011 | |
| | Amount Proposed | Amount utilized | Amount Proposed | Amount utilized |
| Utilization of funds | | | | |
| Acquisition of Customers | 150,000,000 | 123,339,000 | 2,436,000,000 | 113,440,208 |
| Investment in the development of digital capital expenditure, services and set top boxes | 3,250,000,000 | 2,118,538,000 | 1,564,000,000 | 710,445,380 |
| Investment in the development of broadband infrastructure, capital expenditure and services | | | 830,000,000 | 500,132,367 |
| Repayment of loans | 1,900,000,000 | 1,894,341,590 | 967,000,000 | 967,000,000 |
| General Corporate Purpose | 500,000,000 | - | - | - |
| Interim use of fund (paying down short term credit limit) | - | 244,198,000 | - | 715,030,385 |
| Total | 5,800,000,000 | 4,380,416,590 | 5,797,000,000 | 3,006,048,340 |
| Less: To be funded by Borrowings | 1,000,000,000 | 318,891,000 | 997,000,000 | 130,000,000 |
| Total | 4,800,000,000 | 4,061,525,590 | 4,800,000,000 | 2,876,048,340 |
| Balance Unutilised | | 738,474,410 | - | 1,923,951,660 |

Unutilised Balance has been invested as stated below:

| | March 31, 2012 | March 31, 2011 |
|-----------------------|--------------------|----------------------|
| Mutual funds | 66,674,410 | 783,889,795 |
| Bank Balance | 550,000,000 | 979,159,750 |
| Margin Money in Banks | 121,800,000 | 160,902,115 |
| Total | 738,474,410 | 1,923,951,660 |

4.23 Till the year ended March 31, 2011, pre-revised Schedule VI to the Companies Act 1956 was being used for preparation and presentation of financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. Accordingly, the company has reclassified previous year figures to confirm to this year's classification. On adoption of the revised Schedule VI, there has been no significant impact on recognition and measurement principles followed for preparation of financial statements.

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K. JAYARAMAN)
Managing Director & CEO

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 10, 2012

Mumbai
Dated : August 10, 2012

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HATHWAY CABLE & DATACOM LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **HATHWAY CABLE & DATACOM LIMITED** (the Company) and its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Statement of Consolidated Profit & Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with the Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information of each of the components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements / consolidated financial statements of certain subsidiaries whose audited financial statements / consolidated financial statements reflect total assets of Rs. 6,757,542,562 as on March 31, 2012 and total revenues of Rs. 5,023,955,255 and net cash inflows of Rs. 131,889,513 for the year ended March 31, 2012; and

These financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries and joint ventures is based solely on the report of other auditors. In respect of these financial statements, we report as under:

4. Apart from above, as stated in Note 4.03 B and 4.05 of the Consolidated Financial Statement, in the case of a subsidiary and a joint venture having total assets of Rs. 411,495,461 as on March 31, 2012 and total revenues of Rs. 210,643,614 and net cash outflow of Rs. 29,716,298 for the year ended on 31st March, 2012, the figures used for the consolidation are based on the un-audited provisional financial statements certified by nominee directors and are not audited by their auditors. Our opinion so far as it relates to the amounts included in respect of these subsidiary and joint venture is based solely on such management certified financial statements. Without qualifying our opinion, we draw attention to:
 - a. Note no. 4.06 (b) to the Consolidated Financial Statements in respect of operations of the Company in the state of Tamil Nadu;
 - b. Note no. 4.03 A, 4.03 C & 4.03 D to Consolidated Financial Statements regarding exclusion of certain subsidiaries and joint venture by the management from consolidation on account of outstanding disputes and also considering the fact that the amount invested and advanced by the Company to these entities have been impaired; and
 - c. Note no. 4.03 E to Consolidated Financial Statements regarding exclusion of certain joint ventures partnership firms of one of the subsidiaries of the Company from consolidation since the date from which such subsidiary became partner on account of criteria of effective joint control could not be fulfilled.
 - d. Note no. 4.23 to the Consolidated Financial Statements accounts in respect of the application to Central Government for approval of managing director's remuneration provided in the books which is in excess of the limits specified under the Schedule XIII to the Companies Act, 1956 for which application is pending before the Central Government.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures.

6. Based on our audit as aforesaid and on consideration of separate audit reports of other auditors on the separate financial statements / consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

(ATUL SHAH)
Partner
(Membership No. 39569)

Mumbai
Dated: August 21, 2012

Consolidated Balance Sheet As At March 31, 2012

| | Notes | As at March 31, | |
|---|-------|-----------------------|-----------------------|
| | | 2012 Rupees | 2011 Rupees |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 2.01 | 1,429,051,000 | 1,428,571,000 |
| Reserves and Surplus | 2.02 | 6,598,471,209 | 7,089,557,644 |
| Money received against share warrants | | - | - |
| Share application money pending allotment | | - | - |
| Minority Interest | | 1,802,294,400 | 1,483,690,474 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 2.03 | 2,699,574,448 | 2,217,550,614 |
| Deferred Tax Liability | 2.04 | 127,137,428 | 115,902,039 |
| Other Long-Term Liabilities | 2.05 | 138,792,789 | 348,599,352 |
| Long-Term Provisions | 2.06 | 4,229,373 | 5,435,467 |
| Current Liabilities | | | |
| Short-Term Borrowings | 2.07 | 212,827,457 | 336,690,786 |
| Trade Payables | 2.08 | 1,582,614,630 | 1,225,159,805 |
| Other Current Liabilities | 2.08 | 3,091,835,612 | 3,131,261,384 |
| Short-Term Provisions | 2.06 | 106,036,884 | 130,269,754 |
| | | <u>17,792,865,230</u> | <u>17,512,688,319</u> |
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.09 | 6,968,875,411 | 6,266,792,979 |
| Intangible Assets | 2.10 | 2,244,413,184 | 2,145,233,592 |
| Capital Work In Progress | | 1,005,366,142 | 512,454,899 |
| Goodwill on Consolidation | 4.09 | 1,946,736,408 | 1,892,263,207 |
| Non-Current Investments | 2.11 | 52,658,204 | 46,774,457 |
| Deferred Tax Assets | 2.12 | 23,957,348 | 26,146,766 |
| Long-Term Loans and Advances | 2.13 | 859,736,637 | 863,884,167 |
| Trade Receivables | 2.14 | 77,008,703 | 99,324,622 |
| Other Non Current Assets | 2.15 | 166,598,821 | 133,919,346 |
| Current Assets | | | |
| Current Investments | 2.16 | 105,424,427 | 1,814,303,630 |
| Inventories | 2.17 | 54,906,996 | 46,947,187 |
| Trade Receivables | 2.14 | 2,415,252,731 | 2,429,513,331 |
| Cash and Bank Balances | 2.18 | 975,759,634 | 389,798,485 |
| Short Term Loans & Advances | 2.13 | 833,715,573 | 790,786,197 |
| Other Current Assets | 2.15 | 62,455,011 | 54,545,454 |
| | | <u>17,792,865,230</u> | <u>17,512,688,319</u> |
| Summary of Significant Accounting Policies | 1.00 | | |
| Refer accompanying notes. These notes are integral part of the financial statements. | | | |

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 21, 2012

Mumbai
Dated : August 21, 2012

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2012

| | Note No. | Year ended March 31, | |
|---|----------|-----------------------|----------------------|
| | | 2012 Rupees | 2011 Rupees |
| Continuing Operations | | | |
| INCOME | | | |
| Revenue from Operations | 3.01 | 10,121,312,988 | 8,826,917,639 |
| Other Income | 3.02 | 164,929,667 | 254,746,745 |
| | | 10,286,242,655 | 9,081,664,384 |
| EXPENDITURE | | | |
| Purchase of Stock-In-Trade | 3.03 | 111,468,353 | 22,118,498 |
| Changes in Stock In Trade | 3.04 | (6,901,755) | - |
| Operational Expenses | 3.05 | 5,633,893,787 | 4,879,619,755 |
| Employee Benefits Expense | 3.06 | 925,763,843 | 897,920,913 |
| Other Expenses | 3.07 | 1,780,658,871 | 1,526,211,084 |
| | | 8,444,883,099 | 7,325,870,250 |
| Earnings Before Finance cost, Depreciation, Amortisation and Tax | | 1,841,359,556 | 1,755,794,134 |
| Depreciation and Amortisation | 3.08 | 1,408,804,923 | 1,248,840,093 |
| Impairment of Tangible / Intangible Assets | | 33,997,179 | 27,030,014 |
| Finance Cost | 3.09 | 519,560,326 | 452,290,234 |
| Profit / (Loss) Before Prior Period Items, Exceptional items and Tax | | (121,002,872) | 27,633,793 |
| Prior Period Adjustments (Net) | 4.11 | 43,118,199 | 23,241,201 |
| Exceptional Items | 4.06 | | |
| Provision for Doubtful Advances / Investments / Receivables | | 6,560,060 | 86,886,367 |
| Impairment and write off of Assets in respect of operations in Tamil Nadu | | 104,333,068 | 56,593,892 |
| Sundry balance written-back for Tamil Nadu | | (10,444,370) | - |
| Expenses on account of introduction of Digital Addressable System (DAS) | | 4,040,839 | - |
| Net Profit / (Loss) before Tax | | (268,610,668) | (139,087,667) |
| Tax Expense: | | | |
| Current Tax | | 134,033,953 | 110,050,380 |
| Deferred Tax | | 13,719,217 | 10,389,919 |
| Excess/Short provision for taxation for earlier years | | 5,690,174 | 6,097,280 |
| Net Profit / (Loss) for the Year | | (422,054,012) | (265,625,246) |
| Amount transferred on change in stake in Subsidiaries/ Joint Ventures | | 31,174,966 | 7,877,598 |
| Adjustment on Account of Non Consolidation of Subsidiaries | | - | 14,964,418 |
| Minority Interest | | 102,134,664 | 70,511,645 |
| Profit / (Loss) Share of Associates | | 1,201,827 | 625,410 |
| Net Profit / (Loss) for the Year from Total Operations | | (491,811,883) | (312,669,465) |
| Earnings per equity share (nominal value of share Rs. 10 each) from Continuing and Total operation | | | |
| Weighted Average Number of Shares | | 142,857,100 | 142,857,100 |
| Earning / (Loss) Per Share (In Rs.) - Basic & Diluted | 4.21 | (3.44) | (2.19) |
| Summary of Significant Accounting Policies | 1.00 | | |

Refer accompanying notes. These notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 21, 2012

Mumbai
Dated : August 21, 2012

Consolidated Cash Flow Statement for the year ended March 31, 2012

| | Year ended March 31, 2012 Rupees | Year ended March 31, 2011 Rupees |
|---|--|--|
| 1 CASH FLOW FROM OPERATING ACTIVITIES: | | |
| NET PROFIT / (LOSS) BEFORE TAX | (338,368,539) | (192,233,480) |
| A Adjustment for : | | |
| 1 <u>Non Cash Charges</u> | | |
| Depreciation / Amortisation / Impairment | 1,442,802,102 | 1,275,870,111 |
| Provision for Bad & Doubtful Debts | 486,597,021 | 375,350,992 |
| Bad Debts (Net) | 46,585,329 | 31,993,906 |
| Provision for Bad & Doubtful Advances | 14,777,604 | 892,769 |
| Amount no longer payable written back | (31,586,862) | (14,755,326) |
| Share of (Profit) / Loss in Partnership firms / associates | (1,201,827) | (625,410) |
| Discount Allowed / (Received) | - | (20,112) |
| Provision / (Excess Provision Reversed) for leave encashment and gratuity | 7,991,370 | 12,665,341 |
| Employee Compensation Expense | 725,448 | 4,802,882 |
| Unrealised Foreign Exchange Loss | 54,546,192 | - |
| Sundry Advances Written off | 3,794,169 | 4,121,269 |
| Minority Interest | (102,134,664) | (70,511,645) |
| <u>Exceptional Items</u> | | |
| - Provision for Doubtful Advances to Subsidiaries & Associates (Net of adjustments) | 6,560,060 | 71,921,949 |
| - Amount transferred on change in stake in Subsidiaries/ Joint Venture | (31,174,966) | (7,877,598) |
| - Loss on Shortages / Impairment of Tangible Assets of Tamilnadu | 104,333,068 | 56,593,891 |
| - Sundry Balance Write-back for Previous Year for Tamilnadu | (10,444,370) | - |
| 2 <u>Item Considered Separately</u> | | |
| (Profit) / loss on sale of Fixed Assets | 43,033,371 | 42,212,571 |
| Interest and Finance Charges | 519,560,326 | 449,823,016 |
| Income from Investments | (37,121,771) | (54,346,186) |
| (Profit) / loss on sale of Investments | (75,865,598) | (150,229,462) |
| | 2,441,776,002 | 2,027,882,958 |
| Operating Profit Before Working Capital | 2,103,407,463 | 1,835,649,478 |
| B Change in Working Capital | | |
| (Increase) / Decrease in Inventories | (7,959,809) | 5,132,811 |
| (Increase) / Decrease in Trade Receivable | (496,605,831) | (986,297,180) |
| (Increase) / Decrease in Loans & Advance | (104,428,662) | 196,663,458 |
| Increase / (Decrease) in Current Liabilities & Provisions | 161,273,224 | 284,358,552 |
| | (447,721,078) | (500,142,359) |
| Cash Generated from Operations | 1,655,686,385 | 1,335,507,119 |
| Taxes paid (Net) | (19,644,586) | (264,691,569) |
| Net Cash from Operation Activities | 1,636,041,799 | 1,070,815,550 |
| 2 CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Income from Investments | 37,121,771 | 54,346,186 |
| Sale Proceeds of Fixed assets | 6,941,648 | 6,061,907 |
| Payment for Fixed Assets | (2,599,014,307) | (2,499,625,718) |
| Purchase of Other Investments | (6,010,181,400) | (20,006,644,594) |
| Sale Proceeds of Other Investment | 7,050,070,626 | 23,223,211,253 |
| Net cash Realised from Investing Activities | (1,515,061,662) | 777,349,033 |

| | Year ended March 31, 2012 Rupees | Year ended March 31, 2011 Rupees |
|---|--|--|
| 3 CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest and Finance Charges | (504,877,757) | (436,742,827) |
| Loan Funds borrowed/ (repaid) | 358,160,505 | (1,276,435,162) |
| Net cash Realised from Financing Activities | (146,717,252) | (1,713,177,989) |
| Net increase in Cash and Cash equivalent | (25,737,114) | 134,986,595 |
| Cash & Cash equivalents (Net of Book Overdraft) at the beginning of year | 990,330,269 | 855,343,674 |
| Cash & Cash equivalents (Net of Book Overdraft) at the end of year | 964,593,155 | 990,330,269 |
| Components of cash and cash equivalents | | |
| Balances with banks: | | |
| In Current Accounts | 240,347,572 | 275,526,462 |
| Credit balance in Bank Accounts | (32,033,966) | (140,538,117) |
| Fixed Deposits with original maturity of less than 3 months | 507,324,879 | 2,649,582 |
| Cheques on hand | 88,008,668 | 48,360,114 |
| Cash in hand | 94,271,576 | 57,849,033 |
| Mutual funds with original maturity of less than 3 months | 66,674,427 | 746,483,195 |
| Total of cash and cash equivalents | 964,593,155 | 990,330,269 |

Notes:

- 1) Above Statement has been prepared by using Indirect Method as per AS - 3 on Cash Flow Statements
- 2) Figures have been regrouped / rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board

For G. M. KAPADIA & CO.
Chartered Accountants

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 21, 2012

Mumbai
Dated : August 21, 2012

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, 2012. The consolidated financial statement comprises of Hathway Cable and Datacom Limited ("The Company") and its subsidiaries, joint ventures and associates (collectively referred to as "The Group").

Company overview

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

Summary of significant accounting policies

1.01 METHOD OF ACCOUNTING AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 Revised Schedule VI to the Companies Act, 1956 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of services rendered by the Company and realization of consideration in cash and cash equivalents, the Company has ascertained its Operating Cycle as less than 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.

1.02 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements", Accounting Standard 23 – "Accounting for Investments 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 subsidiaries 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 unrealised 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 subsidiaries 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 subsidiaries, 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.

Associates

Investments in entities in which the Company directly or indirectly through subsidiaries has significant influence but does not have a controlling interest, are accounted for using equity method i.e. the investment is initially recorded at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Group's share of net assets of the associates. The consolidated statement of profit & loss includes the Group's share of the results of the operations of the associate.

Joint venture

Interests in joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures as notified by the Rules. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements.

1.03 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences on account of revision of estimates actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

1.04 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) Set Top Boxes (STBs) and Internet Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized or treated as sale as the case may be.
- (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, Movie & Serial Rights, Bandwidth Rights, Goodwill and Softwares.

1.05 DEPRECIATION / AMORTISATION

- a) Depreciation on tangible fixed assets, except STBs, is computed on written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. 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 or disposal, as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.
- b) The cost of STBs are depreciated on straight-line method over a period of eight years except STBs deployed in Conditional Access System (CAS) notified areas. Such STBs are depreciated over a period of five years.
- c) 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) Non Compete Fees classified as Goodwill is amortized over the non-compete period stated in the underlying agreements and in absence of the same, over ten years.
 - (iii) Goodwill arising on transfer of business of subsidiaries is fully amortized in the same year.
 - (iv) Goodwill other than mentioned above is amortized over the specific tenor of the relevant agreement and in absence of such tenor, over ten years.
 - (v) Softwares are amortized over the license period and in absence of such tenor, over five years.
 - (vi) Movie & Serial Rights are amortized on exploitation over the balance license period in equal installments.
 - (vii) Bandwidth Rights are amortized over the period of the underlying agreements.

1.06 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. Certificate of Deposits are valued at lower of amount of cost and proportionate income thereon or rates published by FIMMDA. Other current investments are recorded at lower of cost or fair value.

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.

1.07 INVENTORIES

Inventories are valued as follows:

Spares and maintenance items are valued at lower of cost (net of taxes recoverable) on first in first out basis and net realizable value.

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

1.08 BORROWING COSTS

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.

1.09 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 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.

1.10 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 are 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.
- c) In respect of employees' stock options, the excess of fair price on the date of grant over the exercise price is recognized uniformly over vesting period of the option.

1.11 EMPLOYEE STOCK OPTION SCHEME

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Accordingly, the excess of fair price on the date of grant over the exercise price is recognized uniformly over vesting period of the option.

1.12 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.

a) **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.

b) **As Lessor – Operating Lease**

Assets subject to Operating Leases are included in Fixed Assets. Lease income is recognized in the 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. Costs, including depreciation are recognized as an expense in the Statement of Profit & Loss.

c) **As Lessee – Finance Lease**

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets and depreciated as per the applicable policy.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability. Initial direct cost of lease is capitalized.

1.13 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

Revenue from sale of prepaid Internet Service plans, which are active at the year end, is recognized on time proportion basis. In other cases of sale of prepaid Internet Service plans, entire revenue is recognized in the year of sale.

The revenue relating to Conditional Access System (CAS) notified areas is governed by TRAI and the same is recognized in accordance with prescribed regulations.

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.

Other Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Advertisement revenue is accrued on release of the advertisement for public viewing.

Lease rentals are recognized on accrual basis over the terms of related agreements.

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.

SALE OF GOODS

Revenue from sale of Access Devices is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

OTHER OPERATING INCOME

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognized upon achieving milestones as per the terms of underlying agreements.

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.

1.14 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.

1.15 FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rate prevailing at the date of transactions. Exchange difference arising on settlement of transactions is recognized as income or expense in the year in which they arise except for transactions covered under (c) below.
- b) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at the year-end rate and difference in translations and realized gains / (losses) on foreign currency transactions are recognized in the statement of profit & loss except for transactions covered under (c) below.
- c) The exchange difference in respect of long-term monetary items arising in respect of accounting period commencing on or after 07th December, 2006 to the extent they relate to the acquisition of depreciable capital assets are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets.
- d) The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

1.16 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.

1.17 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.

1.18 MEASUREMENT OF EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

1.19 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.01 SHARE CAPITAL | As at March 31, | |
|---|----------------------|----------------------|
| | 2012 Rupees | 2011 Rupees |
| SHARE CAPITAL | | |
| Authorised Capital | | |
| 199,800,000 (March 31, 2011: 199,800,000) Equity Shares of Rs.10 (10) each | 1,998,000,000 | 1,998,000,000 |
| 200,000 (March 31, 2011: 200,000) Non- Cumulative Redeemable Preference Shares of Rs.10 each | 2,000,000 | 2,000,000 |
| | <u>2,000,000,000</u> | <u>2,000,000,000</u> |
| Issued, Subscribed and Paid up Capital | | |
| 142,857,100 (March 31, 2011: 142,857,100) Equity Shares of Rs.10(10) Each | 1,428,571,000 | 1,428,571,000 |
| 48,000 (March 31, 2011: Nil) 0% Non-cumulative Redeemable Preference Shares of Rs.10(10) each fully paid-up * | 480,000 | - |
| | <u>1,429,051,000</u> | <u>1,428,571,000</u> |

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

| | As at March 31, | | | |
|---|--------------------|----------------------|--------------------|----------------------|
| | 2012 | | 2011 | |
| | Number | Amount | Number | Amount |
| <u>Equity Shares of Rs.10 each</u> | | | | |
| Shares Outstanding at the beginning of the year | 142,857,100 | 1,428,571,000 | 142,857,100 | 1,428,571,000 |
| Shares Issued during the year | - | - | - | - |
| Shares Bought back/ Other movements during the year | - | - | - | - |
| Shares Outstanding at the end of the year | <u>142,857,100</u> | <u>1,428,571,000</u> | <u>142,857,100</u> | <u>1,428,571,000</u> |
| <u>0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each *</u> | | | | |
| Shares Outstanding at the beginning of the year | - | - | - | - |
| Other Movements | 48,000 | 480,000 | - | - |
| Shares Issued during the year | - | - | - | - |
| Shares Bought back/ Other movements during the year | - | - | - | - |
| Shares Outstanding at the end of the year | <u>48,000</u> | <u>480,000</u> | - | - |

b) Aggregate number of Bonus Shares Issued, Shares Allotted pursuant to contract(s) without payment being received in cash and shares bought back during the period of five years immediately preceding the reporting date:

| | As at March 31, | |
|--|-------------------|-------------------|
| | 2012 | 2011 |
| | No. of Shares | No. of Shares |
| <u>Equity Shares of Rs. 10 each</u> | | |
| Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account | 74,236,874 | 74,236,874 |
| | <u>74,236,874</u> | <u>74,236,874</u> |
| <u>0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each *</u> | | |
| Preference shares allotted pursuant of contract(s) without payment received in cash Pursuant to Scheme of Demerger | 48,000 | - |
| | <u>48,000</u> | <u>-</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

| | As at March 31, | | | |
|---|-----------------|--------------|---------------|--------------|
| | 2012 | | 2011 | |
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| <u>Equity Shares of Rs. 10 each</u> | | | | |
| Mr. Akshay Raheja | 24,282,600 | 17.00 | 24,282,600 | 17.00 |
| Mr. Viren Raheja | 23,910,600 | 16.74 | 23,910,600 | 16.74 |
| Hathway Investments Private Limited | 14,964,003 | 10.47 | 14,900,800 | 10.43 |
| Providence Equity Advisors Mauritius Limited | 14,143,552 | 9.90 | - | - |
| Macquarie Bank Limited | 10,556,644 | 7.39 | - | - |
| Reliance Capital Trustee Co. Limited | 9,995,556 | 7.00 | 8,929,900 | 6.25 |
| Spur Cable and Datacom Private Limited | 7,650,000 | 5.36 | 7,650,000 | 5.36 |
| Asian Cables Systems Private Limited | - | - | 24,715,500 | 17.30 |
| <u>0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each *</u> | | | | |
| Hathway Cabletech Services Private Limited | 48,000 | 100.00 | - | - |

d) Rights, Preference and restrictions attached to Shares;

Terms/ Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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.

Terms of Conversion/ Redemption/ Rights attached to Preference Shares

0% Non-cumulative Preference shares of Rs.10 each are redeemable on or before 12th December 2012 at the option of Board of Directors of the issuer Company and the Preference Shareholders by giving one week's notice to either party.

e) Shares reserved for issue under options

620,199 No. of equity shares (as at March 31, 2011 : 769,999 equity shares) of Rs.10 each towards outstanding employees stock option granted/ available for grant. (Refer Note 4.10)

* These preference shares were held by a subsidiary & were transferred outside the group during the year.

| 2.02 RESERVES & SURPLUS | As at March 31, | |
|--|----------------------|----------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| <u>Capital Reserve</u> | | |
| Balance as per last Balance Sheet | 1,025,387 | 1,025,387 |
| Add: Addition during the year | - | - |
| Less: Written back during the year | - | - |
| | 1,025,387 | 1,025,387 |
| <u>Securities Premium</u> | | |
| Balance as per last Balance Sheet | 11,999,692,444 | 11,999,692,444 |
| Add: Securities premium credited on Share issue | - | - |
| Less: Deduction during the year | - | - |
| | 11,999,692,444 | 11,999,692,444 |
| <u>Employee Stock Options Outstanding Account</u> | | |
| Balance at the beginning of the year | 24,157,165 | 19,354,283 |
| Add: Addition during the year | 725,448 | 4,802,882 |
| Less: Deduction during the year | - | - |
| | 24,882,613 | 24,157,165 |
| <u>Surplus/ (Deficit) In the Statement of Profit and Loss</u> | | |
| Balance at the beginning of the year | (4,935,317,352) | (4,622,647,887) |
| Add : Net Profit/ (Loss) after tax for the current year | (491,811,883) | (312,669,465) |
| Add : Transfer from Reserves | - | - |
| | (5,427,129,235) | (4,935,317,352) |
| | 6,598,471,209 | 7,089,557,644 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.03 LONG TERM BORROWINGS | As at March 31, | | As at March 31, | |
|---|-----------------|---------------|-----------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| Term Loans | | | | |
| Secured | | | | |
| From Banks | 596,301,139 | 700,304,766 | 352,342,311 | 268,896,821 |
| From Financial Institutions | 399,450,000 | 724,650,008 | 250,200,000 | 237,699,992 |
| From Others | 92,857,130 | 121,502,426 | 28,645,296 | 51,971,224 |
| External Commercial Borrowings | | | | |
| Secured | 7,631,625 | 33,442,500 | 30,526,500 | 26,754,000 |
| Buyers Credit | | | | |
| Secured | 874,962,834 | 284,484,943 | 87,839,241 | 386,454,789 |
| Deferred payment liabilities | | | | |
| Secured | 291,136,607 | - | 271,646,482 | - |
| Finance Lease Obligations | | | | |
| Secured | 363,274,284 | 223,460,329 | 155,078,723 | 217,723,778 |
| Vehicle Loans from Banks | | | | |
| Secured | 8,576,858 | 7,006,555 | 6,502,480 | 7,211,604 |
| Other Loans & Advances | | | | |
| Unsecured | 65,383,971 | 122,699,087 | - | - |
| | 2,699,574,448 | 2,217,550,614 | 1,182,781,033 | 1,196,712,208 |
| Amount disclosed under the head 'Other Current Liabilities' (Note No. 2.08) | - | - | 1,182,781,033 | 1,196,712,208 |
| Net Amount | 2,699,574,448 | 2,217,550,614 | - | - |
| The above amount includes | | | | |
| Aggregate amount of Secured Borrowings | 2,634,190,477 | 2,094,851,527 | | |
| Aggregate amount of Unsecured Borrowings | 65,383,971 | 122,699,087 | | |

(a) Nature of Security and terms of repayment for secured borrowings :

| Nature of Security | | Terms of Repayment |
|--------------------|---|---|
| i | Term Loan from Banks | - |
| a) | Terms loan from Yes Bank Ltd. amounting to Rs.226,000,000 (March 31, 2011: NIL) are secured by, | Principal Repayable in 12 equal quarterly installments of Rs.18,833,333 with 1st installment due at the end of 15th Month (30-Sep-2012). Interest is payable on Monthly basis. Applicable Rate of Interest is Yes Bank BR + 3.25%. |
| | 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. | |
| | 2) pari passu hypothecation of present & future Current Assets of the Company. | |
| | 3) undertaking given by certain shareholders of the Company for non-disposal of their shareholding in the Company so long as Term Loan is outstanding. | |
| b) | Terms loan from Yes Bank Ltd. amounting to Rs.NIL (March 31, 2011: Rs.168,750,000) are secured by, | Principal Repayable in 16 equal quarterly installments of Rs.18,750,000 with 1st installment due at the end of 15th Month (20-Aug-2009). Interest is payable on Monthly basis. Applicable Rate of Interest is Yes Bank PLR - 5.25%. |
| | 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. | |
| | 2) pari passu hypothecation of present & future Current Assets of the Company. | |
| c) | Terms loan from ICICI Bank Ltd. amounting to Rs.120,000,000 (March 31, 2011: Rs.120,000,000) are secured by pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. | Principal Repayable in 20 equal quarterly installments of Rs.15,000,000 starting from the end of 5th quarter (24-May-2009). Interest is payable on Monthly basis. Applicable Rate of Interest is ICICI Bank Benchmark advance rate - 4.05%. |
| d) | Terms loan from Bank of India Ltd. amounting to Rs.275,000,000 (March 31, 2011: Rs.374,999,998) are secured by, | Principal repayable in 20 equal quarterly installments of Rs.25,000,000 with 1st installment due 12 months after the 1st date of disbursement (12-Mar-2010). Interest is payable on monthly basis. Applicable Rate of Interest is Bank of India Base rate + 4.5%. |
| | 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. | |
| | 2) pari passu hypothecation of present & future Current Assets of the Company. | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Nature of Security | Terms of Repayment |
|--|---|
| e) Terms loan from Vijaya Bank Ltd. amounting to Rs NIL (March 31, 2011: Rs.123,500,000) are secured by, 1) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. 2) pari passu hypothecation of present & future Current Assets of the Company. | Principal repayable in 20 equal quarterly installments of Rs.6,500,000 with 1st installment due after one year from the date of 1st disbursement (4-Feb-2011). Interest is payable on monthly basis. Applicable Rate of Interest is Base PLR. |
| f) Terms loan from Axis Bank Ltd. amounting to Rs. 88,749,999 (March 31, 2011: Rs.151,250,000) are secured by, 1) First Pari Passu Charge on Entire Movable & Immovable Fixed Assets of one of the Subsidiary Company, 2) First Pari Passu Charge by way of Hypothecation of entire Current Assets belonging to one of the Subsidiary Company 3) Corporate Guarantee of the Company | Principal Repayable in 16 equal quarterly installments of Rs. 15,625,000 with 1st installment commencing from 31-Oct-2011). Interest is payable on Monthly basis. Applicable Rate of Interest is Axis Bank Base Rate + 4%. |
| g) Terms loan from Axis Bank Ltd. amounting to Rs. 100,000,000 (March 31, 2011: Rs.NIL) are secured by, 1) First Pari Passu Charge on Entire Movable & Immovable Fixed Assets of one of the Subsidiary Company, 2) Second Charge by way of Hypothecation of entire Current Assets belonging to one of the Subsidiary Company 3) Corporate Guarantee of the Company | Principal Repayable in 16 equal quarterly installments of Rs. 6,250,000 with 1st installment commencing from 1-Jun-2012. Interest is payable on Monthly basis. Applicable Rate of Interest is Axis Bank Base Rate + 4%. |
| h) Terms loan from Yes Bank Ltd. amounting to Rs. 100,000,000 (March 31, 2011: Rs.NIL) are secured by, 1) First Charge on Entire Movable & Immovable Fixed Assets of one of the Subsidiary Company, 2) First Pari Passu Charge by way of Hypothecation of entire Current Assets belonging to one of the Subsidiary Company 3) Non disposal undertaking from one of the Directors of the Subsidiary Company & the Company 4) Shortfall undertaking from one of the Directors of the Subsidiary Company & the Company for repayment of Principal and Interest. | Principal Repayable in 8 equal quarterly installments of Rs. 12,500,000 with 1st installment commencing from 28-Oct-2012. Interest is payable on Monthly basis. Applicable Rate of Interest is Yes Bank Base Rate + 4%. |
| i) Terms loan from HDFC Bank Ltd. amounting to Rs.833,333 (March 31, 2011: Rs. 1,666,667) are secured by, 1) Exclusive first Charge on by way of mortgage of property situated at Sadoday Plaza, Nagpur of one of the Subsidiary Company. | Principal Repayable in 12 equal quarterly installments of Rs. 208,333 with 1st installment commencing from 1-Jul-2010. Interest is payable on Monthly basis. Applicable Rate of Interest is HDFC Bank PLR - 3.25%. |
| j) Terms loan from HDFC Bank Ltd. amounting to Rs.1,875,000 (March 31, 2011: Rs. 4,375,000) are secured by, 1) Exclusive first Charge on by way of mortgage of property situated at Sadoday Plaza, Nagpur of one of the Subsidiary Company. | Principal Repayable in 12 equal quarterly instalments of Rs. 625,000 with 1st installment commencing from 1-Apr-2010. Interest is payable on Monthly basis. Applicable Rate of Interest is HDFC Bank PLR - 3.25%. |
| k) Terms loan from ICICI Bank Ltd. amounting to Rs.6,537,348 (March 31, 2011: Rs. 7,012,655) are secured by, 1) Exclusive first Charge on by way of mortgage of property situated at Sahjanand Complex, Shahibaug, Ahmedabad of one of the Subsidiary Company. | Principal Repayable in 120 monthly instalments gradually increasing from Rs. 32604 to 107604 with 1st installment commencing from 10-Feb-2010. Interest is payable on Monthly basis. Applicable Rate of Interest is ICICI Bank Prime Rate- 2.75%. |
| l) Terms loan from Dhanlaxmi Bank Ltd. amounting to Rs.16,693,861 (March 31, 2011: Rs. 17,647,268) are secured by, 1) Exclusive first Charge on by way of mortgage of property situated at Ganga Apartment, Golaghalla Road, Kolkata of one of the Subsidiary Company. | Principal Repayable in 120 monthly instalments gradually increasing from Rs. 70000 to 252,284 with 1st installment commencing from 15-Feb-2011. Interest is payable on Monthly basis. Applicable Rate of Interest is Dhanlaxmi Base Rate + 4.5%. |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Nature of Security | | Terms of Repayment |
|--------------------|--|--|
| m) | Terms loan from Dhanlaxmi Bank Ltd. amounting to Rs.6,192,279 (March 31, 2011: Rs. NIL) are secured by, | Principal Repayable in 180 monthly instalments gradually increasing from Rs. 11,300 to 79000 with 1st installment commencing from 15-Jun-2011. Interest is payable on Monthly basis. Applicable Rate of Interest is Dhanlaxmi Base Rate + 3%. |
| | 1) Exclusive first Charge on by way of mortgage of property situated at Bapunagar, Ahmedabad of one of the Subsidiary Company. | |
| | n) Terms loan from Dhanlaxmi Bank Ltd. amounting to Rs.6,761,630 (March 31, 2011: Rs. NIL) are secured by, | Principal Repayable in 120 monthly instalments gradually increasing from Rs. 28,300 to 103281 with 1st installment commencing from 5-Jul-2011. Interest is payable on Monthly basis. Applicable Rate of Interest is Dhanlaxmi Base Rate + 3%. |
| | 1) Exclusive first Charge on by way of mortgage of property situated at Paldi, Ahmedabad of one of the Subsidiary Company. | |
| ii | Term Loan from Financial Institutions | |
| a) | Terms loan from IDFC Ltd. amounting to Rs.305,900,000 (March 31, 2011: Rs. 418,600,000) are secured by, | Principal repayable in 20 quarterly installments commencing at the end of 12 months from the date of first disbursement (15-Aug-2009). Installment amount for 1st, 2nd, 3rd year, 4th year and 5th year is Rs.6,250,000, Rs.18,800,000, Rs.31,300,000, Rs.31,300,000 and Rs.37,600,000 respectively and last installment amount is Rs.36,600,000. Interest is payable on monthly basis. Applicable Rate of Interest is 1 year IDFC Benchmark rate + 3.25%. |
| | 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | |
| | 2) pari passu hypothecation of the present & future Current Assets of the Company. | |
| | 3) pari passu first charge on present & future book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature. | |
| | 4) First charge on the uncalled capital of the company. | |
| | 5) Lien on 3,500,000 (P.Y. 3,500,000) units of IDFC Fixed Maturity Plan Yearly Series 63 (March 31, 2011 IDFC Fixed Maturity Plan Yearly Series 40) | |
| b) | Terms loan from IDFC Ltd. amounting to Rs.343,750,000 (March 31, 2011: Rs.468,750,000) are secured by, | Principal repayable in 16 equal quarterly installments of Rs.31,250,000 commencing at the end of 12 months from the date of first disbursement (15th Mar, 2011). Interest is payable on monthly basis at 1 year IDFC Benchmark rate + 3.50%. |
| | 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | |
| | 2) pari passu hypothecation of the present & future Current Assets of the Company. | |
| | 3) pari passu first charge on present & future book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature. | |
| | 4) First charge on the uncalled capital of the company. | |
| | 5) Lien on Fixed Deposits with Bank of Rs.27,000,000 (March 31, 2011: Rs.27,000,000) | |
| c) | Terms loan from SREI Infrastructure Finance Ltd. amounting to Rs. NIL (March 31, 2011: Rs.75,000,000) are secured by, | Principal repayable in 48 equal monthly installments of Rs.6,250,000 commencing after 13 months from the date of disbursement (22nd March 2010). Interest is paid on monthly basis. Applicable Rate of Interest is SREI Benchmark rate. |
| | 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | |
| | 2) pari passu hypothecation of the present & future Current Assets of the Company. | |
| | 3) Pledge of NIL (March 31, 2011: 202,000) fully paid equity shares of Gujarat Telelink Private Limited. | |
| iii | Term Loan from others | |
| a) | Terms loan from HDFC Ltd. amounting to Rs.121,428,562 (March 31, 2011: Rs.149,999,994) are secured by, pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | Principal repayable in 28 equal quarterly installments of Rs.7,142,858 commencing from 30-Sep-2009. Interest is payable on Monthly basis. Applicable Interest rate is HDFC PLR - 3.75%. |
| | Terms loan from HDFC Ltd. amounting to Rs.121,428,562 (March 31, 2011: Rs.149,999,994) are secured by, pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Nature of Security | | Terms of Repayment |
|--------------------|---|--|
| | b) Terms loan from HDFC Ltd. amounting to Rs. NIL (March 31, 2011: Rs.12,500,000) are secured by, | Principal repayable in 12 equal quarterly installments of Rs.12,500,000 from 31-Jul-2008. Interest is payable on Monthly basis. Applicable Interest rate is HDFC PLR - 3.75%. |
| | 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | |
| | 2) undertaking given by certain shareholders of the Company for non- disposal of their shareholding in the Company so long as Term Loan is outstanding to the tune of Rs. NIL (March 31, 2011: Rs. 12,500,000) | |
| | c) Terms loan from HDFC Ltd. amounting to Rs. NIL (March 31, 2011: Rs.10,714,292) are secured by, | Principal repayable in 14 equal quarterly installments of Rs.5,357,142 (30-Jun-2008). Interest is payable on Monthly basis. Applicable Interest rate is HDFC PLR - 3.75%. |
| | 1) pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | |
| | 2) undertaking given by certain shareholders of the Company for non-disposal of their shareholding in the Company so long as Term-Loan is outstanding to the tune of Rs. NIL (March 31, 2011: Rs. 10,714,296). | |
| | d) Term loan from Magma Finance Corp. amounting to Rs 73,864 (March 31, 2011 : Rs 259,364/-) is secured by a first and exclusive charge on movable assets acquired out of the Loan. | Repayable in 24 equal monthly installments commencing from 20-Feb-2011. Applicable Rate of interest is 4.50 % p.a. |
| iv | External Commercial Borrowings | |
| | External Commercial Borrowings from Banks amounting to Rs.38,158,125 (March 31, 2011: Rs.60,196,500) are secured by, pari passu hypothecation of the present & future movable & immovable Fixed Assets of the Company. | Principal repayable in 20 equal quarterly installments of USD.150,000 commencing after 12 months from the date of first disbursement (10-Jul-2008). Interest is payable on Monthly basis. Applicable Rate of Interest is 6 months LIBOR +2%. |
| v | Buyers Credit | |
| | a) Buyers Credit from Axis Bank Ltd. amounting to Rs.193,996,643 (March 31, 2011: Rs.167,226,761) are secured by, secured by hypothecation of Current Assets of the Company both present & future and extension of pari passu hypothecation of movable Fixed Assets of the Company both present & future. | Principal repayable with Interest on completion of 6 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is 6 months LIBOR + Spread prevailing as on the date of the drawdown. |
| | b) Buyers Credit from Yes Bank Ltd. amounting to Rs.768,805,432 (March 31, 2011: Rs.292,394,712) are secured by, | Principal repayable with Interest on completion of 6 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is 6 months LIBOR + Spread prevailing as on the date of the drawdown. |
| | 1) Secured by hypothecation of Current Assets of the Company both present & future and extension of pari passu hypothecation of movable Fixed Assets of the Company both present & future. | |
| | 2) Cash Margin of 10% by Fixed deposit with Bank. | |
| | c) Buyers Credit from ICICI Bank Ltd. amounting to Rs. NIL (March 31, 2011: Rs.204,898,498) are secured by hypothecation of Assets acquired under LC facility. | Principal repayable with Interest on completion of 33 months from the date of drawdown. Interest is payable on half yearly basis. Applicable Rate of Interest is LIBOR + 0.60%. |
| | d) Buyers Credit from Axis Bank Ltd. amounting to Rs. NIL (March 31, 2011: Rs. 6,419,761) is secured by Corporate Guarantee of the Company | Principal repayable with Interest on completion of 6 months with a rollover period of more than 1 year from the date of underlying shipment. Applicable Rate of Interest is 6 months LIBOR + Spread prevailing as on the date of the drawdown. |
| vi | Deferred payment liabilities | |
| | a) Deferred payment liabilities amounting to Rs.562,783,089 (March 31, 2011: Rs. NIL): | Principal repayable after 2 years along with Interest. Applicable Rate of Interest for first 6 months is NIL and balance 18 months is 2.388% p.a. |
| | 1) Ericsson Television Ltd. amounting to Rs.184,890,260 (March 31, 2011: Rs. NIL) secured by Usance Letter of Credit issued by a bank. | |
| | 2) NDS Ltd. amounting to Rs.377,892,829 (March 31, 2011: Rs. NIL) secured by Usance Letter of Credit issued by a bank. | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Nature of Security | | Terms of Repayment |
|--------------------|--|---|
| vii | Finance Lease Obligations | |
| | a) Cisco System Capital (India) Pvt. Ltd. - Finance Lease amounting to Rs.188,815,625 (March 31, 2011: Rs.335,982,935) secured by hypothecation of underlying assets taken on lease | Principal with Interest is payable in quarterly installments over the period of 5 years from inception of lease agreement. Applicable Rate of Interest varies between 9% - 10% p.a. |
| | b) Cisco Systems Capital India (Private) Limited - Finance Lease amounting to Rs. 329,537,382 (March 31, 2011: Rs. 105,201,172), is secured against Set Top Boxes purchased under lease by one of the Subsidiary Company and Corporate guarantee of the Company. | Principal with Interest is payable in quarterly instalments over the period of 5 years. Applicable Rate of Interest varies between 9% - 10% p.a. |
| viii | Vehicle Loans from Banks | |
| | a) Vehicle Loans amounting to Rs.644,807 (March 31, 2011: Rs.1,166,947) are secured by Hypothecation of Vehicles. | Principal repayable in 36 - 60 equal monthly installments along with Interest. Applicable rate of interest is within the range of 7.62% - 11.40% p.a. |
| | b) Vehicle Loans from Axis Bank amounting to Rs 228,421/- (March 31, 2011 Rs NIL) are secured by Hypothecation of Vehicles. | Loan repayable in 36 monthly installments along with Interest. Applicable rate of Interest is 11.42%p.a. |
| | c) Vehicle Loan from Saraswat Bank amounting to Rs.68,914 (March 31, 2011: Rs.159,731) are secured by Hypothecation of Vehicles. | Loan repayable in 36 monthly installments along with interest. Applicable rate of Interest is 9% p.a. |
| | d) Vehicle Loan from Axis Bank amounting to Rs 561,560/- (March 31, 2011: Rs.NIL) are secured by Hypothecation of Vehicles. | Loan repayable in 60 monthly installments along with Interest. Applicable rate of Interest is 10 - 12% p.a. |
| | e) Vehicle Loan from HDFC Bank amounting to Rs 1,300,808/- (March 31, 2011 : Rs 347,358/-) are secured by Hypothecation of Vehicles. | Loan repayable in 60 monthly installments along with Interest. Applicable rate of Interest is 10 - 13% p.a. |
| | f) Loan taken from various Banks totaling to Rs. 12,274,830 (March 31, 2011: Rs. 12,544,123) secured against respective vehicle under the Hire Purchase Contract. | Principal repayable over 36 - 60 months on monthly rests along with Interest. Applicable Rate of Interest is in the range of 12 - 15% p.a. |
| ix | Other Loans & Advances- Unsecured | Principal repayable after 12 months as per mutual consent. No Interest is payable on the loans. |

(b) Details of long-term borrowings guaranteed by directors or others :

| Particulars | As at March 31, | |
|---|-----------------|-------------|
| | 2012 | 2011 |
| Term loans from Banks | | |
| Term loan from Yes Bank Ltd. | 100,000,000 | 168,750,000 |
| Term loan from ICICI Bank Ltd. | 120,000,000 | 120,000,000 |
| Term loan from Axis Bank Ltd. | 188,749,999 | 151,250,000 |
| Term loans from Financial Institutions | | |
| Terms loan from IDFC Ltd. | 305,900,000 | 418,600,000 |
| Term loans from Others | | |
| Terms loan from HDFC Ltd. | 121,428,562 | 173,214,290 |
| Buyers Credit from Bank | | |
| From ICICI Bank Ltd. | - | 204,898,498 |

| 2.04 DEFERRED TAX LIABILITY | As at March 31, | |
|--|--------------------|--------------------|
| | 2012 | 2011 |
| Deferred Tax Liabilities | | |
| Unabsorbed Depreciation | 66,807,449 | 121,262,137 |
| Disallowances Under Income Tax Act 1961 | 8,686,178 | 33,429,257 |
| Carried Forward Losses | - | 45,935,637 |
| Provision for Doubtful Debts | 288,046 | 351,346 |
| Others | 60,527,765 | 499,159 |
| Deferred Tax Assets | | |
| Difference between book and tax depreciation | 263,446,866 | 317,379,575 |
| NET DEFERRED TAX LIABILITY | 127,137,428 | 115,902,039 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.05 OTHER LONG-TERM LIABILITIES | As at March 31, | |
|--|--------------------|--------------------|
| | 2012 | 2011 |
| <u>Others</u> | | |
| Income received in advance (Refer Note No. 2.08) | 38,350,778 | 233,288,811 |
| Security Deposit (Refer Note No. 2.08) | 100,442,011 | 115,310,541 |
| | <u>138,792,789</u> | <u>348,599,352</u> |

| 2.06 PROVISIONS | Long-term | | Short-term | |
|---|------------------|------------------|--------------------|--------------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| <u>Provision for Employee Benefits</u> | | | | |
| Gratuity (unfunded) | 4,229,373 | 5,435,467 | 6,349,017 | 5,663,960 |
| Bonus | - | - | 5,942,670 | 8,049,667 |
| Leave Encashment | - | - | 72,827,967 | 64,315,560 |
| <u>Others</u> | | | | |
| Provision for Income Tax (Net) | - | - | 20,917,230 | 52,240,567 |
| | <u>4,229,373</u> | <u>5,435,467</u> | <u>106,036,884</u> | <u>130,269,754</u> |

| 2.07 SHORT TERM BORROWINGS | As at March 31, | |
|---|--------------------|--------------------|
| | 2012 | 2011 |
| <u>Loans repayable on demand</u> | | |
| <u>Secured</u> | | |
| Working Capital Loans repayable on demand from a bank | - | 110,000,000 |
| Cash Credit with Banks | 198,617,986 | 219,877,368 |
| <u>Unsecured Loan</u> | | |
| Others | 14,209,471 | 6,813,418 |
| | <u>212,827,457</u> | <u>336,690,786</u> |

(a) Nature of Security for secured borrowings :

| Nature of Borrowing | | Nature of Security |
|---------------------|--|--|
| i | <u>WORKING CAPITAL</u> | - |
| a) | Working Capital Demand Loan from Yes Bank Ltd. outstanding Rs.Nil (March 31, 2011: Rs.110,000,000) [Sanctioned Amount Rs. 250,000,000 (March 31, 2011: Rs. 250,000,000)] | a) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. (b) pari passu hypothecation of present & future Current Assets of the Company. |
| ii | <u>CASH CREDIT</u> | |
| a) | Cash Credit with Axis Bank Ltd outstanding Rs.9,621,644 (March 31, 2011: Rs.Nil) [Sanctioned amount Rs. 700,000,000 (March 31, 2011: Rs. 700,000,000)] | (a) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. (b) pari passu hypothecation of present & future Current Assets of the Company. |
| b) | Cash Credit with Yes Bank Ltd amounting to Rs.1,017,634 (March 31, 2011: Rs.Nil) [Sanctioned amount Rs. 100,000,000 (March 31, 2011: Rs. 100,000,000)] | (a) pari passu hypothecation of present & future movable and immovable Fixed Assets of the Company. (b) pari passu hypothecation of present & future Current Assets of the Company. |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | |
|----|---|----|---|
| c) | Cash Credit with ICICI Bank Ltd outstanding Rs.NIL (March 31, 2011: Rs.NIL) [Sanctioned amount Rs.NIL (March 31, 2011: Rs. 50,000,000)] | a) | pari passu hypothecation of present & future inventory and Book Debts of the Company. |
| d) | Cash Credit with Axis Bank Ltd outstanding Rs 15,774,078 (March 31, 2011 : Rs 10,748,897) | a) | Hypothecation of Book Debts & all Fixed Assets of one of the Subsidiary company |
| | | b) | Corporate guarantee of the Company |
| e) | Cash Credit with Axis Bank Ltd outstanding Rs 43,387,428 (March 31, 2011 : Rs NIL). | a) | First charge on the present and future current assets of one of the Subsidiary Company. |
| | | b) | Extension of hypothecation of Fixed Assets of one of the Subsidiary Company. |
| | | c) | Corporate guarantee of the Company. |
| f) | Cash Credit with Bank of Maharashtra outstanding Rs NIL (March 31, 2011 : Rs 2,494,665). | a) | Secured against Hypothecation of Book Debts, Headend Equipments & Fixed Deposit Receipt of Rs. 27.89 Lakhs. |
| g) | Cash Credit with Axis Bank Ltd. outstanding Rs 962,907 (March 31, 2011 : Rs NIL). | a) | Secured by first charge on the Current Assets belonging to one of the Subsidiary Company, |
| h) | Cash Credit with Axis Bank outstanding Rs. 126,980,532 (March 31, 2011 Rs 206,633,806) | a) | Secured by first charge on the Current Assets belonging to one of the Subsidiary Company, |
| | | b) | Second charge on the present and future moveable Fixed Assets and specific immovable properties of one of the Subsidiary Company. |
| | | c) | Personal Guarantee of one of the Directors of the Subsidiary Company and Corporate Guarantee of the Company. |
| i) | Cash Credit with State Bank of India outstanding Rs. 873,763 (March 31, 2011 Rs NIL) | a) | Secured by machineries, equipments and furnitures of the Subsidiary of one of the Subsidiary Company. |

(b) Details of Short-term borrowings guaranteed by some of the directors or others:

| Particulars | | As at March 31, | |
|-------------|--|-----------------|-------------|
| | | 2012 | 2011 |
| i | Cash Credit with Banks | | |
| a | ICICI Bank Ltd. outstanding Rs.NIL (March 31, 2011: Rs.NIL) [Sanctioned amount Rs. NIL (March 31, 2011: Rs. 50,000,000)] | - | - |
| b | Axis Bank Ltd. | 126,980,532 | 206,633,806 |

| 2.08 OTHER CURRENT LIABILITIES | Non-Current | | Current | |
|--|-----------------|-------------|-----------------|---------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| Trade Payables* | - | - | 1,582,614,631 | 1,225,159,804 |
| | - | - | 1,582,614,631 | 1,225,159,804 |
| Current maturities of Long-Term Borrowings (Refer note no. 2.03) | - | - | 1,027,702,310 | 978,988,430 |
| Current maturities of Finance Lease Obligations (Refer note no. 2.03) | - | - | 155,078,723 | 217,723,778 |
| Interest accrued but not due on borrowings | - | - | 14,700,990 | 11,675,395 |
| Preference Share Capital | - | - | 320,000 | 250,000 |
| Credit Balances in Current Account with Bank | - | - | 32,033,966 | 140,538,117 |
| Payable for Capital Expenditure | - | - | 371,671,580 | 489,767,949 |
| Income received in advance | 38,350,778 | 233,288,811 | 559,494,838 | 422,072,490 |
| Security Deposits | 100,442,011 | 115,310,541 | 7,783,572 | 7,871,465 |
| Employee Payables | - | - | 59,329,816 | 67,130,777 |
| Statutory Payables | - | - | 242,692,030 | 388,301,734 |
| Advance from Customers | - | - | 162,604,809 | 122,176,916 |
| Other Liabilities | - | - | 458,422,978 | 284,764,333 |
| | 138,792,789 | 348,599,352 | 3,091,835,612 | 3,131,261,384 |
| Amount disclosed under the head 'Income received in advance' (Note No. 2.05) | 38,350,778 | 233,288,811 | - | - |
| Amount disclosed under the head "Security Deposit" (Note No. 2.05) | 100,442,011 | 115,310,541 | - | - |
| | - | - | 3,091,835,612 | 3,131,261,384 |

*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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FIXED ASSETS

(In Rupees)

| 2.09 TANGIBLE ASSETS | <-----Gross Block (at Cost)-----> | | | | | <--- Accumulated Depreciation/(Amortisation/Impairment)---> | | | | | <-----Net Block-----> | | | |
|--|-----------------------------------|-----------------------------------|---------------------------|----------------------------|------------------|---|-----------------------------------|----------------|------------------------------|--------------------------------|-----------------------|------------------|------------------|------------------|
| | As at 01-04-2011 | Addition for New Subsidiaries JVs | Additions during the year | Deductions during the year | As at 31-03-2012 | As at 01-04-2011 | Addition for New Subsidiaries JVs | Adjustment *** | Additions during the year ** | Deduction for old Subsidiaries | Other Adjustments* | As at 31-03-2012 | As at 31-03-2012 | As at 31-03-2011 |
| Plant and Machinery | 8,705,62,639 | 26,579,486 | 1,700,632,092 | 151,158,556 | 10,695,040,290 | 3,346,449,078 | 8,125,770 | 36,187,853 | 1,064,286,977 | 525,239 | 224,826,800 | 4,565,610,417 | 6,129,428,873 | 5,558,713,561 |
| Air Conditioners | 33,738,187 | 271,915 | 2,606,428 | 54,055 | 36,557,969 | 18,700,673 | - | - | 2,312,530 | 2,333 | - | 20,979,058 | 15,578,901 | 15,037,514 |
| Structural Fittings | 25,028,404 | - | 71,916 | - | 26,000,320 | 7,489,013 | - | - | 948,919 | - | - | 8,437,932 | 17,562,388 | 18,439,391 |
| Furniture and Fixtures | 155,205,119 | 4,574,288 | 21,320,875 | 63,732 | 181,009,437 | 89,830,006 | 914,196 | 3,986,668 | 11,031,420 | 17,028 | - | 105,691,530 | 75,377,907 | 65,376,113 |
| Mobile, Pagers & Telephones | 19,222,937 | 45,500 | 665,895 | 715,655 | 19,518,424 | 12,861,263 | - | - | 1,028,940 | 69 | - | 13,093,262 | 6,425,162 | 6,861,674 |
| Computers | 153,812,954 | 1,905,130 | 13,424,020 | 1,133,367 | 167,006,575 | 119,727,289 | 781,389 | (411,312) | 14,683,096 | 1,957 | - | 133,689,123 | 33,917,452 | 34,085,665 |
| Office Equipments | 40,883,366 | 1,801,388 | 13,642,331 | 228 | 55,926,023 | 17,130,893 | 17,200 | 627,612 | 3,896,441 | 459 | - | 21,671,459 | 34,254,564 | 23,552,473 |
| Electrical Fittings | 30,331,449 | - | 614,792 | 21,081 | 30,924,821 | 17,248,395 | - | - | 1,907,528 | 211 | - | 19,146,092 | 11,778,729 | 13,083,064 |
| Motor Vehicles | 63,580,526 | 937,345 | 15,174,789 | 6,610,882 | 73,079,035 | 32,574,611 | 541,025 | 2,966,770 | 7,714,275 | 344 | - | 40,988,055 | 32,120,980 | 31,005,915 |
| Movie Master Tapes | 1,838,833 | - | - | - | 1,838,833 | 1,712,999 | - | - | 18,085 | - | - | 1,731,084 | 107,749 | 125,834 |
| Land and Building | 117,455,707 | 1,927,291 | 43,031,463 | 250,000 | 162,164,461 | 9,589,863 | 403,800 | 4,529,286 | 2,325,026 | - | - | 16,835,475 | 145,328,986 | 107,865,844 |
| Assets Taken on Finance Lease: Plant and Machinery | 9,347,261,121 | 37,442,423 | 1,811,184,601 | 160,007,756 | 11,449,666,178 | 3,673,114,073 | 10,783,380 | 47,896,877 | 1,110,153,237 | 547,640 | 224,826,800 | 4,947,843,487 | 6,501,822,691 | 5,674,147,048 |
| | 932,684,832 | - | 157,191,590 | - | 1,089,876,422 | 340,038,901 | - | - | 92,709,602 | - | (224,826,800) | 207,921,703 | 467,052,720 | 532,645,931 |
| Total | 10,279,945,953 | 37,442,423 | 1,966,376,191 | 160,007,756 | 12,124,640,601 | 4,013,152,974 | 10,783,380 | 47,896,877 | 1,202,862,839 | 547,640 | - | 5,155,765,190 | 6,968,875,411 | 6,866,792,979 |
| Previous Year | 8,624,743,731 | 28,667,622 | 1,760,869,207 | 131,517,813 | 10,279,945,953 | 3,035,467,473 | 4,074,046 | 34,005,172 | 1,033,054,817 | 1,855,619 | - | 4,013,152,974 | 6,266,792,979 | 5,599,276,258 |

* During the year the Company has reclassified Assets under Finance Lease amounting to Rs. 414,901,999 (March 31, 2011: Rs. 165,429,327) (Gross Block) and Rs. 224,826,800 (March 31, 2011: Rs. 23,011,219) (Depreciation) as Owned Assets on completion of the lease period.

** Additions to Depreciation includes Impairment of Plant and Machinery Rs. 112,139,520 (March 31, 2011: Year Rs.87,594,276)

| 2.10 INTANGIBLE ASSETS | <-----Gross Block (at Cost)-----> | | | | | <--- Accumulated Depreciation/Amortisation/Impairment---> | | | | | <-----Net Block-----> | | | |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------------|------------------------------|------------------|---|-------------------------------|----------------|-----------------------------|--------------------------------|-----------------------|------------------|------------------|---------------|
| | As at 01-04-2011 | Addition for New Subsidiaries | Additions during the period | Deductions during the period | As at 31-03-2012 | As at 01-04-2011 | Addition for New Subsidiaries | Adjustment *** | Additions during the period | Deduction for old Subsidiaries | Other Adjustments | As at 31-03-2012 | As at 31-03-2011 | |
| Goodwill | 1,081,186,907 | 116,033,000 | 26,721,231 | 464,600 | 1,223,476,538 | 331,370,420 | 28,299,996 | - | 89,131,453 | - | - | 448,526,860 | 774,948,678 | 749,816,487 |
| Cable Television Franchisee | 1,687,303,190 | 5,171,687 | 117,786,645 | 1,558,580 | 1,803,456,286 | 367,559,694 | 1,587,242 | 2,099,944 | 88,211,454 | 581,742 | - | 456,077,927 | 1,347,378,359 | 1,319,793,486 |
| Movie & Serial Rights | 19,304,879 | - | 23,443,576 | - | 42,748,455 | 14,675,611 | - | - | 7,866,395 | - | - | 22,542,006 | 20,206,449 | 4,629,268 |
| Softwares | 111,030,506 | 392,062 | 44,377,861 | 20,000 | 155,780,429 | 72,988,888 | - | 2,665,400 | 17,570,376 | - | - | 93,202,674 | 62,577,755 | 38,043,608 |
| Bandwidth Rights | 279,069,533 | - | 46,810,037 | - | 325,879,570 | 246,118,800 | - | - | 40,469,827 | - | - | 286,578,627 | 39,300,943 | 32,950,733 |
| Total | 3,177,935,015 | 121,598,749 | 259,139,350 | 2,043,180 | 3,551,341,278 | 1,032,661,423 | 29,887,238 | 4,765,344 | 243,239,505 | 581,742 | - | 1,306,928,094 | 2,244,413,184 | 2,145,233,592 |
| Previous Year | 3,058,223,082 | 69,256,081 | 313,607,612 | 136,397,495 | 3,177,885,015 | 915,681,713 | 200,048 | (1,646,538) | 271,845,959 | 19,278,005 | - | 1,032,661,423 | 2,146,233,592 | 2,142,541,369 |

Note :

| Range of remaining period of amortisation of Intangible Assets is as below: | | | | | Total WDV |
|---|--------------|---------------|---------------|-------------|---------------|
| 0 to 5 Year | 5 to 10 Year | 10 to 15 Year | 15 to 20 Year | | |
| | | | | | |
| Goodwill | 356,371,774 | 221,056,360 | 134,017,994 | 63,503,550 | 774,948,678 |
| Cable Television Franchisee | 446,842,220 | 431,611,516 | 338,802,909 | 130,321,614 | 1,347,378,359 |
| Movie & Serial Rights | 20,195,570 | - | - | - | 20,206,449 |
| Softwares | 62,489,246 | 47,169 | 37,858 | 3,482 | 62,577,755 |
| Bandwidth Rights | 28,080,463 | 6,871,026 | 4,349,454 | - | 39,300,943 |

** Additions to Amortisation includes Impairment of Software Rs. Nil (March 31, 2011: Year Rs.59,507)

*** Adjustment includes differential depreciation on account of two of the subsidiaries which has not changed its Depreciation policy. The effect has been given to bring the policy in line with the Group.

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 Franchise acquired by the company will exceed twenty years. Accordingly, the same has been amortized over a period of twenty years from the date of acquisition.

Based on factors such as past experience, remaining contract period, industry trends, estimated residual value etc., the Company is of the opinion that the useful life of the Movie & Serial Rights acquired by the company will exceed fifteen years. Accordingly, the same has been amortized upto a period of fifteen years from the date of commencement of the agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.11 NON-CURRENT INVESTMENTS | Face Value | As at March 31, 2012 | | As at March 31, 2011 | |
|---|-------------|----------------------|-------------------|----------------------|--------------------|
| | Rs.per unit | Quantity | Rupees | Quantity | Rupees |
| Trade investments (valued at cost) | | | | | |
| Unquoted equity instruments | | | | | |
| Investment in Equity shares of subsidiaries | | | | | |
| Hathway Jai Mata Di Sherawali Cable & Datacom Pvt. Ltd. # | 10 | 8000 | 8,000,000 | 8000 | 8,000,000 |
| Hathway Channel 5 Cable & Datacom Pvt. Ltd. # | 10 | - | - | 249000 | 62,819,311 |
| | | | 8,000,000 | | 70,819,311 |
| Less : Provision for diminution in value | | | 8,000,000 | | 70,819,311 |
| | | | 0 | | 0 |
| Investment in Equity Shares of Associates | | | | | |
| GTPL Rajwadi Network Pvt. Ltd | 10 | 2500 | 2,888,257 | 2500 | 2,051,856 |
| Hathway VCN Cablenet Pvt. Ltd. # | 10 | 12520 | 1,006,132 | 12520 | 1,006,132 |
| Pan Cable Services Pvt. Ltd. # | 10 | 10 | 100 | 10 | 100 |
| | | | 3,894,489 | | 3,058,088 |
| Less : Provision for diminution in value | | | 1,006,232 | | 1,006,232 |
| | | | 2,888,257 | | 2,051,856 |
| Investment in Equity Shares of Other Companies | | | | | |
| Gujarat Television Pvt.Ltd. | 10 | 200000 | 23,999,920 | 200000 | 23,999,920 |
| Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd. # | 10 | 60000 | 2,206,295 | 60000 | 2,206,295 |
| Hathway Cable Entertainment Pvt. Ltd. | 10 | 47009 | 470,594 | 47009 | 470,594 |
| | | | 26,676,809 | | 26,676,809 |
| Less : Provision for diminution in value | | | 2,206,295 | | 2,206,295 |
| | | | 24,470,514 | | 24,470,514 |
| Investment in Firm * | | | | | |
| GTPL - Space | | | 4,987,500 | | - |
| GTPL Shiv Vision | | | 3,748,500 | | - |
| M/s GTPL G P Marketing | | | 3,000,000 | | 3,000,000 |
| GTPL Lucky World Video | | | 2,401,800 | | - |
| Unity Cable Network ^ | | | 1,285,200 | | - |
| M/s GTPL B Communication | | | 1,087,960 | | - |
| M/s GTPL Kim Cable Entertainment | | | 1,040,000 | | 1,040,000 |
| M/s GTPL Ganesh Communication | | | 918,077 | | 918,077 |
| M/s GTPL Nawaz Network | | | 900,000 | | 900,000 |
| GTPL Khushboo Video Channel | | | 770,100 | | - |
| M/s GTPL Universal Cable Network | | | 622,650 | | 622,650 |
| M/s GTPL Sab Network | | | 518,875 | | 518,875 |
| M/s GTPL Yak Cable Network | | | 518,875 | | 518,875 |
| Sai DL Vision ^ | | | 263,069 | | - |
| M/s GTPL Lucky World Vision | | | 204,000 | | 204,000 |
| M/s GTPL Jyoti Cable | | | - | | 4,468,365 |
| M/s GTPL Sky World Vision | | | - | | 2,947,967 |
| | | | 22,266,606 | | 15,138,809 |
| Less : Balance Contribution Outstanding towards capital to Partnership Firms/Joint Ventures | | | 1,052,357 | | 2,601,886 |
| | | | 21,214,249 | | 12,536,923 |
| Investment in Others | | | | | |
| National Savings Certificates | | | 4,003,883 | | 3,883,863 |
| (Deposited with Government Authorities) | | | - | | - |
| Rural Electrification Corporation Limited | 10,000 | | - | 500 | 3,750,000 |
| The Saraswat Co-operative Bank Ltd. | | 3130 | 31,300 | 3130 | 31,300 |
| Thane Janta Shares | | 5000 | 50,001 | 5000 | 50,001 |
| | | | 4,085,184 | | 7,715,164 |
| Total Non-current Investments | | | 52,658,204 | | 46,774,457 |
| Aggregate amount of quoted investments | | | - | | - |
| Market Value of Quoted Investments | | | - | | - |
| Aggregate amount of unquoted investments | | | 63,870,731 | | 120,806,295 |
| Aggregate provision for diminution in value of investments | | | 11,212,527 | | 74,031,838 |

Provision for diminution in value of investments on entire value

^ These companies are joint ventures of subsidiaries, of one of our subsidiary GTPL.

* The details of Investments made in Partnership Firms and Joint Ventures, as at March 31, 2012 are as under :

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|------------------------------------|------------------|
| 01 : GTPL Space | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Gujarat Telelink Pvt. Ltd | 57.00% |
| B) | Mr. Rajesh Mohanbhai Patel | 23.00% |
| C) | Mrs. Bhavna Rajesh Patel | 20.00% |
| | Total | 100.00% |
| 02 : GTPL Shiv Vision | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Gujarat Telelink Pvt. Ltd | 51.00% |
| B) | Mr. Sanjay Kanubhai Vyas | 49.00% |
| | Total | 100.00% |
| 03 : GTPL G P Marketing | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Dilipsinh Vaghela | 49.00% |
| B) | Gujarat Telelink Private Limited | 51.00% |
| | Total | 100.00% |
| 04 : GTPL Lucky World Video | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Gujarat Telelink Private Limited | 51.00% |
| B) | Gaurang R Desai | 49.00% |
| | Total | 100.00% |
| 05 : Unity Cable Network | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | GTPL Video Badshah Private Limited | 51.00% |
| B) | Untiy Cable Network (Iliyashbhai) | 49.00% |
| | Total | 100.00% |
| 06 : GTPL B Communication | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Mr. Bharatbhai Patel | 50.00% |
| B) | Gujarat Telelink Private Limited | 50.00% |
| | Total | 100.00% |
| 07 : GTPL Kim Cable Entertainment | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Shaileshbhai Balwantbhai Patel | 49.00% |
| B) | Gujarat Telelink Private Limited | 51.00% |
| | Total | 100.00% |
| 08 : GTPL Ganesh Communication | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Sejalben Hitesh Patel | 24.50% |
| B) | Janesh Ramesh Pandya | 24.50% |
| C) | Gujarat Telelink Private Limited | 51.00% |
| | Total | 100.00% |
| 09 : GTPL Nawaz Network | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Abdul Habib Abdul Kadar Sheikh | 50.00% |
| B) | Gujarat Telelink Private Limited | 50.00% |
| | Total | 100.00% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|-------------------------------------|------------------|
| 10 : GTPL Khushboo Video Channel | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Gujarat Telelink Pvt. Ltd | 51.00% |
| B) | Mrs. Sarlaben S. gohel | 49.00% |
| | Total | 100.00% |
| 11 : GTPL Universal Cable Network | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Atarwala Malekul Ustaad Akbarbhai | 50.00% |
| B) | Gujarat Telelink Private Limited | 50.00% |
| | Total | 100.00% |
| 12 : GTPL Sab Network | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Sirajwala Abdul Rehman Bakarbai | 50.00% |
| B) | Gujarat Telelink Private Limited | 50.00% |
| | Total | 100.00% |
| 13 : GTPL Yak Network | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Yusuf Khan Abdulrahim Khan | 50.00% |
| B) | Gujarat Telelink Private Limited | 50.00% |
| | Total | 100.00% |
| 14 : SAI DL Vision | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | DLGTPL Cablnet Private Limited | 50.00% |
| B) | Mr. Shekh Nebu Sheikh Basir Pinjari | 40.00% |
| C) | Mr. Ansari Akram Babubhai | 10.00% |
| | Total | 100.00% |
| 15 : GTPL Lucky World Vision | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Bhavesh Patel | 49.00% |
| B) | Gujarat Telelink Private Limited | 51.00% |
| | Total | 100.00% |
| 16 : GTPL Jyoti Cable | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Narendra Barot | 49.00% |
| B) | Gujarat Telelink Pvt. Ltd | 51.00% |
| | Total | 100.00% |
| 17 : GTPL Sky World Vision | | |
| Sr. No. | Name of Partners | Share of Partner |
| A) | Jayshreeben Sorathiya | 49.00% |
| B) | Gujarat Telelink Pvt. Ltd | 51.00% |
| | Total | 100.00% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.12 DEFERRED TAX ASSETS | As at March 31, | |
|--|-------------------|-------------------|
| | 2012 | 2011 |
| Deferred Tax Assets on : | | |
| Disallowances Under Income Tax Act 1961 | – | 6,848,917 |
| Leave Encashment Payable | 4,651,979 | 4,219,848 |
| Carried Forward Losses | 25,914,158 | 17,142,123 |
| On Account of Bonus | – | 744,938 |
| Provision for Doubtful Debts | 1,438,605 | 495,072 |
| Others | 4,957,754 | 4,387,713 |
| Deferred Tax Liabilities on : | | |
| Difference between book and tax depreciation | 13,005,148 | 7,691,845 |
| NET DEFERRED TAX ASSETS | 23,957,348 | 26,146,766 |

| 2.13 LOANS AND ADVANCES | Long Term | | Short Term | |
|---|-----------------|-------------|-----------------|-------------|
| | As at March 31, | | As at March 31, | |
| | 2012 | 2011 | 2012 | 2011 |
| <u>CAPITAL ADVANCES</u> | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Network Acquisitions | 240,968,933 | 302,213,453 | – | – |
| Advance to Suppliers | 199,277,527 | 133,780,917 | – | – |
| Less: Provision for doubtful advances | 18,856,985 | 18,856,985 | – | – |
| | 421,389,475 | 417,137,385 | – | – |
| <u>SECURITY DEPOSITS</u> | | | | |
| Unsecured, considered good | | | | |
| Security Deposits | 177,516,714 | 153,620,231 | 54,772,257 | 44,448,508 |
| | 177,516,714 | 153,620,231 | 54,772,257 | 44,448,508 |
| <u>LOANS AND ADVANCES TO RELATED PARTIES</u> | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Advance to Subsidiaries | – | 11,374,558 | 6,922,355 | 4,239,339 |
| Advance Recoverable | – | – | 36,753,791 | 4,338,528 |
| Advance to Firm in which Subsidiaries are partner | 171,575,839 | 165,015,779 | – | – |
| Advance for other Cable Ventures | 68,058,872 | 61,018,580 | 279,972 | 171,795 |
| Advances to Related Parties | 2,767,912 | 2,767,912 | – | – |
| Less: Provision for doubtful loans and advances | 239,634,711 | 236,088,990 | – | – |
| | – | – | – | – |
| | 2,767,912 | 4,087,839 | 43,956,118 | 8,749,662 |
| <u>OTHER LOANS AND ADVANCES</u> | | | | |
| Unsecured, considered good | | | | |
| Prepaid expenses | 44,534,567 | 51,855,041 | 110,231,103 | 110,386,563 |
| Staff Advances | 62,394,744 | 62,371,696 | 11,202,596 | 12,757,516 |
| Staff Loan | 4,308,617 | 3,947,776 | 2,610,884 | 2,891,607 |
| Sundry Advances | 90,827,135 | 81,268,111 | 194,508,662 | 193,215,615 |
| Service Tax Claimable | 6,625,382 | 6,625,382 | 133,760,588 | 145,668,641 |
| Loans Given | 3,074,485 | 3,342,886 | 771,522 | 10,957,880 |
| Taxes Paid (Net of Provision) | 66,210,694 | 82,516,312 | 159,426,577 | 123,476,372 |
| Cenvat Receivable | – | – | 122,475,266 | 138,233,833 |
| Less: Provision for doubtful loans and advances to Others | 19,913,089 | 2,888,492 | – | – |
| | 258,062,535 | 289,038,712 | 734,987,198 | 737,588,027 |
| | 859,736,637 | 863,884,167 | 833,715,573 | 790,786,197 |
| Loans and advances due by director | | | | |
| The above include | | | | |
| Dues from Director | 2,767,912 | 2,767,912 | – | – |
| | 2,767,912 | 2,767,912 | – | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.14 TRADE RECEIVABLES | Non-Current As at March 31, | | Current As at March 31, | |
|--|--------------------------------|-------------|----------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| Unsecured, considered good unless stated otherwise | | | | |
| Unsecured, considered good | 125,244,561 | 22,629,229 | 2,415,252,731 | 2,429,513,331 |
| Doubtful | 395,493,457 | 652,846,868 | – | – |
| | 520,738,018 | 675,476,097 | 2,415,252,731 | 2,429,513,331 |
| Less: Provision for Doubtful Receivables | 443,729,315 | 576,151,475 | – | – |
| | 77,008,703 | 99,324,622 | 2,415,252,731 | 2,429,513,331 |
| Outstanding for a period exceeding six months from the date they are due for payment | | | 136,109,141 | 274,499,104 |
| Other receivables | | | 2,279,143,590 | 2,155,014,227 |
| | | | 2,415,252,731 | 2,429,513,331 |

| 2.15 OTHER ASSETS | Non-Current As at March 31, | | Current As at March 31, | |
|--|--------------------------------|-------------|----------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| Unsecured, considered good unless stated otherwise | | | | |
| Non-current bank balances (Note No. 2.18) | 165,305,542 | 131,286,904 | – | – |
| Other Receivables | 464,655 | 1,765,427 | 53,351,810 | 47,721,728 |
| Interest accrued but not due | 828,624 | 867,015 | 9,103,201 | 6,823,726 |
| | 166,598,821 | 133,919,346 | 62,455,011 | 54,545,454 |

| 2.16 CURRENT INVESTMENTS | FACE VALUE | As at March 31, 2012 | | As at March 31, 2011 | |
|---|--------------|----------------------|------------|----------------------|-------------|
| | Rs. Per Unit | Quantity | Rupees | Quantity | Rupees |
| Current investments (valued at lower of cost and fair value, unless stated otherwise) | | | | | |
| Other Investments | | | | | |
| Quoted | | | | | |
| Mutual Funds | | | | | |
| ICICI Prudential Plan | | | | | |
| – FMP Series 51 – 13MONTHS PLAN C | 10 | – | – | 3,500,000 | 37,406,600 |
| – Interval Fund II – Quarterly Interval Plan F – Inst – Growth | 10 | – | – | 9,335,238 | 100,000,000 |
| IDFC Mutual Fund | | | | | |
| – FMP – Yearly Series 63** | 10 | 3,500,000 | 35,000,000 | – | – |
| – FMP – Yearly Series 40* | 10 | | – | 3,500,000 | 35,000,000 |
| Reliance Mutual Fund | | | | | |
| – Monthly Interval Fund – Series II – Institutional – Growth | 10 | – | – | 7,518,175 | 100,000,000 |
| | | | 35,000,000 | | 272,406,600 |
| Unquoted | | | | | |
| Mutual Funds | | | | | |
| IDFC Mutual Fund | | | | | |
| – Money Manager Fund – Treasury Plan-Super Inst Plan C – Growth | 10 | – | – | 8,723,053 | 101,626,189 |
| UTI Mutual Fund | | | | | |
| – Liquid Cash Plan – Institutional – Growth | 1,000 | 9,953 | 17,500,729 | – | – |
| Templeton India Fund | | | | | |
| – Treasury Management Account – Super Institutional – Growth | 1,000 | 5,756 | 9,173,698 | – | – |
| Reliance Mutual Fund | | | | | |
| – Money Manager Fund – Institutional – Growth | 1,000 | – | – | 56,823 | 76,051,995 |
| – Liquid Fund – Treasury Plan – Institutional – Growth | 10 | 1,533,554 | 40,000,000 | | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 2.16 CURRENT INVESTMENTS | FACE VALUE | As at March 31, 2012 | | As at March 31, 2011 | |
|---|--------------|----------------------|--------------------|----------------------|----------------------|
| | Rs. Per Unit | Quantity | Rupees | Quantity | Rupees |
| Fidelity Mutual Fund | | | | | |
| – Ultra Short Term Debt Fund – Super Institutional – Growth | 10 | – | – | 28,976,564 | 368,805,011 |
| | | | 66,674,427 | | 546,483,195 |
| Investment in Certificate of Deposits of Banks | | | | | |
| Vijaya Bank | 100,000 | – | – | 5,000 | 497,141,850 |
| Yes Bank | 100,000 | – | – | 2,500 | 248,902,685 |
| Canara Bank | 100,000 | – | – | 2,500 | 249,369,300 |
| | | | – | | 995,413,835 |
| Current Maturity of Long Term Investment | | | | | |
| Rural Electrification Corporation Limited | 10,000 | 500 | 3,750,000 | | – |
| | | | 3,750,000 | | – |
| Total Current Investments | | | 105,424,427 | | 1,814,303,630 |
| Aggregate amount of quoted investments | | | 35,000,000 | | 272,406,600 |
| Market Value of Quoted Investments | | | 35,364,000 | | 272,871,819 |
| Aggregate amount of unquoted investments | | | 70,424,427 | | 1,541,897,030 |

* Includes NIL units (March 31, 2011: 3,500,000 units) where lien has been marked in favour of a Financial Institution

** Includes 3,500,000 units (March 31, 2011: NIL units) where lien has been marked in favour of a Financial Institution

| 2.17 INVENTORIES | Current As at March 31, | |
|-------------------------------------|----------------------------|-------------------|
| | 2012 | 2011 |
| Inventories : | | |
| Stock-in-Trade | 6,901,755 | – |
| Stock of Spares & Maintenance Items | 48,005,241 | 46,947,187 |
| | 54,906,996 | 46,947,187 |

| 2.18 CASH AND BANK BALANCES | Non-Current As at March 31, | | Current As at March 31, | |
|--|--------------------------------|--------------------|----------------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| Cash & Cash Equivalents | | | | |
| Balances with banks: | | | | |
| In Current Accounts | – | – | 240,347,572 | 275,526,462 |
| Fixed Deposits with original maturity less than 3 months | – | – | 507,324,879 | 2,649,582 |
| Cheques on Hand | – | – | 88,008,668 | 48,360,114 |
| Cash in hand | – | – | 94,271,576 | 57,849,033 |
| | – | – | 929,952,695 | 384,385,191 |
| Other Bank Balance | | | | |
| Margin money deposit | 149,705,542 | 115,686,904 | 45,806,939 | 5,413,294 |
| Fixed Deposits with original maturity less than 12 months | 15,600,000 | 15,600,000 | – | – |
| | 165,305,542 | 131,286,904 | 45,806,939 | 5,413,294 |
| Less: Amount disclosed under non current asset (Note 2.15) | 165,305,542 | 131,286,904 | – | – |
| | – | – | 975,759,634 | 389,798,485 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 3.01 REVENUE FROM OPERATIONS | Year ended March 31, | |
|---------------------------------|-----------------------|----------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Sale of services | | |
| Subscription Income | 9,652,278,818 | 8,467,400,438 |
| Rental Income on Equipments | 105,185,767 | 95,206,412 |
| Consultancy Income | 59,514,721 | 66,917,388 |
| Advertisement Income | 126,472,022 | 118,672,907 |
| Commission Income | 44,948,211 | 35,285,212 |
| | <u>9,988,399,539</u> | <u>8,783,482,357</u> |
| Sale of products | | |
| Sale of Access Devices | 98,437,741 | 10,314,268 |
| | <u>98,437,741</u> | <u>10,314,268</u> |
| Other operating revenues | | |
| Interest – Cable Ventures | 111,636 | 502,699 |
| Other Operational Income | 34,364,072 | 32,618,315 |
| | <u>34,475,708</u> | <u>33,121,014</u> |
| | <u>10,121,312,988</u> | <u>8,826,917,639</u> |

| 3.02 OTHER INCOME | Year ended March 31, | |
|---|----------------------|--------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Profit on Sale of Current Investments (Net) | 75,865,598 | 150,234,462 |
| Amount No Longer Payable Written Back | 31,586,862 | 13,904,469 |
| Interest on Fixed Deposits | 26,656,613 | 9,388,059 |
| Interest on Certificate of Deposits | 9,923,417 | 44,150,203 |
| Interest on Income Tax Refund | 7,156,018 | 4,536,366 |
| Gain on Foreign Exchange Fluctuation (Net) | 1,398,114 | 14,864,858 |
| Interest on Loans | 430,105 | 287,720 |
| Miscellaneous Income | 11,893,373 | 17,380,539 |
| Bad debts earlier written off now recovered | 19,567 | 69 |
| | <u>164,929,667</u> | <u>254,746,745</u> |

| 3.03 Purchase of Stock-In-Trade | Year ended March 31, | |
|---------------------------------|----------------------|-------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Purchase of Access Device | 111,468,353 | 22,118,498 |
| | <u>111,468,353</u> | <u>22,118,498</u> |

| 3.04 Changes in Stock-In-Trade | Year ended March 31, | |
|--------------------------------|----------------------|----------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Opening Stock | — | — |
| Less : Closing Stock | 6,901,755 | — |
| | <u>(6,901,755)</u> | <u>—</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 3.05 OPERATIONAL EXPENSES | Year ended March 31, | |
|---|-----------------------------|---------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Pay Channel Cost | 4,294,638,569 | 3,621,909,987 |
| Distribution Cost | 243,117,175 | 189,109,518 |
| Commission | 290,662,037 | 304,666,707 |
| Repairs & Maintenance (Plant & Machinery) | 219,497,793 | 224,003,102 |
| Bandwidth & Lease Line Cost | 287,573,419 | 211,244,220 |
| Rent | 92,883,008 | 101,156,105 |
| Feed charges | 29,706,348 | 37,464,852 |
| Other Sundry Operational Cost | 74,149,374 | 62,636,856 |
| Consultancy & Technical Fees | 55,373,652 | 66,799,554 |
| Software & Programming Cost | 21,276,743 | 21,500,733 |
| Hire Charges | 9,877,115 | 12,091,556 |
| Freight & Octroi Charges | 13,632,577 | 24,232,340 |
| Movie/Cable Rights Expenses | 1,505,977 | 2,804,225 |
| | 5,633,893,787 | 4,879,619,755 |

| 3.06 EMPLOYEE BENEFITS EXPENSE | Year ended March 31, | |
|--|-----------------------------|---------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Salaries & Bonus | 845,467,691 | 800,331,057 |
| Contribution to provident and other fund | 41,454,532 | 45,699,073 |
| Staff Welfare | 38,116,173 | 47,087,901 |
| Employee Stock Compensation Expense | 725,447 | 4,802,882 |
| | 925,763,843 | 897,920,913 |

| 3.07 OTHER EXPENSES | Year ended March 31, | |
|--|-----------------------------|---------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Service Charges | 238,446,072 | 230,997,462 |
| Bad Debts | 496,687,734 | 276,835,131 |
| Less: Transfer from Provision for Doubtful Debts | 450,102,405 | 244,841,225 |
| | 46,585,329 | 31,993,906 |
| Provision for Bad and Doubtful debts | 486,616,588 | 375,350,992 |
| Electricity Expenses | 139,074,559 | 123,064,735 |
| Rates & taxes | 111,302,922 | 111,760,387 |
| Office Expenses | 76,789,172 | 89,202,706 |
| Rent – Offices | 84,020,362 | 78,345,461 |
| Conveyance | 79,618,202 | 76,998,624 |
| Legal & Professional Charges | 119,999,452 | 76,387,880 |
| Advertisement & Promotion expenses | 77,375,565 | 28,381,458 |
| Loss on disposal / shortage of assets | 43,033,371 | 43,089,303 |
| Communication Charges | 45,980,698 | 57,066,344 |
| Repairs & Maintenance (Others) | 68,986,932 | 61,242,416 |
| Travelling | 35,859,503 | 29,871,703 |
| Miscellaneous Expenses | 17,340,861 | 16,354,830 |
| Printing & Stationery | 20,898,986 | 19,703,720 |
| Business Promotion Expenses | 35,100,907 | 29,858,106 |
| Sundry Advances Written Off | 3,794,169 | 4,038,282 |
| Preliminary Exp Written Off | 112,732 | 173,414 |
| Sundry Administration Expenses | 479,935 | 2,192,623 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 3.07 OTHER EXPENSES | Year ended March 31, | |
|--|----------------------|----------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Insurance Charges | 6,497,087 | 5,631,460 |
| Interest on Taxes | 11,255,750 | 10,986,792 |
| Sitting Fees | 1,471,990 | 1,489,041 |
| Provision for Bad & Doubtful Advances | 14,777,604 | 892,769 |
| Donation | 6,540,123 | 11,770,102 |
| Auditor's Remuneration | | |
| – Statutory Audit Fees | 3,250,000 | 3,000,000 |
| – Audit Fees | 825,000 | 750,000 |
| – Limited Review, Consolidation & Certification Fees | 1,810,000 | 2,550,000 |
| – Tax Representation Fees | 150,000 | 100,000 |
| – Other Consultancy Services | 2,665,000 | 2,875,000 |
| – Out of Pocket Expenses | – | 91,568 |
| | 1,780,658,871 | 1,526,211,084 |

| 3.08 DEPRECIATION AND AMORTISATION | Year ended March 31, | |
|------------------------------------|----------------------|----------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Depreciation on Tangible Assets | 1,184,543,131 | 995,316,720 |
| Amortisation on Intangible Assets | 224,261,792 | 253,523,373 |
| | 1,408,804,923 | 1,248,840,093 |

| 3.09 FINANCE COST | Year ended March 31, | |
|---|----------------------|--------------------|
| | 2012 | 2011 |
| | Rupees | Rupees |
| Interest and Finance Charges | 383,345,568 | 381,406,131 |
| Bank Charges | 66,223,776 | 70,844,405 |
| Exchange difference to the extent considered as an adjustment to finance cost | 69,990,982 | 39,698 |
| | 519,560,326 | 452,290,234 |

4.01 During the previous year one of the subsidiary company namely Gujarat Telelink Private Limited, has sold off its News & Advertisement division on a going concern basis to M/s Gujarat Television Pvt Ltd. Against the net assets value of Rs. 8,693,000, the said subsidiary company has received equity shares from the acquirer having value of Rs.16,000,000. The same has resulted into a gain of Rs.7,306,000 which has been recognised during the previous year in the Statement of Profit & Loss. Since, the operations of this division are not material in view of the total operations of the Company, disclosures as per AS – 24 'Discontinuing Operations' are not applicable.

4.02 (a) List of subsidiaries which are included in the Consolidation & the company's effective holdings therein as under :

| Name of the Subsidiary | Country of the Incorporation | Date on which it became Subsidiary | Ownership in % either directly or through subsidiaries | |
|--|------------------------------|------------------------------------|--|---------|
| | | | 2011-12 | 2010-11 |
| Channels India Network Pvt. Ltd. | India | 07.04.1998 | 95.63% | 95.63% |
| Vision India Network Pvt. Ltd. | India | 07.04.1998 | 100.00% | 100.00% |
| Liberty Media Vision Pvt. Ltd. | India | 07.04.1998 | 100.00% | 100.00% |
| Ideal Cables Pvt. Ltd. | India | 07.04.1998 | 100.00% | 100.00% |
| Hathway Channel 5 Cable & Datacom Pvt. Ltd.(Refer Note No. 4.03 (B)) | India | 07.04.1998 | 51.00% | 51.00% |
| Bee Network & Communication Pvt. Ltd. | India | 07.04.1998 | 100.00% | 100.00% |
| Elite Cable Network Pvt. Ltd. | India | 07.04.1998 | 80.00% | 80.00% |
| Binary Technology Transfers Pvt.Ltd. | India | 07.04.1998 | 100.00% | 100.00% |
| Hathway Media Vision Pvt. Ltd. | India | 13.08.1998 | 100.00% | 100.00% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Name of the Subsidiary | Country of the Incorporation | Date on which it became Subsidiary | Ownership in % either directly or through subsidiaries | |
|--|------------------------------|------------------------------------|--|---------|
| | | | 2011-12 | 2010-11 |
| UTN Cable Communication Pvt.Ltd. | India | 31.05.1999 | 51.00% | 51.00% |
| ITV Interactive Media Pvt. Ltd | India | 09.09.1999 | 100.00% | 100.00% |
| Chennai Cable Vision Network Pvt. Ltd. | India | 30.09.1999 | 75.99% | 75.99% |
| Hathway Universal Cabletel & Datacom Pvt. Ltd. | India | 10.03.2000 | 100.00% | 100.00% |
| Win Cable Data com Pvt. Ltd. | India | 15.03.2000 | 100.00% | 100.00% |
| Hathway Space Vision Cabletel Pvt. Ltd. | India | 21.03.2000 | 100.00% | 100.00% |
| Hathway Software Developers Pvt.Ltd. | India | 21.03.2000 | 65.00% | 65.00% |
| Hathway Nashik Cable Network Pvt. Ltd. | India | 27.07.2000 | 90.06% | 90.06% |
| Hathway Cnet Pvt. Ltd. | India | 27.07.2000 | 100.00% | 100.00% |
| Hathway United Cables Pvt. Ltd. | India | 01.12.2000 | 100.00% | 100.00% |
| Hathway Internet Satellite Pvt. Ltd. | India | 01.01.2001 | 100.00% | 100.00% |
| Hathway Krishna Cable Pvt. Ltd. | India | 22.07.2002 | 97.20% | 97.20% |
| Hathway Mysore Cable Network Pvt. Ltd. | India | 29.11.2003 | 63.50% | 63.50% |
| Hathway Prime Cable & Datacom Pvt. Ltd. | India | 03.02.2006 | 51.00% | 51.00% |
| Hathway Gwalior Cable & Datacom Pvt. Ltd. | India | 01.05.2007 | 100.00% | 100.00% |
| Hathway Digital Saharanpur Cable & Datacom Pvt Ltd | India | 01.03.2008 | 51.00% | 51.00% |
| Hathway Enjoy Cable Network Pvt. Ltd. | India | 07.06.2007 | 100.00% | 100.00% |
| Hathway JMD Farukhabad Cable & Datacom Pvt Ltd. | India | 01.05.2007 | 100.00% | 100.00% |
| Hathway MCN Pvt. Ltd. | India | 01.06.2007 | 51.00% | 51.00% |
| Hathway Sonali OM Crystal Cable Pvt Ltd | India | 01.01.2008 | 51.00% | 51.00% |
| Hathway ICE Television Pvt Ltd | India | 15.10.2007 | 51.00% | 51.00% |
| Hathway Rajesh Multichannel Pvt. Ltd. | India | 01.10.2007 | 51.00% | 51.00% |
| Net 9 Online Hathway Pvt Ltd | India | 01.03.2008 | 50.00%* | 50.00%* |
| Gujarat Telelink Pvt. Ltd. | India | 12.10.2007 | 50.00%* | 50.00%* |
| Hathway Bhaskar Multinet Pvt Ltd | India | 31.12.2007 | 51.00% | 51.00% |
| Hathway New Concept Cable & Datacom Pvt Ltd | India | 01.09.2008 | 51.00% | 51.00% |
| Hathway Latur MCN Cable & Datacom Pvt Ltd | India | 15.01.2008 | 51.00% | 51.00% |
| Hathway Cable MCN Nanded Pvt Ltd | India | 17.06.2008 | 45.05% | 39.67% |
| Hathway Palampur Cable Network Pvt Ltd | India | 01.04.2008 | 51.00% | 51.00% |
| Hathway Mantra Cable & Datacom Pvt Ltd | India | 30.08.2007 | 98.00% | 98.00% |
| Hathway Sai Star Cable & Datacom Pvt Ltd | India | 01.09.2008 | 51.00% | 51.00% |
| Hathway Bhawani Cabletel & Datacom Ltd. | India | 31.08.2009 | 51.00% | 51.00% |
| Hathway Dattatray Cable Network Pvt Ltd | India | 01.07.2009 | 51.00% | 51.00% |
| Hathway Kokan Crystal Cable Network Pvt. Ltd. | India | 01.11.2010 | 51.00% | 51.00% |

*Subsidiary due to Board Control

(b) List of Joint Venture held directly and Company's effective Ownership

| Joint Venture directly held and Company's effective Shareholding therein | Country of the Incorporation | 31st March 2012 | 31st March 2011 |
|--|------------------------------|-----------------|-----------------|
| Hathway Sukhamrit Cable & Datacom Pvt. Ltd. * (Refer Note No. 4.5) | India | 49.00% | 50.00% |

(c) List of Associate's held directly and Company's effective Ownership

| Associate's directly held and Company's effective Shareholding therein | Country of the Incorporation | 31st March 2012 | 31st March 2011 |
|--|------------------------------|-----------------|-----------------|
| Hathway VCN Cablenet Pvt Ltd | India | 25.03% | 25.03% |
| Pan Cable Services Pvt. Ltd. | India | 33.33% | 33.33% |

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(d) List of Subsidiaries held indirectly and Company's effective Ownership :-

| <u>Subsidiaries of Hathway Bhaskar Multinet Private Limited</u> | Country of the Incorporation | Date on which it became Subsidiary | 31st March 2012 | 31st March 2011 |
|---|-------------------------------------|---|-----------------------------------|-----------------------------------|
| Hathway Bhaskar CCN Multinet Pvt. Ltd. | India | 01.07.2008 | 26.01% | 26.01% |
| (f.k.a.: Hathway Bhaskar Pagariya Multinet Pvt. Ltd.) | | | | |
| Hathway Bhaskar CCN Entertainment (India) Pvt. Ltd. | India | 01.07.2008 | 26.01% | 26.01% |
| (f.k.a.: CCN Entertainment (India) Pvt Ltd) | | | | |
| Hathway Bhaskar CBN Multinet Pvt. Ltd. | India | 01.07.2008 | 26.01% | 26.01% |
| (f.k.a.: Hathway CBN Bhaskar Multinet Pvt Ltd) | | | | |
| Hathway Bhaskar CCN Multi Entertainment Pvt. Ltd. | India | 29.09.2011 | 35.70% | - |
| <u>Subsidiaries of Hathway Bhawani Cabletel & Datacom Ltd.</u> | Country of the Incorporation | Date on which it became Subsidiary | 31st March 2012 | 31st March 2011 |
| Hathway Bhawani NDS Network Private Limited | India | 13.10.2010 | 26.01% | 26.01% |
| Hathway Bhawani Sai Network Pvt. Ltd. | India | 03.11.2011 | 0.51%* | Nil |
| <u>Subsidiaries of Gujarat Telelink Private Limited</u> | Country of the Incorporation | Date on which it became Subsidiary | 31st March 2012 | 31st March 2011 |
| GTPL Anjali Cable Network Private Limited | India | 03.02.2009 | 25.50% | 25.50% |
| GTPL Solanki Cable Network Private Limited | India | 02.07.2008 | 25.50% | 25.50% |
| GTPL Zigma Vision Private Limited | India | 20.02.2009 | 35.30% | 35.30% |
| GTPL S K Network Private Limited | India | 01.12.2008 | 25.50% | 25.50% |
| GTPL Video Badshah Private Limited | India | 04.08.2008 | 25.50% | 25.50% |
| GTPL Kutch Network Private Limited | India | 23.01.2009 | 25.50% | 25.50% |
| GTPL City Channel Private Limited | India | 31.07.2008 | 25.50% | 25.50% |
| GTPL Smc Network Private Limited | India | 21.01.2009 | 25.50% | 25.50% |
| GTPL Surat Telelink Private Limited | India | 23.01.2009 | 25.50% | 25.50% |
| GTPL Vidarbha Telelink Private Limited | India | 01.09.2009 | 25.61% | 25.61% |
| GTPL Space City Private Limited | India | 13.04.2009 | 25.50% | 25.50% |
| GTPL Vision Services Private Limited (Previously Invision Services Private Limited) | India | 01.10.2009 | 31.75% | 31.75% |
| GTPL Jai Mataji Network Private Limited | India | 01.08.2009 | 25.00%* | 25.00%* |
| Narmada Cyberzone Private Limited | India | 01.10.2009 | 30.00% | 30.00% |
| GTPL Shivshakti Network Private Limited | India | 01.04.2009 | 25.50% | 25.50% |
| GTPL Link Network Private Limited | India | 15.04.2009 | 25.50% | 25.50% |
| GTPL VVC Network Private Limited | India | 15.04.2009 | 25.50% | 25.50% |
| GTPL Blue Bell Network Private Limited | India | 01.10.2009 | 46.00% | 46.00% |
| GTPL Parshwa Cable Network Private Limited (Previously Parshwa Cable Network Private Limited) | India | 01.10.2009 | 28.66% | 28.66% |
| Insight Channel Network Private Limited | India | 01.01.2010 | 37.23% | 37.23% |
| Kolkata Cable & Broadband Pariseva Limited | India | 30.06.2010 | 25.50% | 25.50% |
| GTPL Dahod Television Network Private Limited | India | 01.08.2010 | 25.50% | 25.50% |
| GTPL Jay Santoshima Network Pvt.Ltd | India | 31.03.2011 | 25.50% | 25.50% |
| GTPL Sorath Telelink Private Limited | India | 01.04.2010 | 25.50% | 25.50% |
| Gujarat Telelink East Africa Ltd. | Kenya | 01.06.2010 | 25.50% | 25.50% |
| GTPL Shiv Network Private Limited | India | 01.10.2010 | 25.50% | 25.50% |
| GTPL Sharda Cable Network Private Limited | India | 02.11.2011 | 25.50% | - |
| GTPL Ahmedabad Cable Network Private Limited | India | 01.06.2011 | 25.50% | - |
| D.L Cabnet Private Limited* | India | 01.11.2011 | 13.00% | - |
| V&S Cable Private Limited | India | 17.01.2012 | 25.50% | - |

*Subsidiary due to Board Control

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) List of joint ventures held indirectly and Company's effective Ownership therein:-

| Joint Venture of Gujarat Telelink Private Limited | Country of Incorporation | Effective Ownership in Joint Venture | |
|---|--------------------------|--------------------------------------|----------------|
| | | March 31, 2012 | March 31, 2011 |
| M/S. Airlink Communication | India | 25.50% | 25.50% |
| M/S. GTPL A J Enterprise | India | 37.50% | 37.50% |
| M/S. GTPL Anil Cable Services | India | 25.50% | 25.50% |
| M/S. GTPL Ashok Cable Services | India | 25.50% | 25.50% |
| M/S. GTPL Atul Cable Network | India | 25.50% | 25.50% |
| M/S. GTPL B Communication | India | 25.00% | 25.00% |
| M/S. GTPL Bariya Television Network | India | 25.50% | 25.50% |
| M/S. GTPL Gujarat Television Network | India | 25.50% | 25.50% |
| M/S. GTPL H K Cable | India | 25.50% | 25.50% |
| M/S. GTPL Jaydeep Cable | India | 25.50% | 25.50% |
| M/S. GTPL Kal Cable Network | India | 25.50% | 25.50% |
| M/S. GTPL Khambhat Cable Network | India | 25.50% | 25.50% |
| M/S. GTPL Krishna Cable Network | India | 25.50% | 25.50% |
| M/S. GTPL Krishna Cable Services | India | 25.50% | 25.50% |
| M/S. GTPL M Channel | India | 25.50% | 25.50% |
| M/S. GTPL Maa Bhagwati Entertainment | India | 25.50% | 25.50% |
| M/S. GTPL Om Net | India | 25.00% | 25.00% |
| M/S. GTPL Pearl Communication | India | 30.00% | 30.00% |
| M/S. GTPL Pooja Cable | India | 25.50% | 25.50% |
| M/S. GTPL Rainbow Multi Channel | India | 25.50% | 25.50% |
| M/S. GTPL Rainbow Video Vision | India | 25.50% | 25.50% |
| M/S. GTPL Raj World Vision | India | 25.50% | 25.50% |
| M/S. GTPL Rajwadi Channel | India | 25.50% | 25.50% |
| M/S. GTPL Renuka Cable | India | 25.50% | 25.50% |
| M/S. GTPL S P Enterprise | India | 25.50% | 25.50% |
| M/S. GTPL Sagar Cable Services | India | 25.50% | 25.50% |
| M/S. GTPL Sai Cable | India | 25.50% | 25.50% |
| M/S. GTPL Shiv Cable | India | 25.50% | 25.50% |
| M/S. GTPL Shiv Networks | India | 25.50% | 25.50% |
| M/S. GTPL Shree Sai Cable Network | India | 30.00% | 30.00% |
| M/S. GTPL Shree Shani Cable | India | 25.50% | 25.50% |
| M/S. GTPL Valsad Network | India | 30.00% | 30.00% |
| M/S. GTPL Vraj Cable | India | 25.50% | 25.50% |
| M/S. GTPL World View Cable | India | 25.50% | 25.50% |
| M/S. GTPL World Vision – Ambaji | India | 25.50% | 25.50% |
| M/S. GTPL Zubi Video Vision | India | 25.50% | 25.50% |
| M/S. GTPL Mtm Cable Network | India | 25.50% | 25.50% |
| M/S. GTPL Sainath World Vision | India | 25.50% | 25.50% |
| M/S. GTPL Hamidali Rizwi | India | 25.50% | 25.50% |
| M/S. GTPL Star Line Networks | India | 25.50% | 25.50% |
| M/S. GTPL Narmada Cable Services | India | 25.50% | 25.50% |
| M/S. GTPL Leo Vision | India | 25.50% | 25.50% |
| M/S. GTPL Bawa Cable | India | 25.50% | 25.50% |
| M/S. GTPL Bapu Network | India | 25.50% | 25.50% |
| M/S. GTPL Pol Star Vision | India | 25.50% | 25.50% |
| M/S. GTPL Sai Vision | India | 25.50% | 25.50% |
| M/S. GTPL World Vision – Sangali | India | 25.50% | 25.50% |

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| Joint Venture of Gujarat Telelink Private Limited | Country of Incorporation | Effective Ownership in Joint Venture | |
|---|--------------------------|--------------------------------------|----------------|
| | | March 31, 2012 | March 31, 2011 |
| M/s. GTPL Jyoti Cable (Mehsana) | India | 25.50% | - |
| M/s. Sanjiv Cable Vision (Surat) | India | 25.50% | - |
| M/s. GTPL Shiv Cable (Manish Joshi) | India | 25.50% | - |
| M/s. GTPL Shiv Cable (Rajesh Patel) | India | 25.50% | - |
| M/s. GTPL Hariom World Vision | India | 25.50% | - |
| M/s. GTPL Henish Cable Vision | India | 25.50% | - |
| M/s. GTPL Sky World Vision | India | 25.50% | - |
| M/s. GTPL – Buldhana City Cable Network | India | 25.50% | - |
| M/s. GTPL Rajwadi Channel | India | Nil* | 25.50 |
| M/s. GTPL MTM Cable Network | India | Nil* | 25.50 |

*All partnership firm (JV's) have transferred their business to the parent company (Gujarat Telelink Private Limited)

f) Joint Venture directly held and Company's effective Shareholding therein

| | March 31, 2012 | March 31, 2011 |
|--|----------------|----------------|
| Hathway JMD Balaji Cable Network. (Refer Note No. 4.3 (D)) | Nil | Nil |
| Mantra Enterprise (Refer Note No. 4.3 (D)) | Nil | Nil |
| Mona Cable (Refer Note No. 4.3 (D)) | Nil | Nil |

g) Associate indirectly held and Company's effective Shareholding therein

| | March 31, 2012 | March 31, 2011 |
|-------------------------------|----------------|----------------|
| GTPL Rajwadi Network Pvt Ltd. | 12.50% | 12.50% |

4.03 Reasons for non-consolidation of certain subsidiaries/ joint ventures:-

A. M/s. Hathway Space Vision

Two wholly owned subsidiaries of the Company viz. Binary Technologies Transfers Pvt. Ltd. or Hathway Internet Satellite Pvt. Ltd. are majority partners in a partnership firm namely M/s. Hathway Space Vision (the firm). The aforesaid majority partners of the firm had initiated legal action against the minority partners viz. Space Vision Cabletel Pvt. Ltd. with reference to some management and operational issues. The minority partners had also filed certain claims against the Company and majority partners. After a long drawn legal battle, the firm stands dissolved under the directions of the Bombay High Court. The Court Receiver, High Court of Bombay has been appointed as the Receiver of the assets and business of the firm and the Company has been appointed as the Agent of the court receiver. The issues concerning accounts and dissolution including adjudicating upon the original claims and counter claims made before the earlier Arbitrator are referred to Arbitration by Justice Srikrishna. The court receiver has taken formal possession of the movable assets of the firm and has appointed a valuer, the report thereof is pending.

The Company, based on legal advice has not made any provision towards claims raised by the minority partner of the firm and such claims are frivolous in nature and are considered as claims against the Company not acknowledged as debt and included in Note No.4.15 (i).

B. Hathway Channel 5 Cable & Datacom Private Limited

During the previous year, the Company had in respect of its subsidiary company, Hathway Channel 5 Cable & Datacom Private Limited, a 51:49 joint venture in Delhi, filed a complaint against the joint venture partner for committing various criminal offences such as misappropriation of funds, falsification of accounts, fraudulent destruction of security, etc. and made claim of Rs 74,321,905. The matter has since been settled out of court and the Company has withdrawn the said complaint. The exposure of the Company in the said company is of Rs. 99,779,696 (March 31, 2011 : Rs. 104,934,075) against which a provision of Rs. Nil (March 31, 2011 : Rs. 62,819,311) is made. The provision of Rs. 62,819,311 made during the previous year has been reversed during the year.

In view of the above, for the year 2010-11, the Company had not considered the said entity for consolidation. However, for the current year 2011-12, the Company has considered the provisional accounts of the said company for its consolidation as the audit of accounts for the last three years is still in process.

C. Hathway Jai Matadi Sherawali Cable Network Private Limited, Kanpur and M/s. Hathway Jai Matadi Balaji Network

Up to the financial year 2007-2008, the business was carried on by the Company along with the JV partners. However, from the beginning of financial year 2008-2009 disputes arose with the JV partners and the JV partners have migrated to competing cable networks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As a result, the Company has not received any financial statements/ accounts for the above entities for financial years 2009-10, 2010-11 and 2011-12. Hence, the same has not been consolidated during the year.

The Company has filed petition to wind up Hathway Jai Mata Di Sherawali Cable & Datacom Private Limited (HJMD), a subsidiary company, on just and equitable ground. The Company has investment of Rs.8,000,000 and receivable of Rs. 7,450,717 from HJMD and the same have been fully provided for. In view of the Management disputes with the Other Shareholders, the Company has decided to take such an action. The Delhi High Court by its order dated May 5, 2010 directed that it is just and equitable that HJMD be wound up. The Official Liquidator, as appointed and directed by the Delhi High Court, has taken charge of HJMD and the process of liquidation is under progress.

- D. The Company has investment in Hathway Jai Matadi Balaji Cable Network and Mantra Enterprises, and Mona Cable (partnership firms). The financial statements of these for financial years 2007-08, 2008-09, 2009-10 and 2010-11 are under preparation. These firms were dissolved as on March 31, 2011. In absence of any financial statements of these firms since the financial year 2007-08 upto the date of dissolution, no liability on such dissolution has been recognised and in opinion of the management, such liability, if any, would not be material. The amounts outstanding in the books as capital contribution have been fully written off. In view of the same, the Company has not considered these partnership firms for consolidation.
- E. Gujarat Telelinks Pvt Ltd (GTPL), one of the subsidiary, of the Company has investment in the following joint ventures, which have not been consolidated by GTPL as the criteria of effective joint control could not be fulfilled during the reporting period as listed below. Hence the same have been shown as investments and have been carried at cost.

| Name of the Entity | Effective date of Partnership | Effective Ownership in Joint Venture | |
|----------------------------------|-------------------------------|--------------------------------------|----------------|
| | | March 31, 2012 | March 31, 2011 |
| M/s GTPL Ganesh Communication | 01.11.2007 | 25.50% | 25.50% |
| M/s GTPL Kim Cable Entertainment | 01.08.2009 | 25.50% | 25.50% |
| M/s GTPL Lucky World Vision | 01.01.2008 | 25.50% | 25.50% |
| M/s GTPL Nawaz Network | 01.05.2008 | 25.00% | 25.00% |
| M/s GTPL Sab Network | 01.10.2008 | 25.00% | 25.00% |
| M/s GTPL Universal Cable Network | 01.10.2008 | 25.00% | 25.00% |
| M/s GTPL Yak Cable Network | 01.10.2008 | 25.00% | 25.00% |
| M/s.GTPL GP Marketing | 01.10.2008 | 25.50% | 25.50% |
| M/S.GTPL Jyoti Cable | Consolidated w.e.f 01-4-2011 | Consolidated w.e.f 01-4-2011 | 25.50% |
| M/s GTPL Khushboo Video Channel | 01.04.2011 | 25.50% | - |
| M/s. GTPL Shiv Vision | 01.06.2011 | 25.50% | - |
| M/s. GTPL Space | 31.03.2012 | 25.50% | - |
| M/s. GTPL Lucky World Video | 01.06.2008 | 25.50% | - |
| M/s. Unity Cable Network* | 14.03.2011 | 13.01% | - |
| M/s. Sai DI Vision* | 01.11.2011 | 6.50% | - |
| M/s. GTPL B Communication | 01.08.2008 | 25.00% | Consolidated |

*These companies are Joint Venture of subsidiaries of one of our subsidiary GTPL.

In absence of financial statements of the firms above, no share of profit or loss from these entities has been recognised.

4.04 One of the subsidiaries company namely Hathway Bhaskar Multinet Private Limited, has 51% equity interest in Hathway Bhaskar CCN Multinet Private Limited (formerly known as: Hathway Bhaskar Pagaria Multinet Private Limited). The consolidated financial statement for the year 2009-10 was prepared considering unaudited financial statement of this indirect subsidiary. The difference between audited financial statement amounting to Rs.3,819,949 is classified under Prior Period Adjustment during the Previous Year.

4.05 The Company has a holding of 49% in one of its Joint ventures namely Hathway Sukhamrit Cable & Datacom Private Limited. In the absence of availability of the audited financials for the purposes of this consolidated financial statement, provisional Financial Statements have been considered duly certified by the nominee Directors of one of the Joint Venture Partner. The Consolidated Financial Statement for the year 2010-11 was prepared considering unaudited financial statement of this Joint Venture. The difference between audited Financial Statement and unaudited considered earlier, amounting to Rs.21,337,970 is included in prior period adjustment during the year.

4.06 EXCEPTIONAL ITEMS

- a) The Company in its ordinary course of business has promoted / acquired interest in various entities. The Company's exposure to these entities on account of Investments in equity shares and preference shares, on account of amounts advanced as Loans & Advances and Trade Receivables is Rs. 9,006,232 (March 31, 2011: Rs. 74,031,838), Rs. 238,015,902 (March 31, 2011: Rs. 230,935,035) and Rs. 7,450,717 (March 31, 2011: Rs. 52,018,760) respectively. The Company has made provision on overall basis of Rs. 9,006,232 (March 31, 2011: Rs. 74,031,838), Rs. 238,015,902 (March 31, 2011: Rs. 230,935,035) and Rs.7,450,717 (March 31, 2011: Rs. 7,450,717) against such Investments, Loans and Advances and Trade Receivables respectively.

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Considering the long-term involvement of the Company in these entities and strategic impact it has on the business of the Company, the Company has committed to provide financial support to these entities. The provisions made during the year include the amounts advanced during the year.

- b) During the year 2009-10, due to certain business exigencies in the state of Tamilnadu, local cable operators and subscribers had migrated to competing Multi System Operator (MSO) and other service providers. As a consequence, the Company relocated part of its assets to other States so as to maximize the economic returns to the Company and is in the process of recovering balance access devices and other assets. However, as a matter of abundant caution, additional provision has been made as an Exceptional Item for Rs. 104,333,068 (March 31, 2011: Rs.56,593,892). The balance WDV of the Distribution Equipments, Access Devices and Other Assets located in the State of Tamil Nadu as on 31st March 2012 is Rs.Nil (March 31, 2011: Rs.6,552,000), Rs. Nil (March 31, 2011: Rs. 112,653,753) and Rs. Nil (March 31, 2011: Rs.1,086,104) respectively.

Also In addition to the above Rs.10,444,370 (March 31, 2011: Rs.Nil) has been written back after netting of expense for loans and advances, deposits and other current assets against current liabilities and deposit received outstanding in the books in the state of Tamilnadu.

- c) Pursuant to the proposed implementation of Digital Addressable System (DAS), the Company has incurred expenditure amounting to Rs.4,040,839 (March 31, 2011: Rs.Nil) towards promotional campaign relating to awareness of DAS for 100% digitalization for all the four metros from November 01, 2012.

The provision made in respect of above during the year, is considered under Exceptional Item in the Statement of Profit & Loss.

- 4.07** 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, long-term Loans & Advances, Trade Receivables and Current 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.

4.08 INTANGIBLE ASSETS

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 Franchise acquired by the company will exceed twenty years. Accordingly, the same has been amortised over a period of twenty years from the date of acquisition.

Based on factors such as past experience, remaining contract period, industry trends, estimated residual value etc. the Company is of the opinion that the useful life of the Movie Rights acquired by the company will exceed fifteen years. Accordingly, the same has been amortised upto a period of fifteen years from the date of commencement of the agreement.

Goodwill arising on acquisition of businesses or joint ventures that has enduring life or indefinite useful economic life has not been amortised.

4.09 Goodwill on Consolidation comprises of :

| Particulars | March 31, 2012 | March 31, 2011 |
|--|----------------|----------------|
| Goodwill on Consolidation | 1,952,446,394 | 1,897,973,193 |
| Less :Capital Reserve on Consolidation | 5,709,986 | 5,709,986 |
| Net Goodwill on Consolidation | 1,946,736,408 | 1,892,263,207 |

4.10 EMPLOYEE STOCK OPTION PLAN

The shareholders of the Company have approved Employee Stock Option Plan i.e. HATHWAY ESOP 2007 ("The Plan"). The Plan provides for issue of options (underlying equity share of Rs.10 each) to the persons specified in the scheme at the price determined by the remuneration committee appointed by the Board of Directors. Price determined by the remuneration committee is in the range of Rs.110.20 to Rs.157.30.

The Options granted under the Plan shall vest within not less than one year and not more than five years from the date of grant of options. Under the terms of the Plan, 20% of the options will vest to the employees every year. Once the options vest as per the Plan, they would be exercisable by the Option Grantee at any time within a period of three years from the date of vesting and the shares received on exercise of such options shall not be subject to any lock-in period.

The value of the options granted is determined by the management based on the rates at which shares were allotted to the investors during the relevant year and the same has been considered as fair value of option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense) is as follows:

| Particulars | March 31, 2012 | March 31, 2011 |
|--|-------------------|----------------|
| | (Rs.) | (Rs.) |
| Total accounting value of Options Outstanding (A) | 4,928,443 | 17,129,765 |
| Deferred Employee Compensation Expense | 29,085,608 | 36,484,048 |
| Less: Amortized | 24,882,613 | 24,157,165 |
| Net Deferred Employee Compensation Expense (B) | 4,202,995 | 12,326,883 |
| Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense) (A – B) | 725,448 | 4,802,882 |

The following table summarizes the Company's Stock Options activity:

Shares Underlying Options Outstanding

| Sr. No. | | Particulars | March 31, 2012 | | March 31, 2011 | |
|---------|---|---|----------------|---------------------------------------|----------------|---------------------------------------|
| | | | (Rs.) | | (Rs.) | |
| | | | No. of Shares | Weighted Average Exercise Price (Rs.) | No. of Shares | Weighted Average Exercise Price (Rs.) |
| A | a | Outstanding at the beginning of the year | 769,999 | 117.33 | 879,499 | 116.97 |
| | b | Granted during the year | Nil | Nil | Nil | Nil |
| | c | Forfeited/ Cancelled during the year | 13,500 | 110.20 | 109,500 | 110.20 |
| | d | Exercised during the year | Nil | Nil | Nil | Nil |
| | e | Expired during the year – I | 127,200 | 110.20 | Nil | Nil |
| | f | Expired during the year – II | 9,100 | 157.30 | Nil | Nil |
| B | | Outstanding at the end of the year | 620,199 | 118.36 | 769,999 | 117.33 |
| C | | Exercisable at the end of the year | 491,159 | 118.15 | 456,999 | 117.09 |
| D | | Method of Settlement | Equity | Equity | Equity | Equity |
| E | | Weighted average remaining contractual life (in months) | 8.56 | | 19.89 | |
| F | | Weighted average Fair Value of Option granted during the year | | Nil | | Nil |

4.11 PRIOR PERIOD ITEMS

Detail of Prior Period Income and Expenses is as under:

| Particulars | Current Year | Previous Year |
|---|---------------------|---------------|
| | (Rs.) | (Rs.) |
| Income of earlier years credited to Statement of Profit and Loss | 2,886,128 | 1,875,911 |
| Expenses of earlier years reversed and credited to Statement of Profit and Loss | 7,004,081 | 6,133,014 |
| TOTAL CREDIT (A) | 9,890,209 | 8,008,925 |
| Income of earlier years reversed and debited to Statement of Profit and Loss | 462,562 | 804,799 |
| Expenses of earlier years debited to Statement of Profit and Loss * | 52,545,846 | 30,445,327 |
| TOTAL DEBIT (B) | 53,008,408 | 31,250,126 |
| Net (Debit) / Credit to Statement of Profit and Loss (A-B) | (43,118,199) | (23,241,201) |

* This includes adjustment on account of minority interest of Rs. 3,764,433 and on account of one of its joint venture Hathway Sukhamrit Cable & Datacom Pvt. Ltd. of Rs. 21,337,970 (Refer Note No. 4.05).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.12 LEASES

(a) Finance Leases:

Lease rentals outstanding as at March 31, 2012 in respect of fixed assets taken on finance lease are as under:

| Due | Total minimum lease payments outstanding as at March 31, 2012 | Interest not due | Present value of minimum lease payments as at March 31, 2011 |
|--|---|------------------|--|
| Not Later than 1 year | 194,200,714 | 45,075,954 | 149,124,760 |
| | (247,562,708) | (37,320,123) | (210,242,585) |
| Later than 1 year and not later than 5 years | 430,636,673 | 58,975,442 | 371,661,231 |
| | (274,105,710) | (37,639,485) | (236,466,225) |
| Later than 5 years | Nil | Nil | Nil |
| | (Nil) | (Nil) | (Nil) |
| Total | 624,837,387 | 104,051,396 | 520,785,991 |
| | (521,668,418) | (74,959,608) | (446,708,810) |

Finance Lease obligation of Long-Term Borrowing (Ref: Note No: 2.03) include Rs. 518,353,007 payable to lessor under finance lease arrangement (March 31, 2011: Rs.441,184,107).

(b) Operating Leases (As Lessee):

The Company's significant leasing arrangements in terms of Accounting Standard on Leases (AS 19) are in respect of Operating Leases for Premises and Equipments. The period of these leasing arrangements, which are cancellable in nature range between eleven months to six years and are renewable by mutual consent.

(c) One of the Subsidiary of the company, namely Gujarat Telelink Private Limited has taken Dark Fibers on Optical Fiber Cable and certain other equipments under a cancellable operating lease. The total rental expense under cancellable operating leases during the period was Rs. 61,595,000 (March 31, 2011: Rs. 61,720,000).

(d) Details of Non-Cancellable Leases are as under:

| Particulars | 2011-12 | 2010-11 |
|--|------------|------------|
| | (Rs.) | (Rs.) |
| Rental Expense debited to Statement of Profit & Loss | 37,608,569 | 46,156,527 |
| Payable in the next one year | 23,100,906 | 33,385,512 |
| Payable after next one year but Before next five years | 2,625,800 | 23,561,544 |
| Payable after five years | Nil | Nil |

(e) Details of Cancellable Leases are as under:

The treatment of the rental by the Company is as under:

Rental Expenses debited to the Statement of Profit & Loss Rs. 107,387,265 (March 31, 2011 : Rs. 145,765,724)

(f) Operating Leases (As Lessor):

| Particulars | 2011-12 | 2010-11 |
|---|-------------|-------------|
| | (Rs.) | (Rs.) |
| Gross Carrying Amount of assets capitalised as Plant & Machinery and given on operating lease | 842,340,963 | 506,441,056 |
| Depreciation for the year | 97,883,026 | 79,902,893 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.13 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.

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, 2012 [Gratuity (Rs.)] | As at March 31, 2011 [Gratuity (Rs.)] |
|----------|---|---|---|
| 1 | Change in benefit obligations: | | |
| | Projected benefit obligations at beginning of the year | 35,929,987 | 17,363,749 |
| | Current Service Cost | 9,026,341 | 17,422,319 |
| | Interest Cost | 2,803,711 | 1,260,338 |
| | Benefits Paid | (2,774,885) | (2,811,652) |
| | Actuarial Gain / (Loss) | (275,231) | 26,95,233 |
| | Projected benefit obligations at end of the year | 44,709,923 | 35,929,987 |
| 2 | Change in plan assets: | | |
| | Plan assets at the beginning of the year | 31,006,628 | 19,898,991 |
| | Expected return on plan assets | 3,001,525 | 1,981,660 |
| | Actuarial Gain / (Loss) | (1,666,512) | (146,465) |
| | Contributions | 6,504,813 | 12,084,094 |
| | Benefits Paid | (2,774,885) | (2,811,652) |
| | Plan assets at the end of the year | 36,071,569 | 31,006,628 |
| 3 | Reconciliation of present value of the obligation and the fair value of plan assets | | |
| | Fair Value of plan assets at the end of the year | 32,045,076 | 31,006,628 |
| | Present value of the defined benefit obligations at the end of the year | 36,775,996 | 35,929,987 |
| | Liability / (Asset) recognised in the Balance Sheet | 8,571,332 | 3,275,769 |
| 4 | Cost for the year | | |
| | Current Service Cost | 9,026,341 | 17,180,384 |
| | Interest Cost | 2,803,711 | 1,260,338 |
| | Expected return on plan assets | (3,001,525) | (1,958,762) |
| | Actuarial Gain / (Loss) | 1,391,281 | 2,841,968 |
| | Net Cost recognised in the Statement of Profit & Loss | 10,219,808 | 19,323,928 |
| 5 | Assumptions | | |
| | Interest rate for discount | 8.50% | 8% |
| | Estimated rate of return on plan assets | 8.05%-9.15% | 8%-9% |
| | Mortality | LIC (94-96) Mortality Table | LIC (94-96) Mortality Table |
| | Salary Escalation | 7.5% – 8.0% | 4% – 5% |

Above data pertains to Hathway Cable and Datacom Limited (Holding Company), Hathway Media Vision Private Limited (Wholly-owned subsidiary), Gujarat Telelink Private Limited (Subsidiary due to control over its Board of Directors) and Hathway Bhawani Cabletel and Datacom Limited (Subsidiary) only. One of the subsidiary, Hathway Bhaskar CCN Multinet Private Limited has not provided for Employee Benefits. In the opinion of the management no material liabilities would arise on account of this Subsidiary. In absence of details from other components including step down Subsidiaries and Joint Ventures, disclosure under Accounting Standard – 15 on Employee Benefits is restricted to holding company and three of its subsidiaries

(b) Defined Contribution Plans:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.14 Details of the Company's share in Joint Ventures included in the Consolidated Financial statements(before inter Company eliminations)

| Particulars | 2011-12 | 2010-11 |
|--------------------------------------|--------------------|--------------------|
| Assets | | |
| Fixed assets | 83,782,969 | 86,069,148 |
| Non Current Investment | 652,790 | 1,880,500 |
| Long Term Advances | 75,494,201 | 72,011,057 |
| Cash & Bank Balances | 10,527,061 | 18,643,568 |
| Trade Receivables | 36,401,649 | 29,376,418 |
| Short Term Loans & Advances | 41,264,449 | — |
| Current Investment | 1,875,000 | — |
| Liabilities | | |
| Current liabilities | 134,884,465 | 82,316,867 |
| Particulars | | |
| Sales | 125,034,226 | 140,249,357 |
| Other income | 310,112 | 1,955,887 |
| Total income | 125,344,338 | 142,205,244 |
| Operating and other expenses | 80,421,761 | 88,265,918 |
| Selling & Administrative Expenses | 11,417,550 | 5,117,671 |
| Employee's remuneration and benefits | 9,043,330 | 8,115,158 |
| Financial charges | 266,735 | 125,500 |
| Depreciation/ amortization | 7,008,094 | 10,722,237 |
| Total expenditure | 108,157,470 | 112,346,484 |

4.15 CONTINGENT LIABILITIES

| Particulars | March 31, 2012 | March 31, 2011 |
|--|----------------------|----------------------|
| Counter indemnity given by the Company favoring the bankers for having given bank guarantees | 49,907,075 | 63,088,500 |
| Corporate Guarantee | 1,044,200,000 | 742,345,000 |
| Outstanding Letter of Credit | 474,551,057 | 227,846,361 |
| Total | 1,568,658,132 | 1,033,279,861 |

- a) Pending finalization of negotiations with some of the broadcasters, the Company & it's subsidiaries has accounted pay channel cost net of discounts expected from such broadcasters. The Company as well as few broadcasters have claims and counter claims against each other, which are yet to be finalized and settled. The contingent liability in respect of such claims wherever ascertained, have been considered under Claims against the Company not acknowledged as debts.

- b) The relevant Authority under the Karnataka Sales Tax / VAT had initiated proceeding to reassess the Company's liability for the financial years 2001-02 to 2008-09 on the argument that light energy created while using OFC network for the purposes of transmission is goods and hence liable to tax under relevant state legislation.

On writ petition, the Karnataka High Court has held against the Company. On further appeal, the Honorable Supreme Court remanded the matter to the Tribunal. However, Sales Tax Tribunal did not entertain the appeal of the Company as no assessment was made.

The Assessing Officer, acting on Nil returns filed by the Company, has proposed to complete best judgment re-assessment to tax light energy as goods. This may result in approximate demand of Rs. 54,406,240 (March 31, 2011: Rs. 54,406,240). The Company has filed a detailed reply to the show cause notice issued by the assessing officer and the matter is pending.

- c) Pursuant to various amendments under Karnataka Entertainment Tax Act, 1958 to levy entertainment tax on LCO's and MSO's, the Government of Karnataka has issued various notices for re-assessment for various periods. The Company has challenged the notices and validity of amendments with the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka has issued stay order against such notices on payment of Rs. 6,431,950 being 50% of the Basic Entertainment Tax liability.

The Company has filed a petition before the Honorable Court of Andhra Pradesh challenging the vires of the amendment to the Andhra Pradesh Entertainment Tax Act, 1939 which has resulted in the levying of the Entertainment Tax on MSOs. The petition has been admitted and the levy and the action pursuant thereto have been ordered to be stayed.

- d) The Collector of Aurangabad had initiated proceeding for recovery of an amount of Rs.79,192,049 towards non payment of Entertainment Tax upto the period September 30, 2011 . The Company has preferred an appeal before the Divisional Commissioner who has by his order dated January 16, 2012 partly allowed the appeal by setting aside the order of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Additional Collector. The matter has been remanded to the Additional Collector for a de novo enquiry.

- e) One of the subsidiary of the Company namely Hathway Bhaskar Multinet Pvt. Ltd. has been served with a Notice of Demand totaling to Rs. 26,49,573 during the year by the O/o The Commissioner, Customs, Excise & Service Tax, Indore on account of denial of Cenvat Credit on Input Services, set off of which was claimed by the company against its liability of service tax in respect of output services during the period October 2007 to March 2010 totaling to Rs.26,49,573/- . The credit for Cenvat has been denied in case of the company on account of certain technical deficiencies in the Input Service documentation such as improperly signed/ stamped documents by the issuer of invoices or invoices carrying different or incomplete address of the Company. The Notice of Demand further proposes levy of penalty of an equivalent amount alongwith interest on above said amounts. The company has contested the levy before the The Commissioner – Central Excise, Customs & Service Tax (Appeals), Indore and has collected the confirmation of all such input service invoices from its various broadcasters & service providers. Pending disposal of appeal, the Company has been advised by its Tax consultant, that it shall get full credit of cenvat based on such confirmatory documents and would get full relief in the matter. Thus no provision considered necessary since the company expects full relief in the matter on disposal of appeal.
- f) During the previous Year one of our subsidiaries namely Hathway Bhaskar Multinet Private Limited has not provided for the demand of Rs. 29,67,52,000 upto March 31, 2011 raised by the Commercial Tax Department, Jaipur on account of Entertainment Tax on cable connection in view of the Honourable Supreme Court judgment in the case of Purvi Communication v/s West Bengal. As per Management, the Company being Multi System Operator (MSO) and has not given any direct Connection to customers, the said demand is not justifiable. This case being different than that of Purvi Communication and the same is not covered by Rajasthan Entertainment and Advertisement Tax Act, 1957 in the tax purview. Hence, the provision of the said Act is not applicable on the Company. The Company has filed appeal before the Deputy Commissioner (Appeal) against the said demand. In support of the Company's view the honourable Rajasthan Tax Board, Ajmer has allowed the appeal of the Company on the said issue by deleting the demand for Rs. 40,024,000 for the period March 2006 to December 2006 vide., its order dated 29th October 2010. However the Commercial Tax Department has filed an appeal before the Honourable High Court against such order.
- g) Pursuant to the enactment of the Madhya Pradesh Vilasita Manoranjan, Amod Evam Vigyapan Kar Adhiniyam 2011, (2011 Act) the Government of the Madhya Pradesh has levied Entertainment Tax on the Cable Operators with effect from April 01, 2011. Accordingly company has received notice from Asstt Commissioner of Commercial Tax, Indore for payment of entertainment tax. Hathway Bhaskar Multinet Pvt. Ltd. a subsidiary company filed a writ petition before the High Court of Madhya Pradesh wherein it inter alia contended that the levy of entertainment tax on cable operators under the 2011 Act is nothing but a tax on service and not a tax on entertainment and the provision of Cable TV being characterized as a service only the parliament i.e. the Central Government has the power to tax this service and not the State Government. The Hon'ble High Court of Madhya Pradesh dismissed the company's petition, which order of dismissal was challenged by the company before the Hon'ble Supreme Court vide Special Leave Petition (SLP) 10316 of 2012 dt. April 09, 2012. The said SLP is under consideration before the Hon'ble Supreme Court along with a group of other petitions filed by the DTH and other service providers who have also challenged the levy of entertainment tax on their business on the same grounds as those taken by the company.

Meanwhile, the Commercial Tax Department of Madhya Pradesh has passed an ex-parte assessment order and has demanded entertainment tax amounting to Rs. 32,330,000 for the period ended February 27, 2012 and penalty thereon for Rs. 64,660,000, aggregating to Rs. 96,990,000. The Company has filed an appeal before the Dy. Commissioner of the Commercial Tax (Appeals), Indore and has deposited Rs. 9,700,000, against such demand. The company's Appeal is pending for adjudication before the appellate authorities.

As per the view of the Management of the company, since the levy of entertainment tax on cable operators under the 2011 Act is nothing but a tax on service and not a tax on entertainment and the provision of Cable TV being characterized as a service only the parliament i.e. the Central Government has the power to tax this service and not the State Government, Entertainment Tax is not applicable on the business of the company and hence the company is not making any provision for such tax in its books of accounts.

The matters stated against (b), (c), (d) and (e) above, are pending and based on the outcome of the respective petitions, liability may extend to period beyond notice period. The contingent liability in respect of claims is considered as part of Claims against Company not acknowledged as debts.

h) Income Tax Matters

| Particulars | 2011-2012 | 2010-2011 |
|---|------------|------------|
| | (Rs.) | (Rs.) |
| Income Tax matter under appeal (Of the above an amounts of Rs. 12,547,447/- (March 31, 2011: Rs. Nil) has already been deposited with Income Tax Department) | 88,159,114 | 88,159,114 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- i) Other Claims against the Company not acknowledged as debts are as under:

| Matters with | Amount (in Rs.) | |
|------------------------------|-----------------|-------------|
| | 2011-2012 | 2010-2011 |
| Broadcasters/Channels | 96,949,806 | 38,060,471 |
| Operators | 66,861,193 | 91,054,646 |
| Entertainment Tax Department | 144,406,475 | 53,648,976 |
| Other Statutory Departments | 17,583,470 | 581,373 |
| Other Miscellaneous Matters | 9,350,000 | 1,515,574 |
| Total | 335,150,944 | 184,861,040 |

4.16 SEGMENTAL REPORTING

The Company is a Multi System Operator providing Cable Television Network Services, Internet Services and allied services which is considered as the only reportable segment. The Company's operations are based in India.

4.17 RELATED PARTY DISCLOSURES

A Entities under control not considered for Consolidation

| | |
|--------|--|
| Others | Hathway Space Vision (Refer Note No. 4.3 (A)) |
| | Hathway Jai Mata Di Sherawali Cable Network Pvt Ltd.(Refer Note No. 4.3 (C)) |
| | Hathway Jhansi JMDSR Cable & Datacom Pvt Ltd. |
| | Hathway Channel 5 Cable & Datacom Pvt. Ltd. (Refer Note No. 4.3 (B)) |

B Others

| | |
|----------------------------|--|
| 1 Associate Company: | Hathway VCN Cablenet Pvt. Ltd. |
| | Pan Cable Services Pvt. Ltd. |
| 2 Joint Venture | Hathway Sukhamrit Cable & Datacom Pvt Ltd (50%) (Refer Note No. 4.5) |
| | Hathway Jai Mata Di Balaji Cable Network (since dissolved) |
| | Mantra Cable (since dissolved) |
| | Mona Cable Network (since dissolved) |
| 3 Key Managerial Personnel | K Jayaraman-Managing Director |

| Type of Transaction | Name of the Party | March 31, 2012 | March 31, 2011 |
|---|---|----------------|----------------|
| Income From Operation | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | – | 6,242,514 |
| | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 900,000 | 15,000,000 |
| | Hathway VCN Cablenet Pvt. Ltd. | 629,935 | 1,520,831 |
| Provision against Advances made during the year | Hathway Jai Mata Di Balaji Cable Network | – | (1,634) |
| | Hathway Space Vision (Firm) | 6,560,060 | 16,482,618 |
| | Pan Cable Services Pvt. Ltd. | – | 2,500 |
| | Hathway VCN Cablenet Pvt. Ltd. | – | 7,583,572 |
| Other Expenses | Hathway VCN Cablenet Pvt. Ltd. | – | 1,520,834 |
| | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | – | 1,746,591 |
| Remuneration and Perquisites * | K. Jayaraman | 14,010,487 | 9,804,157 |
| Sale of Fixed Assets | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | (1,291,493) | 1,291,493 |
| Net Advances made/ (recovered) During the year | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | (2,905,856) | 127,299 |
| | Pan Cable Services Pvt. Ltd. | – | 2,500 |
| | Hathway VCN Cablenet Pvt. Ltd. | – | 7,583,572 |
| Investments written off during the year | Hathway Jai Mata Di Balaji Cable Network | – | (105,731) |
| | Hathway Mantra (Partnership Firm) | – | (22,000) |
| | Mona cable Network | – | (52,569) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Type of Transaction | Name of the Party | March 31, 2012 | March 31, 2011 |
|---------------------|---|----------------|----------------|
| Investments | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 9,844,974 | 20,510,892 |
| | Hathway Jai Mata Di Sherawali Cable Network Pvt. Ltd. | 8,000,000 | 8,000,000 |
| | Hathway Cable Entertainment Pvt. Ltd. | 470,594 | 470,594 |
| | Hathway Jhansi Cable JMDSR Cable & Datacom Pvt. Ltd. | 2,206,295 | 2,206,295 |
| | Hathway VCN Cablenet Pvt. Ltd. | 1,006,132 | 1,006,132 |
| Trade Receivables | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | – | 44,568,043 |
| | Hathway Jai Mata Di Sherawali Cable Network Pvt. Ltd. | 7,450,717 | – |
| | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 21,066,713 | 22,586,753 |
| Loans & Advances | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | 1,096,423 | 1,096,423 |
| | Hathway Jai Mata Di Sherawali Cable Network Pvt. Ltd. | 5,421,482 | 5,421,482 |
| | Hathway VCN Cablenet Pvt. Ltd. | 55,140,654 | 55,140,654 |
| | Hathway Space Vision (Firm) | 169,945,473 | 163,385,413 |
| | Pan Cable Services Pvt. Ltd. | 5,877,927 | 5,877,927 |
| | Hathway Jai Mata Di Balaji Cable Network | 1,630,366 | 1,630,366 |
| | Hathway Cable Entertainment Pvt. Ltd. | 817,423 | 817,423 |
| | Hathway Jhansi Cable JMDSR Cable & Datacom Pvt. Ltd. | 1,109,559 | 1,109,559 |
| | K. Jayaraman | 2,767,912 | 2,767,912 |
| Current Liabilities | Hathway Sukhamrit Cable & Datacom Pvt. Ltd. | – | 67,112 |
| | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | – | 2,453,279 |

* Excludes Provision for Gratuity & Leave Encashment payable to Managing Director as the same is determined based on actuarial valuation for the Company as a whole.

4.18 CAPITAL AND OTHER COMMITMENTS:

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for aggregate to Rs. 2,026,100,743 (March 31, 2011 : Rs. 994,243,549).

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

4.19 UNHEDGED FOREIGN CURRENCY EXPOSURE

| Currency (USD) | March 31, 2012 | | | March 31, 2011 | | |
|------------------------|----------------------------------|------------------|---------------|----------------------------------|------------------|------------------|
| | Amount in Foreign Currency | Exchange Rate | Amount in INR | Amount in Foreign Currency | Exchange Rate | Amount in INR |
| Secured Loans | 10,466,598 | 50.88 | 532,514,346 | 12,801,698 | 44.59 | 570,827,706 |
| Accounts Payables | 8,528,548 | 50.88 | 433,945,816 | 4,495,091 | 44.59 | 200,433,828 |
| Other Firm Commitments | 23,360,242 | 50.88 | 1,188,510,718 | 4,495,091 | 44.59 | 200,433,828 |

Above data pertains to Hathway Cable & Datacom Limited (Holding Company), Hathway MCN Private Limited (subsidiary), and Gujarat Telelink Private Limited (subsidiary). In absence of details from other entities, this disclosure under Accounting Standard 11 is restricted to holding company and two of its subsidiaries.

4.20 DEFERRAL/CAPITALIZATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items.

In accordance with the amendment/earlier amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to 4, 89, 30,843 rupees (March 31, 2011: Rs. 886,565) to the cost of plant and equipment's. The company has also capitalized exchange gain, arising on long-term foreign forward contract, undertaken to partially hedge the foreign current loan, amounting to Rs. 46,18,573 (March 31, 2011 : Rs.176,958) to the cost of plant and equipments. The company does not have any other long-term foreign currency monetary item. Hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is Rs. NIL (March 31, 2011:Rs. NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.21 EARNINGS \ (LOSS) PER SHARE

| Particulars | 2011-12 | 2010-11 |
|--|---------------|---------------|
| Profit \ (Loss) after tax (but including prior period adjustment, adjustment for change in policy by a subsidiary, profit share of associates and Minority Interest) | (491,811,883) | (312,669,466) |
| Weighted / Adjusted No. of ordinary shares (No.'s) | 142,857,100 | 142,857,100 |
| Nominal value of ordinary shares (Rs.) | 10 | 10 |
| Basic Earnings per share (Rs.) | (3.44) | (2.19) |

- 4.22 The Initial Public Offer (IPO) proceeds have been utilized as per objects as stated in the prospectus dated February 17, 2010 and as subsequently modified and approved by the Shareholders by an Ordinary Resolution through Postal ballot as per the provision of Section 192A of the Companies Act, 1956

| Particulars | Amount (Rs.) | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | March 31, 2012 | | March 31, 2011 | |
| | Amount Proposed | Amount utilized | Amount Proposed | Amount utilized |
| Acquisition of Customers | 150,000,000 | 123,339,000 | 2,436,000,000 | 113,440,208 |
| Investment in the development of digital capital expenditure, services and set top boxes | 3,250,000,000 | 2,118,538,000 | 1,564,000,000 | 710,445,380 |
| Investment in the development of broadband infrastructure, capital expenditure and services | | | 830,000,000 | 500,132,367 |
| Repayment of loans | 1,900,000,000 | 1,894,341,590 | 967,000,000 | 967,000,000 |
| General Corporate Purpose | 500,000,000 | — | — | — |
| Interim use of fund (paying down short term credit limit) | — | 244,198,000 | — | 715,030,385 |
| Total | 5,800,000,000 | 4,380,416,590 | 5,797,000,000 | 3,006,048,340 |
| Less: To be funded by Borrowings | 1,000,000,000 | 318,891,000 | 997,000,000 | 130,000,000 |
| Total | 4,800,000,000 | 4,061,525,590 | 4,800,000,000 | 2,876,048,340 |
| Balance Unutilized | | 738,474,410 | — | 1,923,951,660 |

Unutilized Balance has been invested as stated below:

| | March 31, 2012 | March 31, 2011 |
|-----------------------|--------------------|----------------------|
| Mutual funds | 66,674,410 | 783,889,795 |
| Bank Balance | 550,000,000 | 979,159,750 |
| Margin Money in Banks | 121,800,000 | 160,902,115 |
| Total | 738,474,410 | 1,923,951,660 |

- 4.23 The Company had made an application to the Central Government for approval for payment of remuneration to the Managing Director & CEO from August 7, 2010 for a period of three years in excess of limits prescribed under section 198 and 309 read with Schedule XIII to the Companies Act, 1956. In response to the application, the Central Government has called for certain additional information and the same are being furnished.

However, while responding to the above application, the Central Government has directed the Company to either recover or apply for waiver of the remuneration paid in excess of remuneration prescribed under the said schedule during the period August 26, 2009 (the date on which the status of the Company change to public limited company) to August 7, 2010. Since the remuneration paid during the period February 7, 2010 to August 7, 2010 was at minimum scale prescribed under Schedule XIII to the Act, there is no question of having paid excess remuneration. The remuneration for the period prior to that was finalized when the Company was a private company and accordingly, as legally advised; the Company was not required to apply the Government for the approval. However, as required by the Central Government, the Company is in the process of applying for the waiver of remuneration and sitting fees for the period August 26, 2009 to February 7, 2010.

- 4.24 Till the year ended March 31, 2011, pre-revised Schedule VI to the Companies Act 1956 was being used for preparation and presentation of financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. Accordingly, the company has reclassified previous year figures to conform to this year's classification. On adoption of the revised Schedule VI, there has been no significant impact on recognition and measurement principles followed for preparation of financial statements.

As per our report of even date

For G. M. KAPADIA & CO.
Chartered Accountants

For and on behalf of the Board

(ATUL SHAH)
Partner

(GANAPATHY SUBRAMANIAM)
Chief Financial Officer

(K . JAYARAMAN)
Managing Director & C.E.O.

(MILIND KARNIK)
President & Company Secretary

(VINAYAK AGGARWAL)
Director

Mumbai
Dated : August 21, 2012

Mumbai
Dated : August 21, 2012

Notes

[illegible]



Hathway Cable & Datacom Limited

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

Attendance Slip

To be handed over at the entrance of the meeting place.

Name of the Attending Member (In Block Letters): _____

Folio No/ Client ID no.*: _____ No. of Shares held: _____

DP ID No.*: _____

Name of the Proxy (In Block Letters): _____
(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the 52nd Annual General Meeting of the Company at **ISKCON Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai – 400 049**, at 3.00 p.m. on Wednesday, 26th September 2012.

Member's / Proxy's Signature
(To be signed at the time of handling over this slip)

Note : Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

Applicable if the shares are held in dematerialised form.

----- Please cut here -----



Hathway Cable & Datacom Limited

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

Proxy Form

I/We _____ of _____ being a Member/

Members of the above named Company, hereby appoint _____ or failing him

_____ as my/ our Proxy to attend and vote for me/us and on my /our behalf at the 51st Annual General Meeting of the Company to be held on Wednesday, 26th September, 2012 at 3.00 p.m. and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this _____ day of _____ 2012.

Folio No/ Client ID no*.: _____

Signature

DP ID No.*: _____

No. of Shares: _____

affix
Rupee
Revenue
Stamp

Note: Proxy form must reach the Company's Registered Office not less than 48 Hours before the Meeting

* Applicable if the shares are held in dematerialized form.



Hathway Cable & Datacom Limited

www.hathway.com

Toll Free No. 1800-221-119