

bringing entertainment to life!



Wire and Wireless (India) Limited is one of the India's largest Multi System Operator (MSO). With 50 analogue and 7 digital head ends, it provides its cable services in 54 cities of India. Wire and Wireless (India) Limited is a part of the Essel Group, which is amongst India's most prominent business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

Wire and Wireless product offers include, Analogue Cable, Digital Cable Television, Broadband and Local Television Channels. Wire and Wireless has been providing services in analogue and digital mode, having technical capability to provide features like Video on Demand, Pay per View, Electronic programming Guide (EPG), gaming through a Set Top Box (STB) and IPTV. All products are marketed under SITI brand umbrella.

For More information about WWIL and its businesses, please log on to www.wwil.net



MISSION

In every sphere of personal and corporate life, somebody got to lead; somebody got to show the way.

In media and entertainment, WWIL has taken on that responsibility, having revolutionized the way India looks at television.

A Zee network enterprise Wire and Wireless, reaches 54 cities across India through 400 centres, 4000 LCO partners, and 50 analog and 7 digital headends. A diverse product offering puts the Company ahead of the competition – Analog and Digital cable television, Broadband, Video-on-Demand, Pay Per View, Electronic Programming Guide and Gaming via STB.

Wire and Wireless is a pioneer many times over. It is India's No.1 Cable Television Company. Largest MSO in the cable industry. First in Asia to launch Headend-in-the-Sky (HITS) technology.

VISION

To be India's pre-eminent Supplier of Television content to viewers belonging to all regions and linguistic denominations.

Harnessing the latest technology and utilizing the best available resources to provide television viewers world-class services backed by outstanding customer support.

As a Corporate, we will be profitable, productive, creative, compliant, consistent and financially sound with care and concern for all stakeholders.

Wire and Wireless is a pioneer many times over. A company of firsts. Not just first in entertainment, but also where entertainment comes first.

CHAIRMAN'S STATEMENT



Dear Shareholders,

Your company completes four years in the high growth sector of cable television services. While our business was established way back in 1995 as Siticable, your company, in its new *avatar* of Wire and Wireless (India) Limited (WWIL), continues to be the leading Multi System Operator (MSO) and is poised to play a pivotal role in the Indian cable TV industry.

Indian Media Sector

According to FICCI-KPMG Indian Media & Entertainment Industry Report, Indian Media and Entertainment (M&E) sector has also passed through a period of turmoil due to the global economic slowdown which saw shrinking advertising budgets of the corporate world. Advertisement spends grew at Compounded Annual Growth Rate (CAGR) of 10 per cent in the past three years. Though advertising remained flat in 2009, it is expected to exhibit a robust CAGR of 14 percent over the next five years.

The year 2009 was marked with innovation with a focus on cost efficiencies across sectors, borne out of sheer necessity to combat the pressure on the bottom lines, also newer content formats and strategies adopted by the players in the industry helped ensure that customers had more choices, which led to the evolution of the industry.

TV is the largest segment of the Indian M&E industry with a size of INR 257 billion in 2009. TV remains an attractive medium due to its large reach of 500 million viewers. In addition to broadcasting, TV distribution has evolved greatly with the growth of digital mediums and associated offerings to the viewers like Digital cable, Direct to Home (DTH), etc.

Cable Services Industry

The cable TV industry has experienced encouraging growth and mindshare over the last few years and has a

good potential for further growth. The television content distribution market in India is undergoing sweeping transformations. True convergence over cable is round the corner, which will enable viewers to enjoy the benefits of watching movies and TV shows, surfing the Internet and making telephone calls without leaving the comfort of their sofas and television screens.

Despite being an immensely profitable sector that generates annual revenues in excess of Rs.10,000 crore (US\$ 2 billion), the fragmented and unorganized cable TV sector has attracted little investment in the past. The primary reason for this has been the massive under-reporting of subscriber numbers which adversely impacts the broadcasters' revenues.

The total number of TV households grew from 123 million in 2008 to 129 million by the end of 2009, showing an increase of 5 percent. Currently TV penetration in India is much lower as compared to some of the developed markets which are almost fully penetrated. The total number of Cable & Satellite (C&S) households grew at a faster rate of 10 percent from 86 million to 95 million. A large part of this growth came from the digital homes being added.

WWIL Performance

FY 2010 has been a very significant year for us that saw improvements across a number of areas. WWIL, one of India's largest Multi System Operators (MSOs) became EBITDA positive in Analog business. The Subscriber Management System (SMS) was successfully migrated to a more robust platform and the backend processes were strengthened and streamlined in Conditional Access System (CAS) cities of Delhi, Mumbai and Kolkata.

Through the year, the activity-focus at WWIL has been oriented towards enhancing efficiencies by exploiting every opportunity to streamline operations, realign corporate and

regional functions, reducing over head costs and making the company's leadership accountable for core service lines by enhancing effective customer centric initiatives.

WWIL, was the only company in India distributing the Headend-in-the-Sky (HITS) satellite signals. While conceptually, the HITS platform was expected to help quicken the pace of digitization in the country, but various issues, which *inter alia* included the absence of a clear tariff and content policy, led to a slower than expected roll out of the services. Due to regulatory non-support and absence of conducive Government policies, HITS has been suspended w.e.f. 31st March 2010.

WWIL however, continues to focus on acquisition and consolidation of analogue business and digitization in CAS and non-CAS areas, across India. In the analogue business, the Company plans to target key markets where WWIL operates. We started business in some of new territories like Bilaspur and Korba in Chhattisgarh, Dhanbad in Jharkhand and further we strengthened our presence in Hyderabad, Raniganj, Asansol, Krishnanagar, Bankura in West Bengal and Lucknow in Uttar Pradesh.

Corporate Governance

The Company's continued commitment to strong values and business ethics, coupled with its article of faith to augment shareholder value, is at the core of its Corporate Governance Policy. We believe that good governance is not just rule driven, but involves voluntary adoption of global best practices. This is achieved in the Company by ensuring transparency in corporate disclosures, high quality of accounting practices and adhering to the highest level of business ethics. To further improve our operating procedures and bring in the leading business practices, Wire and Wireless has successfully implemented the SAP ERP System.

Looking ahead

According to Media Partners Asia (MPA), India is set to become Asia's leading cable market by 2010, and the most lucrative pay television market by 2015. In addition, new technologies and resurgent economy will help double the revenues in Indian television industry. Analogue would continue to remain the dominant technology over the coming decade and cable is expected to remain the core advertising platform for television.

Cable in India today, is the dominant last mile pipe, connected to 20 million more homes than fixed line telephony. Almost 60 per cent of homes owning a TV set subscribe to cable TV. Connecting an estimated 71 million homes already, cable is slated to further establish its status as the leading last mile network, serving more than 100 million TV homes by 2010.

India will overtake Japan, Australia, Hong Kong and South Korea to become the second largest digital cable TV home market in the Asia Pacific region. However, these growth plans largely depend on factors like having a more liberal FDI policy for cable operators, a focused plan for digitization, greater clarity on HITS guidelines and a licensing framework for last mile cable operators.

Wire and Wireless, being the market leader in digital cable is all set to take advantage of this changing industry scenario. The unfolding opportunity coupled with our readiness to execute augurs well for your Company's future.

We thank you for your continued support and the confidence you demonstrate through your continued investment.

Subhash Chandra
Chairman

HIGHLIGHTS

➡ Wire and Wireless is India's largest **Multi System Operator** (MSO) in the cable industry.

➡ In the digital mode, Wire and Wireless **offers upto 225 channels** to its subscribers.

➡ Wire and Wireless has presence in **54 cities** of India.

➡ Wire and Wireless operating network includes over **4000 franchisee** operators called LCOs.

➡ Wire and Wireless has **9 regional offices** with over **400 employees**.

OUR PRESENCE



Main Regions

ANDHRA PRADESH 1. Tenali 2. Hyderabad 3. Secunderabad 4. Guntur 5. Tirupati 6. Vishakhapatnam 7. Vijayawada	JHARKHAND 17. Ranchi 18. Jamshedpur 19. Dhanbad KARNATAKA 20. Bangalore 21. Mysore KERALA 22. Kochi 23. Thiruvananthapuram MAHARASHTRA 24. Mumbai 25. Kamptee 26. Nasik 27. Kalyan ORISSA 28. Bhubaneswar PUNJAB 29. Chandigarh 30. Ludhiana 31. Amritsar 32. Jalandhar	UTTAR PRADESH 33. Lucknow 34. Kanpur 35. Mughalsarai 36. Varanasi 37. Noida 38. Greater Noida 39. Allahabad 40. Agra WEST BENGAL 41. Kolkata 42. Raniganj 43. Durgapur 44. Asansol 45. Purulia 46. 24 North Paraganas 47. 24 South Paraganas 48. Howrah 49. Nadia 50. Murshidabad 51. Hoogly 52. Midnapore 53. Krishnanagar 54. Bankura
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Graphical representation of map. Not to scale.

BOUQUET OF CHANNELS

GENERAL ENTERTAINMENT

1. Zee TV
2. Star Plus
3. Sony
4. Sahara One
5. SAB Tv
6. Star One
7. DD -1 National
8. Star Utsav
9. Zoom
10. 9X
11. Colors
12. NDTV Imagine
13. DD INDIA
14. BINDAS
15. DD -2
16. Play TV
17. Zee Next
18. E24
19. Firangi

HINDI MOVIES

20. Zee Cinema
21. SET Max
22. Star Gold
23. Zee Action
24. Zee Premier
25. Sahara Filmy
26. B4U Movies
27. Zee Classic
28. Zee Smile
29. UTV Movies
30. Bindass Movies

HINDI NEWS

31. Zee News
32. Aaj Tak
33. NDTV India
34. Star News
35. India TV
36. DD News
37. DD Loksabha
38. DD Rajyasabha
39. News 24
40. Sahara Samay Mumbai
41. Sahara Samay NCR
42. Sahara Samay MP
43. Sahara Samay Rashtriya
44. Aaj Tak Tej
45. Live India
46. IBN 7

47. NDTV Tez
48. Dilli Aaj Tak
49. S1 Channel

ENGLISH NEWS

50. NDTV 24X7
51. Headlines Today
52. Times Now
53. CNN IBN
54. CNN
55. BBC World
56. News X
57. Channel News Asia

BUSINESS NEWS

58. Zee Business
59. CNBC Awaaz
60. CNBC TV 18
61. NDTV Profit
62. UTVi News

ENGLISH MOVIES

63. Zee Studio
64. Star Movies
65. HBO
66. Set PIX
67. World Movies
68. The MGM
69. NDTV Lumiere
70. Turner Classic Movies
71. WB Movies

ENGLISH ENTERTAINMENT

72. AXN
73. Star World
74. Zee Café

LIFE STYLE AND HEALTHCARE

75. Zee Trendz
76. FTV
77. Discovery lifestyle
78. Discovery Travel and Living
79. NDTV Good Times
80. NDTV Imagine Showbiz

FOREIGN CHANNELS

81. Russia Today
82. Nepal 1
83. TV 5

SPORTS CHANNELS

84. Zee Sports
85. ESPN
86. Star Sports
87. Ten Sports (India)
88. Neo Sports

89. Neo Cricket
90. Neo Sports Plus
91. DD Sports
92. Star Cricket

MUSIC CHANNELS

93. Zee Music
94. ETC
95. Channel V
96. MTV India
97. B4U Music
98. Music India
99. VH-1

100. Enter 10

101. 9X Music
102. Maa Music
103. Yo Music

EDUCATIONAL / SCIENCE

104. Discovery
105. Animal Planet
106. National Geographic Channel
107. The History Channel
108. DD Gyandarshan - 1
109. DD Gyandarshan -2

KIDS CHANNEL

110. Cartoon Network
111. Nicklodeon
112. Hungama
113. Pogo
114. Animax
115. Disney
116. Toon Disney
117. Boomerang

REGIONAL CHANNELS

Bengali/Oriya/ Assamese

1. Zee Bangla
2. Star Jalsa
3. ETV Bangla
4. 24 Ghanta
5. DD 7 Bangla
6. Sangeet Bangla
7. DD Oriya
8. ETV Oriya
9. ETV Bihar
10. Star Ananda
11. Akash Bangla
12. Tara Music
13. Tara Bangla
14. Tara News

15. DD West Bengal
16. Kolkata TV
17. NE TV
18. ETV Assam

Marathi/ Gujarati

19. IBN – Lokmat
20. Zee 24 Taas
21. Zee Marathi
22. Zee Gujarati
23. ETV Marathi
24. DD Sahyadri
25. Mi Marathi
26. Zee Talkies
27. DD Marathi
28. Star Majha
29. ETV Gujarati
30. DD II – Gujarati

Tamil

31. Sun TV
32. K TV
33. Raj TV
34. Raj Plus Digital
35. Jaya TV
36. Star Vijay
37. Sun News
38. DD Podhigai
39. Sun Music
40. SS Music
41. Kalingar TV
42. Zee Tamil
43. Chutti TV
44. Jaya Plus
45. Jaya Max
46. ETV Tamil

Telugu

47. DD Saptagiri
48. Zee Telugu
49. Gemini Music
50. Gemini TV
51. Teja TV
52. Gemini News
53. Maa TV
54. ETV
55. ETV 2
56. TV 9 Telugu
57. Vissa TV
58. Adithya TV
59. Teja News
60. 24 Ghantal

Malayalam

61. Surya TV
62. Kiran TV
63. Asianet
64. Asianet News
65. DD Malayalam
66. Kairali TV
67. Kairali People
68. Amrita
69. Asianet Plus
70. India Vision
71. Isai Aruvi
72. Jeevan TV
73. ETV Malayalam

Kannada

74. Zee Kannada
75. Udaya TV
76. Udaya Movies
77. Ushe TV
78. ETV Kannada
79. Udaya Varthegalu
80. DD Chandana
81. Udaya – 2
82. TV 9 Kannada
83. Kasturi

Punjabi/Hindi

84. Zee Punjabi
85. ETC Punjabi
86. DD Punjabi
87. MH 1
88. DD Bharti
89. DD INDIA
90. DD Urdu
91. DD Kashmir
92. Mahua TV
93. Time TV
94. ETV Punjabi
95. ETV UP
96. ETV Urdu
97. ETV M.P.
98. ETV Rajasthan

SPIRITUAL CHANNELS

99. Zee Jagran
100. Aastha
101. Sanskar
102. God TV
103. Sadhana
104. Miracle Net
105. MH 1 Shraddha

106. Shalom Television

RADIO PROGRAMMES

107. AIR Bangla
108. AIR Gujarati
109. AIR Hindi
110. AIR Punjabi
111. FM Gold
112. AIR Kannada
113. AIR Telugu
114. AIR Marathi
115. FM Rainbow Bangalore
116. FM Gold Mumbai
117. FM Rainbow
118. FM Rainbow Chennai

LOCAL CHANNELS

119. SITI Delhi
120. SITI Amritsar
121. SITI Ludhiana
122. SITI Chandigarh
123. SITI Jalandhar
124. SITI Hissar
125. SITI Rohtak
126. SITI Kanpur
127. SITI Kolkata
128. SITI Bangaluru
129. SITI Kochi
130. SITI Trivandrum
131. SITI Filmy/ Filmi
132. SITI Cinema
133. SITI Music
134. SITI Movies
135. SITI Dharmik
136. SITI Gurbani
137. SITI Desi
138. SITI Aradhana
139. SITI Magicbox
140. SITI Jukebox
141. SITI Blockbuster
142. SITI Text
143. SITI Music
144. SITI Telugu

OTHER FTA CHANNELS

1. Azad News
2. Bloomberg TV
3. Balle Balle(Music)
4. Care TV
5. Daystar
6. Enter 10

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Bankers

IDBI Bank Limited
Axis Bank Limited
Canara Bank

Subsidiary Companies

Indian Cable Net Company Limited
Central Bombay Cable Network Limited
Siticable Broadband South Limited
Wire and WirelessTisai Satellite Limited
Master Channel Community Network Private Limited

Registrar & Share Transfer Agent

Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road,
Sakinaka, Andheri (East), Mumbai – 400 072. India.

Website: www.vvnil.net

BOARD OF DIRECTORS

Subhash Chandra
Chairman

B. K. Syngal
Independent Director

Sureshkumar Agarwal
Independent Director

Parminder Singh Sandhu
Independent Director
(with effect from March 25, 2010)

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Company Secretary
Samir Raval

Auditors
S. R. Batliboi & Associates
Chartered Accountants

Registered Office
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

Corporate Office
Building No. FC 19, Gate No. 3,
Sector 16A, Film City,
Noida (UP) - 201 301.

SENIOR MANAGEMENT

Sudhir Agarwal
Chief Executive Officer (CEO)

Raj Kumar Agarwal
Chief Financial Officer (CFO)

Sanjay Jindal
Vice President - Technical

Shabd Swarup Sinha
Vice President - Information Technology

Rajiv Ganju
Vice President - Customer Services &
Process Improvement

Neeraj Soni
Vice President - Content & Programming

Harpreet Datta
Vice President - Human Resources

T K Choudhary
Head - Corporate Affairs and
Administration

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the members of Wire and Wireless (India) Limited will be held at 'Hall of Culture', Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Tuesday, the 31st day of August, 2010 at 3.30 p.m., to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Subhash Chandra, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Parminder Singh Sandhu who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 25, 2010 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 349, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary in this regard, the Company hereby accords its approval to the re-appointment of Mr. Amit Goenka, as a Whole-time Director of the Company subject to the superintendence, control and direction of the Board of Directors from time to time for a period of three (3) years with effect from October 23, 2010 at Nil remuneration and upon such other terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Amit Goenka, subject to such statutory approvals as may be required."

By order of the Board

Place: Delhi
Date: July 26, 2010

Samir Raval
Company Secretary

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

NOTES:

1. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company.**
Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special businesses to be transacted at the Annual General Meeting is annexed herewith.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for appointment/re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

5. Members / Proxies should bring their Attendance Slips along with copy of the Annual Report to the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2010 to August 31, 2010 (both days inclusive).
7. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
8. Members who are holding Company's shares in dematerialised form are required to bring details of their Depository Account Number for identification.
9. Members holding equity shares in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar and Share Transfer Agent, Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 or at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021.
10. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to M/s. Sharepro Services (India) Pvt. Ltd.

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

Item No. 4

Mr. Parminder Singh Sandhu was appointed on March 25, 2010, as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act').

Pursuant to provisions of Section 260 of the Act and Article 85 of Articles of Association of the Company, Mr. Parminder Singh Sandhu vacates his office at the conclusion of this Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing appointment of Mr. Parminder Singh Sandhu as Director of the Company, liable to retire by rotation. Requisite consent has been filed by Mr. Parminder Singh Sandhu, pursuant to the provisions of Section 264(1) of the Act, to act as a Director, if appointed.

Brief profile and other details of Mr. Parminder Singh Sandhu forms part of the Corporate Governance Report.

The Board recommends the resolution as set out in Item No. 4 for the approval of the members.

None of the Directors of the Company, except Mr. Parminder Singh Sandhu, is concerned or interested in this resolution.

Item No. 5

Mr. Amit Goenka has been re-appointed by the Board on July 26, 2010 for a further period of 3 years with effect from October 23, 2010 as a Whole-time Director of the Company. The re-appointment is in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 ('the Act') and also the Articles of Association of Company. The terms and conditions of Mr. Amit Goenka's re-appointment as a Whole-time Director, as approved by the Board, are as under:

Period of Appointment: The appointment of Mr. Amit Goenka is for a period of 3 years with effect from October 23, 2010.

Salary, Perquisites and Allowances: During the tenure, Mr. Amit Goenka will not be eligible for any remuneration from the Company and shall not be entitled to any sitting fee for attending the meetings of the Board of Directors of the Company and/or any Committees thereof.

Reimbursement of Expenses: Mr. Amit Goenka will be entitled to reimbursement of entertainment, traveling, telephone, hotel and other expenses actually and properly incurred by him for the business of the Company.

Memorandum of Interest or Concern: Except for Mr. Amit Goenka and Mr. Subhash Chandra, being his father, no other Director of the Company is in any way interested / concerned in the appointment of Mr. Amit Goenka as a Whole-time Director of the Company.

The terms and conditions as specified above shall also be treated as an abstract of the terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 302 of the Act.

Your Board recommends the resolution as set out in Item No. 5 for your approval by passing an Ordinary Resolution.

None of the Directors of the Company except Mr. Amit Goenka and Mr. Subhash Chandra, being the father of Mr. Amit Goenka, is concerned or interested in this resolution.

By order of the Board

Place: Delhi
Date: July 26, 2010

Samir Raval
Company Secretary

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, **Amit Goenka**, Whole-time Director and **R. K. Agarwal**, Chief Financial Officer of Wire and Wireless (India) Limited ('the Company'), certify that:

- (a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2010 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2010 are fraudulent, illegal or violative to the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- (d) During the year:
 - (i) There has not been any significant changes in internal control over financial reporting;
 - (ii) There have not been any significant changes in accounting policies; and
 - (iii) There have been no instances of significant fraud of which we are aware that involve management or other employees, having significant role in the company's internal control system over financial reporting.

For Wire and Wireless (India) Limited

Noida, May 28, 2010

Amit Goenka
Whole-time Director

R. K. Agarwal
Chief Financial Officer

DIRECTORS' REPORT

To

The Members of

Wire and Wireless (India) Limited

Your Directors take pleasure in presenting the Fourth Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2010.

FINANCIAL PERFORMANCE

(Rs. in Millions)

Particulars	For the Year Ended	
	March 31, 2010	March 31, 2009
Sales & Services	1938.7	2284.3
Other Income	79.6	18.3
Total Income	2018.3	2302.6
Total Expenses	2692.8	2408.4
Operating Profit/(Loss)	(674.5)	(105.8)
Less: Finance Cost	673.3	602.2
Less: Depreciation	390.3	297.7
Profit/(Loss) before Tax & Exceptional Item(s)	(1738.1)	(1005.7)
Provision for Taxation (Net)	-	3.8
Profit/(Loss) after Tax before Exceptional Item(s)	(1738.1)	(1009.5)
Less: Exceptional Item	-	-
Profit/(Loss) after Tax	(1738.1)	(1009.5)
Less: Prior Period Adjustments (Net)	-	-
Add: Adjustment Pursuant to the Scheme	-	-
Add: Balance Brought Forward from Previous Year	(2304.9)	(1295.4)
Balance Carried to Balance Sheet	(4043.0)	(2304.9)

BUSINESS OVERVIEW

Wire and Wireless (India) Limited (WWIL) is one of the India's largest Multi System Operator (MSO). With 50 analogue and 7 digital headends, it provides cable services in 60 cities of India. WWIL is a part of the Essel Group, which is amongst India's most prominent business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

WWIL product offers include, Analog Cable, Digital Cable Television, Broadband and Local Television Channels. WWIL has been providing services in analog and digital mode, having technical capability to provide features like Video on Demand, Pay per View, Electronic Programming Guide (EPG), gaming through a Set Top Box (STB) and IPTV. All products are marketed under SITI brand Umbrella.

According to FICCI-KPMG Indian Media & Entertainment Industry Report, like most sectors across the industry, Indian Media and Entertainment (M&E) sector has also passed through a period of turmoil due to the global economic slowdown which saw shrinking advertising budgets

of the corporate world. Advertisement spends grew at Compounded Annual Growth Rate (CAGR) of 10 per cent in the past three years, with almost a flat growth in 2009 and is expected to exhibit a robust CAGR of 14 percent over the next five years. Thus, 2009 was a year marked with innovation with a focus on cost efficiencies across sectors, borne out of sheer necessity to combat the pressure on the bottom lines.

Cable Services Industry

The cable TV industry has experienced phenomenal growth and mindshare over the last few years and still has tremendous potential to hit higher curves on charts. The television content distribution market in India is undergoing sweeping transformations. True convergence over cable is round the corner, which will enable viewers to enjoy the benefits of watching movies and TV shows, surfing the Internet and making telephone calls without leaving the comfort of their sofas and television screens.

The Telecom Regulatory Authority of India (TRAI) recently issued a set of recommendations to the Ministry of Information & Broadcasting, mandating every cable network operator to transmit digitized quality video to every home by 2012, thus enabling the delivery of a host of services, including Internet access and telephony via Cable TV.

Despite being an immensely profitable sector that generates annual revenues in excess of Rs.10,000 crore (US\$ 2 billion), the fragmented and unorganized cable TV sector has attracted little investment in the past. The primary reason for this has been the massive under-reporting of subscriber numbers which adversely impacts the broadcasters' revenues.

The total number of TV households grew from 123 million in 2008 to 129 million by the end of 2009, showing an increase of 5 percent. Currently TV penetration in India is much lower as compared to some of the developed markets which are almost fully penetrated. The total number of Cable & Satellite (C&S) households grew at a faster rate of 10 percent from 86 million to 95 million. A large part of this growth came from the digital homes being added.

Throughout the year, the focus at WWIL was on realizing efficiencies, more focus on collections and Analogue Business Expansion in new territories. We started business in some of new territories to name few Bilaspur in Chhattisgarh State, Varanasi in Uttar Pradesh, Bhubaneswar in Orissa State, Dhanbad in Jharkhand State, (All these are TAM Towns) and further the revival plan is also progressing well in Hyderabad, Raniganj & Asansol in West Bengal and Lucknow in Uttar Pradesh. We exploited every opportunity to streamline operations, realign corporate and regional functions, thereby reducing over head costs, increasing focus and accountability of the Company's leadership team and improving performance of our core service lines. The total expenses during the year under review include expenses on account of Headend-in-the Sky (HITS) which were not there last year.

WWIL, hitherto was the only company in India distributing the HITS satellite signals. While conceptually, the HITS

platform was expected to help quicken the pace of digitization in the country, but various issues, which *inter alia* included the absence of a clear tariff and content policy, led to a slower than expected roll out of the services. Due to regulatory non-support and absence of conducive Government policies, HITS has been suspended w.e.f. March 31, 2010.

DIVIDEND

In view of losses during the year, your Directors have not recommended any dividend either on Equity Shares or Preference Shares for the year under review.

EMPLOYEES STOCK OPTION SCHEME

Pursuant to Members approval at the First Annual General Meeting of the Company held on September 18, 2007, your Company has implemented Employee Stock Option Plan – ESOP-2007 to grant stock options to its eligible employees.

Remuneration Committee of the Company, constitution whereof is in accordance with The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines') administers and monitors the Scheme. During the year under review, the Remuneration Committee had in accordance with ESOP 2007 and SEBI Guidelines, granted 2,808,800 Stock Options convertible into equivalent number of equity shares of Re. 1/- each of the Company.

During the year, total 14,50,800 Stock Options lapsed out of which 6,91,400 were unvested and 7,59,400 were vested but not exercised, as the employees to whom these options were granted left the organization.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2010 are annexed herewith and forms part of this report.

A Certificate from the Statutory Auditors of the Company M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, with respect to the implementation of Company's ESOP Scheme, will be placed before the shareholders in the next Annual General Meeting and a copy of the same shall be available for inspection at the Registered Office of the Company on all working days (except Saturday and Sunday) between 2.00 p.m. to 5.00 p.m., upto the date of Annual General Meeting.

RIGHTS ISSUE OF SHARES & ITS UTILISATION

Your Company came with a Rights Issue of 23,67,67,351 equity shares of Re. 1/- each issued at a price of Rs. 19/- per share (including premium of Rs.18/- per share) aggregating Rs. 44,985 lacs to the equity shareholders in the ratio of 109 equity shares for every 100 equity shares held by them. The amount of Rs. 19/- was payable in two installments i.e., Rs. 9/- per share on application (including Re. 0.50 towards capital) and the balance Rs. 10/- per share (including Re. 0.50 towards capital) was payable after six months at the option of the Company but within twelve months from the date of allotment.

The Rights Issue opened on September 29, 2009 and closed on October 21, 2009. Your Company made the allotment

of 23,62,22,285 equity shares on October 29, 2009 against the said rights issue. Consequent to the said Rights Issue, the paid up equity capital of your Company has been increased from Rs. 21,72,17,753/- to Rs. 33,53,28,895.50 comprising of 21,72,17,753 equity shares of Re. 1/- each fully paid up and 23,62,22,285 equity shares of Re. 1/- each with a paid up value of Re. 0.50 per share. The equity shares issued on rights basis are listed at The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

Your Company has received a sum of Rs. 2,12,60,00,565/- towards the share application money from the aforesaid rights issue. The utilization of proceeds of the money raised through rights issue by the Company as on March 31, 2010 has been as under.

(Rs. in Millions)

Particulars	Amount
Repayment of unsecured loans	1,888
Working Capital	204
Issue expenses	34
Total	2,126

DIRECTORS

Mr. Michael Block resigned as Director of the Company with effect from March 25, 2010. The Board places on record its appreciation for the contributions made by Mr. Michael Block during his tenure as Director of the Company.

Mr. Parminder Singh Sandhu was appointed as an Additional Director, with effect from March 25, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Parminder Singh Sandhu holds office only up to the date of the ensuing Annual General Meeting of the Company. The Company has received appropriate notice under Section 257 of the Companies Act, 1956 along with requisite deposits, proposing the candidature of Mr. Parminder Singh Sandhu for the office of Director, liable to retire by rotation.

As per the provisions of the Companies Act, 1956 read with Article 97 of the Articles of Association, Mr. Subhash Chandra retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Brief Profile of the Directors proposed to be appointed/re-appointed has been included in the Report on the Corporate Governance forming part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A separate section titled 'Corporate Governance' together with the certificate from Mr. Satish K. Shah, Practicing Company Secretary, confirming compliance with the requirements of Clause 49 of the Listing Agreement(s) with the Stock Exchanges, as also a Management Discussion and Analysis Statement, forms part of the Annual Report.

SUBSIDIARIES

During the year, there were following subsidiaries of your Company with shareholding of:

- a) 100% equity stake in Central Bombay Cable Network Limited;
- b) 100% equity stake in Siticable Broadband South Limited;
- c) 67.69% equity stake in Indian Cable Net Company Limited;
- d) 66% equity stake in Master Channel Community Network Private Limited; and
- e) 51% equity stake in Wire and Wireless Tisai Satellite Limited.

There have been no changes either in the business or operations of these subsidiaries during the year under review. The statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiaries is annexed to this Report. The Audited Financial Statements, Directors' Report and Auditors' Report of the subsidiaries are forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the attached Consolidated Financial Statements have been prepared in accordance with the Accounting Standard AS 21 - Consolidated Financial Statements read with Accounting Standard AS 23 - Accounting for Investments in Associates and Accounting Standard AS 27 - Financial Reporting of Interests in Joint Ventures forms part of the Annual Report.

AUDITORS

M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

EXPLANATION TO QUALIFICATIONS IN AUDITORS REPORT

Explanations as regards the points raised by Auditors, in their report, are as mentioned hereunder:

Item No. (i)(a) of the annexure to the Auditors Report – The Company is in the process of updating the Fixed Assets Register with respect to Network Equipments taken over pursuant to the Scheme of Arrangement.

Item No. (i)(b) of the annexure to the Auditors Report – It may be noted that the Network Equipments are spread over wide geographical areas and it is difficult to conduct the physical verification at greater frequencies. However, the

Company has already completed the physical verification of network equipments as per the phased plan, reconciliation of the same will be completed during the year.

Item No. (iv) of the annexure to the Auditors Report – As per the industry practice written agreements are not insisted from the customers in the case of analogue business. However during the year, the Company has executed and submitted agreements with many of the customers of analogue business to the satisfaction of the Auditors.

Item No. (ix)(a) and (b) of the annexure to the Auditors Report – Due to the wide geographical spread of Company's units, in few cases, there were delays in collation of data resulting in delays in depositing of statutory dues. The Company has taken necessary steps to address the issue.

Item No. (ix)(c) of the annexure to the Auditors Report – All these income tax cases are in name of SITI CABLE NETWORK LIMITED. The Company has taken over these cases pursuant to the Scheme of Arrangement. The ITAT and Commissioner (Appeals) have given orders in favour of Company, however the Department has filed appeal before High Court and hearing for the same is yet to commence. However, this liability is not provided as in the opinion of the Company, no liability is anticipated.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

I. Energy Conservation and Technology Absorption:

During the year under review, the Company has not carried out any activities involving conservation of energy and technology absorption and therefore the particulars to be mentioned under this item is NIL.

II. Foreign Exchange Earnings and Outgo:

Details of foreign exchange earnings and out go during the year under review is given in Note No. 18.4 of the Notes to Accounts.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed to and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on representations received from the operating management, the Directors hereby confirm that: -

- (a) in the preparation of the Annual Accounts for the year ended March 31, 2010, the applicable Accounting Standards have been followed and there are no material departures;
- (b) they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

for the year ended March 31, 2010 and the loss of the Company for that period;

- c) they have taken proper and sufficient care 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; and
- d) they have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental Authorities, mainly

Ministry of Information and Broadcasting, Ministry of Communication and Information Technology, Department of Telecommunication (Broadcasting & Cable Services), Telecom and Regulatory Authority of India and other stakeholders including Local Cable Operators, Bankers, Financial Institutions, Shareholders, Viewers, Broadcasters, Vendors and Service Providers.

For and on behalf of the Board

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Place: Delhi
Date: July 26, 2010

ANNEXURE TO DIRECTORS' REPORT

I. Disclosures as stipulated under the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 and forming part of Directors' Report for the year ended March 31, 2010

Particulars	Grant of Options
a. Options Granted (Nos.)	38,81,500
b. Exercise Price (Rs.)	
Options Granted (Nos.)	Exercise Price (Rs.)
9,22,700	39.75*
1,50,000	30.65
28,08,800	17.45
	*Re-priced at Rs. 20 on October 22, 2009
c. Options Vested	1,25,320
d. Options Exercised	NIL
e. Total number of Shares arising as a result of Exercise of option	NIL
f. Options Lapsed (Nos.)	14,50,800
g. Variation in terms of Options	6,09,000
h. Money realized by exercise of Options	NIL
i. Total Number of Options in force	24,30,700
j. Employee wise details of Options granted to:	
(i) Senior Management Personnel	
Sudhir Agarwal	8,11,000
Y. S. Bains*	1,55,700
Rajiv Ganju	1,53,300
Raj Kumar Agarwal	1,43,700
A. Mohan	1,40,700
Vimal K. Agarawal*	1,22,900
*subsequently lapsed due to resignation(s)	
(ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	NIL
(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with International Accounting Standard (IAS) 33. 'Earning Per Share'	(6.33)

II. Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies and forming part of Directors' Report for the year ended March 31, 2010

Name of the subsidiary Companies		Central Bombay Cable Network Limited	Siticable Broadband South Limited	Indian Cable Net Company Limited	Master Channel Community Network Private Limited	Wire and Wireless Tisai Satellite Limited
The financial year of the subsidiary company ended on		March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Extent of holding company's interest %		100.00%	100.00%	67.69%	66.00%	51.00%
Face Value of equity share (per share)		Rs.10/-	Rs.10/-	Rs.10/-	Rs.100/-	Rs.10/-
No. of equity shares held by the holding company and / or its subsidiaries		50,000	10,000	6,831,000	1,980	25,500
Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company:	<i>For the financial year ended on March 31, 2010 (Amount Rs. In Millions)</i>	NIL	NIL	NIL	NIL	NIL
	<i>For the previous financial years of the subsidiary since it became a subsidiary (Amount Rs. In Millions)</i>	NIL	NIL	NIL	NIL	NIL
Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company:	<i>For the financial year ended on March 31, 2010 (Amount Rs. In Millions)</i>	0.17	(0.94)	10.61	6.57	(21.80)
	<i>For the previous financial years of the subsidiary since it became a subsidiary (Amount Rs. In Millions)</i>	0.16	(0.19)	41.03	2.38	2.37

III. Information u/s 217(2A)(b)(ii) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Reports for the year ended March 31, 2010

Sr. No.	Name of the Employee	Designation	Total Remuneration (Rs.)	Qualification	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Last Employment and Designation
1	Soumen Roy Choudhury	Vice President - Regional Operations	2,518,355	B.Com. (Hons.)	60	39	7-Feb-01	M/s. Rashi Peripheral Pvt. Ltd.
2	Manish Sehgal	Vice President-Human Resources	2,549,996	B.Com., MBA	40	18	1-Nov-07	NCR Corporation Pvt. Ltd. as DGM - HR
3	Sanjay Jindal	Vice President-Technical	2,513,556	B.E. (Mechanical)	47	26	1-Jul-95	Bharat Heavy Electricals Ltd., Jhansi as Senior Engineer
4	Vimal Kumar Agarwal*	Sr. V.P. Strategies, M&A	3,420,034	B.Com. (Hons.), I.C.W.A.I, C.A., C.S., PGDGM.	37	16	6-Jul-98	Indovision Securities Ltd. as Senior Manager
5	Srinivasan Rajgopalan*	GM - Supply Chain & Logistics	2,497,860	B.A. Eco., Diploma In Sys. Mgmt, Diploma In Business Mgmt	48	23	13-Apr-09	Next Retail India Ltd., Mumbai as HOD-SCM
6	R. K. Agarwal*	Chief Financial Officer	3,430,956	B.Com. (Hons), LLB, C.A.	49	17	1-May-09	Zee News Ltd. as Chief Financial Officer
7	Sanjay Goyal*	V.P. - Finance & Accounts	2,813,076	B.Sc., ICAI, ICSI, ICWAI, LLB	37	12	21-May-09	Vishal Retailer Ltd., New Delhi as V.P. - F&A
8	Rajiv Ganju	V.P. - Customer Services & Process	4,429,996	B.E. Mechanical	44	21	12-Mar-09	Videcon International Ltd. as Sr. General Manager (Manufacturing Controller)
9	Sudhir Agarwal	Chief Executive Officer	12,500,000	MBA & AMP -The Wharton School	47	21	10-Nov-08	Haier Telecon as President (South West Asia)
10	Harpreet Datta*	V.P. - Human Resources	2,400,000	B.Com. (Hons), M.Com., PGDBM	42	15	20-Jul-09	Religare Welless Ltd. as Head- HR & Training
11	Atul Verma*	V.P. - Marketing	2,800,000	B.Sc., M.M.M.	40	18	22-Sep-09	Idea Cellular Ltd. as Marketing Head
12	Shabd Swarup Sinha*	V.P. - Information Technology	3,000,000	Bs.Sc. (Engg.), PGDBM	65	43	4-Jan-10	Reliance Communication Ltd. as Consultant (C/o Big TV)
13	Ravinder Taneja*	Sr. V.P. - S & O	4,600,000	PGD B.Tech, MMS	45	19	11-Jan-10	Tata Tele Services Ltd. as North West Region Head
14	S. K. Chakraborty*	Sr. V.P. - Internal Audit	2,786,007	B.Com., Certificate Course in Computer	58	38	1-Apr-09	Bhansali Engineering Polymers Ltd as Sr. Manager (Commercial & Internal Audit)

* Indicates remuneration is for part of the year.

Notes :

1. All appointments are contractual and terminable by notice on either side.
2. None of the employees are related to any of the Directors.
3. Remuneration includes Salary, Bonus, Incentive awards, Commission, Allowances, Leave Travel assistance, Medical benefits, Gratuity, Company's contribution to Provident fund and other perquisites and benefits valued as per the Income-tax Act, 1961.

REPORT ON CORPORATE GOVERNANCE

Company's Governance Philosophy

The Company believes in and fully supports the principles of Corporate Governance. The Company has been regularly implementing the best practices of Corporate Governance in order to attain total transparency, accountability and integrity. The Corporate Governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of these resources.

The Company's policy to implement the Corporate Governance is just not merely to meet the statutory requirements, but also to go beyond that by putting into place the procedures and systems, which are in accordance with the best practices of Corporate Governance. We believe that sound Corporate Governance is instrumental to enhance and retain stakeholders' trust and also it is a set of guidelines to help to fulfill its responsibilities towards all its stakeholders i.e. investors, customers, vendors, Government employees, associates and society.

The Company has constantly endeavored to implement the best Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Your Company's corporate structure, business and disclosure practices have been aligned to its Corporate Governance Philosophy. We will continuously endeavor to improve in these aspects on an ongoing basis.

In accordance with the requirement of Stock Exchange Regulations and the provisions of the Listing Agreement, the compliance report on the Corporate Governance is reproduced here under:

BOARD OF DIRECTORS

a) Composition & Category of Directors

The Company has been in strict compliance of Board composition requirement as per Clause 49 of the Listing Agreement with the stock exchanges. The Board of Directors of your Company is having optimum Combination of Executive and non-executive Directors. As on March 31, 2010, the Board of WWIL consisted six Directors out of which three are Independent Directors.

Composition of the Board as on March 31, 2010

Category of Directors	No. of Directors	% of total No. of Directors
Executive Director	1	17.00%
Non-Executive Independent Directors	3	50.00%
Other Non-Executive Directors	2	33.00%
Total	6	100.00%

Particulars of Directors, their attendance at Board Meetings and the Annual General Meeting held during the financial year 2009-10 and also their other directorships in other Public Companies (excluding Foreign Companies and Section 25 Companies) and membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2010 are as under:

Sr. No.	Name of Director	Category	Attendance at		No. of Directorship of other Companies	No. of memberships of Board Sub Committees
			Board Meetings (Total 11 Meetings)	AGM (Held on 17.08.09)		
1.	Subhash Chandra	Non Executive Chairman	10	Y	12	2
2.	B K Syngal	Independent - Non-Executive	10	N	3	8
3.	Suresh Kumar Agarwal	Independent - Non-Executive	10	Y	4	3
4.	Arun Kapoor	Non-Executive	8	Y	1	4
5.	Amit Goenka	Executive	7	Y	9	3
6.	Michael Block @	Independent - Non-Executive	1	N	1	NIL
7.	Parminder Singh Sandhu #	Independent - Non-Executive	NIL	NA	2	1

@ Resigned as Director with effect from March 25, 2010.

appointed as an Additional Director with effect from March 25, 2010.

None of the Directors on the Board is a member of more than ten (10) Committees (other than Remuneration Committee) or Chairman of more than five (5) Committees across all the companies in which he is a Director.

b) Board Meetings & Procedures

During the financial year under review, eleven (11) meetings of the Board were held. The intervening period between the Board Meetings were well within the maximum time gap of four (4) months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each year. The details of the meetings held during the year are as under:

Sr. No.	Date	Board Strength	No. of Directors present
1	April 22, 2009	4	3
2	June 5, 2009	6	5
3	June 17, 2009	6	5
4	July 16, 2009	6	4
5	July 22, 2009	6	5
6	August 4, 2009	6	3
7	September 11, 2009	6	4
8	October 22, 2009	6	5
9	October 29, 2009	6	4
10	January 21, 2010	6	4
11	March 25, 2010	6	4

Board Meetings of the Company are governed by a structured agenda. All major agenda items, backed up by comprehensive background information, are sent well in advance of the date of the Board Meetings to enable the Board to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter for consideration by the Board. Chief Executive Officer, Chief Financial Officer and/or Head of Finance and Accounts are normally invited to the Board Meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

c) Brief profile of the Directors to be appointed / re-appointed at the Annual General Meeting

Mr. Subhash Chandra, 60, was appointed a Director of our Company on December 5, 2006. Mr. Chandra has been the recipient of numerous honorary degrees, industry awards and civic honors, including being named 'Global Indian Entertainment Personality of the Year' by FICCI for 2004, 'Business Standard's Businessman of the Year' in 1999, 'Entrepreneur of the Year' by Ernst & Young in 1999 and 'Enterprise CEO of the Year' by International Brand Summit. The Confederation of Indian Industry ("CII") chose Mr. Chandra as the Chairman of the CII Media Committee for two successive years.

He has set up TALEEM (Transnational Alternate Learning for Emancipation and Empowerment through Multimedia), an organisation which seeks to provide access to quality education and to promote research in various disciplines relating to health and family life, social & cultural anthropology, communication and media. He is also the trustee for the Global Vipassana Foundation, a trust set up for helping people in spiritual upliftment.

Mr. Subhash Chandra does not hold any shares in the Company.

Mr. Parminder Singh Sandhu, 41, served as Chief Executive Officer of Unitymedia, a German Cable operator passing 8.8 millions households from 2003 to January 2010. He joined iesy, the Hesse cable operator that became Unitymedia, in 2003 from Liberty Media International where he pursued numerous European acquisitions as Finance Director, Europe. Prior to that he held a number of senior finance & strategy positions during his six years with Telewest Communication plc in the U.K. A Chartered Accountant and Chartered Marketeer, he started his career with Price Waterhouse Coopers in London, where he was a manager in its Transaction support group. He is graduate of Cambridge University and holds a first class MA Honours degree in mathematics.

Mr. Parminder Singh Sandhu does not hold any shares in the Company.

d) Code of Conduct

The Board of Directors of the Company have approved and adopted Code of Conduct for Members of the Board of Directors and Senior Management of the Company. The Code is circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. The Code has been posted on Company's website, viz., www.wwil.net

A declaration affirming compliance with the code of conduct by the members of the board and senior management is given below:

Declaration

I confirm that the Company has obtained from all Directors and Senior Management of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board of Directors and Senior Management' of the Company for the financial year ended March 31, 2010.

Amit Goenka
Whole-time Director
 Delhi, May 28, 2010

BOARD COMMITTEES

a) Audit Committee

The Board has constituted an Audit Committee, comprising of three (3) members, two (2) of whom are Independent Directors, with Mr. B.K. Syngal, a Non-Executive Independent Director as its Chairman.

The Composition of the Audit Committee of the Board complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement(s) as under:

Name of Directors	Category
Mr. B. K. Syngal	Non-Executive – Independent
Mr. Sureshkumar Agarwal *	Non-Executive – Independent
Mr. Arun Kapoor #	Non-Executive

* Appointed with effect from June 1, 2009.

#Appointed with effect from April 22, 2009

The role and the powers of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement(s) and provisions of Section 292A of the Companies Act, 1956. The Committee meets periodically and reviews:

- accounting and financial reporting process of the Company;
- audited and un-audited financial results;
- internal audit reports & report on internal control system of the Company;
- business plans and various reports placed by the Management; and
- discusses the larger issues that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's business and size of operations.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to the foregoing, in compliance with requirements of Clause 49 of the Listing Agreement(s), the Audit Committee reviews operations of subsidiary companies viz. its financial statement, significant related party transactions, statement of investments and minutes of meeting of the Board and Committees.

During the year under review, five (5) meetings of Audit Committee were held. The details of the meetings are as under:

Sr. No.	Date	Committee Strength	No. of members present
1	June 17, 2009	3	3
2	July 16, 2009	3	2
3	July 22, 2009	3	3
4	October 22, 2009	3	3
5	January 21, 2010	3	3

Statutory Auditors, Internal Auditor, Chief Executive Officer, Chief Financial Officer and/or Head of Finance & Accounts of the Company were invitees to all meetings of the Committee. The Company Secretary acts as the secretary to the Audit Committee.

b) Remuneration Committee and Policy

The Remuneration Committee of the Company comprises of Mr. B. K. Syngal, Non-Executive Independent Director as Chairman, Mr. Arun Kapoor and Mr. Sureshkumar Agarwal as a members. Mr. Sanjay Jain was member of the Committee till April 22, 2009.

The terms of reference of the Remuneration Committee, *inter alia*, consist of reviewing the overall compensation policy, service agreements and other employment conditions of Executive Director(s). The Remuneration Committee is also responsible for administering Company's Employees Stock Option Scheme including review and grant of options to the eligible employees under the Scheme. The remuneration of Executive Director is decided by the Board of Directors on the recommendation of the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling approved by shareholders.

During the year under review, two (2) meetings of Remuneration Committee were held. The details of the meetings are as under:

Sr. No.	Date	Committee Strength	No. of members present
1	July 16, 2009	3	2
2	October 22, 2009	3	3

Remuneration to Executive Director.

No remuneration is being paid to Mr. Amit Goenka, Whole-time-Director of the Company.

Remuneration payable to Non-Executive Director

Non-Executive Directors are entitled to sitting fees of Rs. 10,000/- per meeting for attending the meetings of the Board and Committees thereof.

c) Share Transfer and Investors' Grievance Committee

The Share Transfer and Investors' Grievance Committee of the Company comprises of Mr. B. K. Syngal, Non-Executive Independent Director as Chairman, Mr. Amit Goenka, Mr. Arun Kapoor and Mr. Sureshkumar Agarwal as members. Mr. Sanjay Jain was member of the Committee till April 22, 2009.

Terms of reference of Share Transfer and Investors' Grievance Committee are to supervise and ensure efficient transfer of shares and proper and timely attendance to investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, dematerialization etc. of Shareholders to the officials of the Secretarial Department.

Mr. Samir Raval, Company Secretary of the Company is Compliance Officer of the Company.

During the year under review, Share Transfer and Investors' Grievance Committee met Eight (8) times. The details of the meetings are as under:

Sr. No.	Date	Committee Strength	No. of members present
1	April 8, 2009	3	2
2	April 22, 2009	3	3
3	May 19, 2009	3	2
4	June 5, 2009	4	4
5	June 15, 2009	4	3
6	August 17, 2009	4	3
7	December 23, 2009	4	3
8	February 1, 2010	4	3

Details of number of requests/complaints received and resolved during the year ended March 31, 2010, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Share Certificate (Demerger)	1	1	NIL
Non-receipt of Dividend Payment	2	2	NIL
Non-receipt of Annual Report	14	14	NIL
Non-receipt of Letter of Offer (Rights Issue)	1	1	NIL
Non-receipt of Application Form (Rights Issue)	2	2	NIL
Non-receipt of Allotment Advice (Rights Issue)	1	1	NIL
Non-receipt of Shares (Rights Issue)	1	1	NIL
Total	22	22	NIL

General Meetings

The Fourth Annual General Meeting of the Company for the financial year 2009-10 will be held on August 31, 2010 at 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Details of Annual General Meetings of the Company held from the date of Incorporation are as follows:

Meeting	Day, Date and Time of the Meeting	Venue of the Meeting
1st AGM	Tuesday, September 18, 2007, 11.30 a.m.	Auditorium, The National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, G-Block, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051.
2nd AGM	Thursday, July 24, 2008, 3.00 p.m.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
3rd AGM	Monday, August 17, 2009, 2.30 p.m.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018

At the last Annual General Meeting of the Company, the members had passed the following Special Resolutions:

- giving approval for maintaining and keeping the registers, documents and papers relating to Equity Shares, Debentures issued by the Company at the office of the Company's Registrar & Share Transfer Agents;
- Alteration of Articles of Association by substituting Article 121 and inserting new Article 4A after existing Article 4;
- Giving approval to re-pricing the stock options already granted by the Company under the Employees Stock Option Scheme-2007.

The above said resolutions were passed with requisite majority.

No Ordinary or Special resolutions were passed through Postal Ballot during Financial Year 2009-10. None of the resolutions proposed for the ensuing Annual General Meeting needs to be passed by Postal Ballot.

Disclosures

There are no materially significant related party transactions i.e. transaction material in nature, between the Company and its promoters, directors or management or their relatives etc. having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report.

There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Exchanges or any statutory authority on any matter relating to capital markets.

Means of Communication

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website, www.wwil.net. The financial results i.e. quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of an advertisement in a English daily viz. 'Daily News & Analysis (DNA)' and in a vernacular language newspaper viz. 'Punya Nagari (Marathi)' as per requirement of the Stock Exchanges.

Management Discussion and Analysis Report forming part of annual report is annexed separately.

CORPORATE GOVERNANCE COMPLIANCE REPORT

To,
The Members
Wire and Wireless (India) Limited

I have examined the records of the Company as to the compliance of conditions of Corporate Governance by Wire and Wireless (India) Limited, ('the Company') for the financial year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the 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 my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

I state that generally no investor grievances are pending for a period exceeding 30 days, against the Company as per the records maintained by the Company.

I 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.

Satish K. Shah
Company Secretary
Membership No. FCS 1313 CP 3142

Place: Mumbai,
Dated: July 23, 2010

SHAREHOLDERS' INFORMATION

1. **Date, Time and Venue of Shareholders' Meeting**

Meeting : Annual General Meeting
 Day & Date : Tuesday, August 31, 2010
 Time : 3.30 p.m.
 Venue : 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2. **Financial Year**

2009-10
3. **Date of Book Closure**

Monday, August 23, 2010 to Tuesday, August 31, 2010
 (both days inclusive)
4. **Dividend Payment Date**

The Board has not recommended any dividend for the Financial Year 2009-10.
5. **Address for Correspondence**

Registered Office
 Continental Building, 135, Dr. Annie Besant Road,
 Worli, Mumbai-400 018, India
 Tel: +91-22-6697 1234
 Fax: +91-22-2490 0302/0213
 Website : www.wwil.net
Corporate Office
 FC -19, Gate No. 3, Sector -16A, Film City,
 Noida (UP) - 201 301
 Tel.: +91-0120 4526 7000
6. ROC Registration no./Company Identification no. L64200MH2006PLC160733
7. **Listing on Stock Exchanges**

Equity Shares : Bombay Stock Exchange Limited (BSE)
 The National Stock Exchange of India Limited (NSE)
Debentures : The National Stock Exchange of India Limited (NSE)
8. **Stock Code**

Fully Paid-up Equity Shares BSE : 532795
 NSE : WWIL EQ
Partly Paid-up Equity Shares BSE : 890131
 NSE : WWIL E1
Debentures NSE : WWIL 12
9. **ISIN No.**

Fully paid-up Equity Shares : INE965H01011
 Partly paid-up Equity Shares : IN9965H01019
 Debentures : INE965H07018
10. **Registrar & Share Transfer Agent**

Sharepro Services (India) Private Limited
 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone
 Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East)
 Mumbai-400 072, India.
 Tel: +91-22-67720400
 Fax: +91-22-28591568
 E-mail: sharepro@shareproservices.com
11. **Investor Relation Officer**

Mr. Vijay Sawant, Asst. Manager - Legal
 Wire and Wireless (India) Limited
 Madhu Industrial Estate, 'A' Wing, 4th Floor, Pandurang Budhkar Marg,
 Worli, Mumbai-400 013
 Tel: +91-22-24992020, Fax: +91-22-24992000
 E-mail: csandlegal@wwil.net
12. **Change of Address**

Members holding equity shares in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.
 Members holding equity shares in dematerialised form are requested to notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP).
13. **Share Transfer System**

Equity Shares sent for physical transfer or for dematerialisation are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

14. Dematerialisation of Equity Shares & Liquidity

To facilitate trading in demat form, the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on date 99.69% of the equity shares of the Company are in the dematerialised form.

15. Shareholders' Correspondence

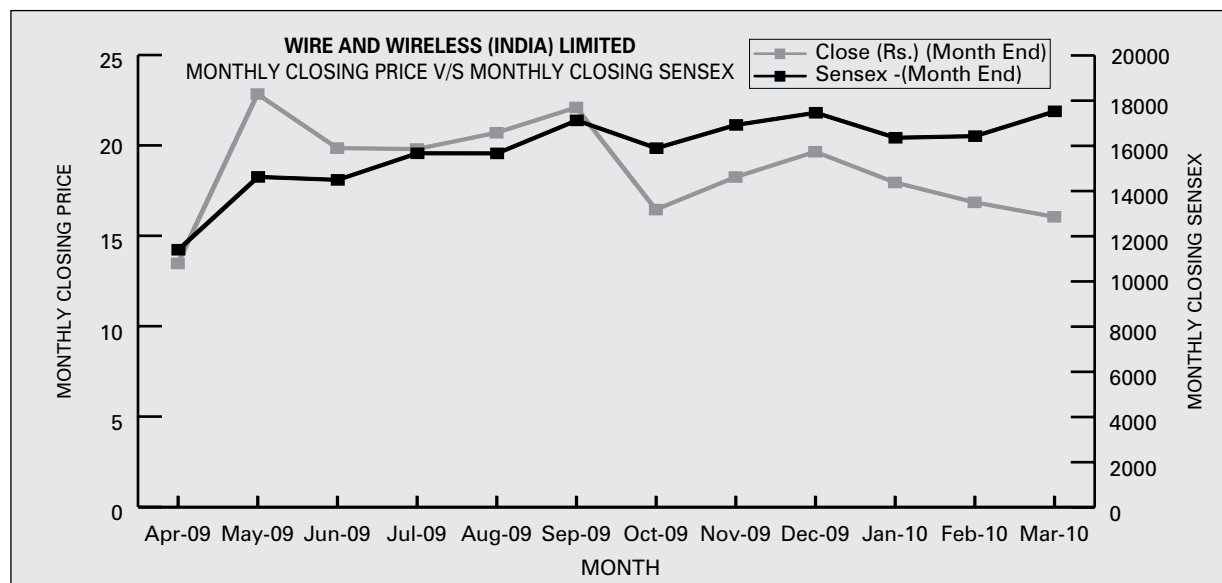
The Company has attended to all the investors' grievances/ queries/ information requests and every endeavor is made to reply all letters received from the shareholders within a period of 5 working days.

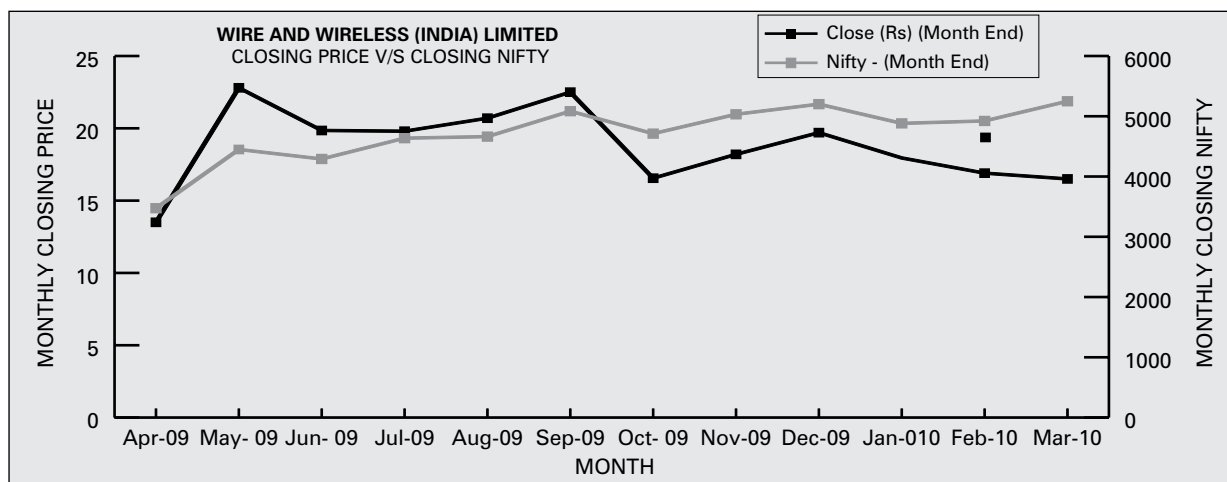
All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

16. Stock Market Data Relating to Shares Listed in India

Monthly high and low quotations and volume of Equity Shares traded on Bombay Stock Exchange and National Stock Exchange for financial year 2009-2010 are:

Months	BSE						NSE					
	Fully Paid-up Shares			Partly paid-up Shares			Fully Paid-up Shares			Partly paid-up Shares		
	High (Rs.)	Low (Rs.)	Volume of Shares Traded	High (Rs.)	Low (Rs.)	Volume of Shares Traded	High (Rs.)	Low (Rs.)	Volume of Shares Traded	High (Rs.)	Low (Rs.)	Volume of Shares Traded
Apr '09	16.85	12.26	36910999	NA	NA	NA	17.00	12.25	78214953	NA	NA	NA
May '09	24.50	13.71	69860694	NA	NA	NA	24.60	13.75	138901015	NA	NA	NA
Jun '09	27.65	18.55	54349406	NA	NA	NA	27.75	18.95	111798205	NA	NA	NA
July '09	21.40	14.80	37774239	NA	NA	NA	21.40	14.85	80773748	NA	NA	NA
Aug '09	22.05	18.40	43509983	NA	NA	NA	22.10	18.15	83668051	NA	NA	NA
Sep '09	23.50	19.20	77200103	NA	NA	NA	23.60	19.10	133824509	NA	NA	NA
Oct '09	22.20	16.20	33082730	NA	NA	NA	22.25	16.30	71186476	NA	NA	NA
Nov '09	23.20	15.25	50601572	9.68	7.28	NA	24.50	15.20	103196132	10.95	6.40	891973
Dec '09	21.00	17.80	34915586	9.00	7.78	NA	21.10	17.60	69275459	9.50	7.55	955188
Jan '10	22.20	17.30	56976887	10.12	7.73	NA	22.20	17.30	102458981	10.45	7.10	1225827
Feb '10	19.10	16.50	14466857	7.95	6.60	NA	19.20	16.40	33830046	8.65	6.25	460566
Mar '10	18.65	16.00	11656272	7.81	5.86	NA	18.60	16.00	26003318	8.00	5.85	474290

17. Relative Performance of Wire and Wireless (India) Limited Shares Vs. BSE Sensex & Nifty Index:



18. Distribution of Shareholding as on March 31, 2010

a) for Fully Paid-up Equity Shares

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	184131	98.98	56633871	26.07
5001 – 10000	1062	0.57	7968713	3.67
10001-20000	420	0.23	6090015	2.80
20001-30000	155	0.08	3882899	1.79
30001-40000	61	0.03	2129625	0.98
40001-50000	48	0.03	2176222	1.00
50001-100000	72	0.04	5384025	2.48
100001 and Above	84	0.04	132952383	61.21
Total	186033	100.00	217217753	100.00

b) for Partly Paid-up Equity Shares

No. of Equity Share	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 500	8203	63.59	1568223	0.66
501 – 1000	2002	15.52	1563864	0.66
1001-2000	1275	9.88	1896031	0.80
2001-3000	470	3.64	1208631	0.51
3001-4000	198	1.54	720379	0.31
4001-5000	167	1.30	807548	0.34
5001-10000	304	2.36	2252713	0.96
10001 and Above	280	2.17	226204896	95.76
Total	12899	100.00	236222285	100.00

19. Categories of Equity Shareholders as on March 31, 2010:

(Consolidated for Fully Paid-up & Partly Paid-up)

Category	March 31, 2010	
	% of shareholding	No. of shares held
Promoters	63.26	286,838,172
Individuals	20.57	93,270,704
Financial Institutions/MF/Banks	1.73	7,847,571
FII/ NRIs/OCBs	4.13	18,717,579
Indian Companies	10.31	46,766,012
Total	100.00	453,440,038

20. Particulars of Shareholding**a) Promoters Shareholding as on March 31, 2010****i) For Fully Paid up Equity Shares**

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1.	Ashok Mathai Kurien	1,021,000	0.47
2.	Laxmi Narain Goel	875,000	0.40
3.	Jayneer Capital Pvt. Ltd.	61,313,348	28.23
4.	Prajatma Trading Co. Pvt. Ltd.	4,162,250	1.92
5.	Ganjam Trading Co. Pvt. Ltd.	3,283,250	1.51
6.	Premier Fin. and Trading Co. Ltd.	3,088,000	1.42
7.	Briggs Trading Co. Pvt. Ltd.	2,696,750	1.24
8.	Churu Trading Co. Pvt. Ltd.	2,025,500	0.93
9.	Essel Infraprojects Limited	3,200,000	1.47
10.	Ambience Advertising Pvt. Ltd.	1,137,500	0.52
11.	Veena Investment Pvt. Ltd.	680,500	0.31
12.	Delgrada Limited.	16,431,000	7.57
13.	Lazarus Investments Ltd.	5,750,000	2.65
14.	Essel Champs Private Limited	100	0.00
	Total	105,664,198	48.64

ii) For Partly Paid up Equity Shares

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1.	Jayneer Capital Pvt. Ltd.	66,831,658	28.29
2.	Prajatma Trading Co. Pvt. Ltd.	53,978,602	22.85
3.	Premier Fin. And Trading Co. Ltd.	25,107,665	10.63
4.	Churu Trading Co. Pvt. Ltd.	35,256,049	14.93
	Total	181,173,974	76.70

b) Top ten (10) Public Shareholding as on March 31, 2010**i) For Fully Paid up Equity Shares**

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1.	Life Insurance Corporation of India	4,379,681	2.02
2.	Dilipkumar Lakhi	1,150,000	0.53
3.	Reliance Capital Trustee Co. Ltd. A/c.	3,000,000	1.38
4.	Religare Securities Ltd.	2,192,774	1.01
5.	Quantum Securities Pvt Ltd.	650,000	0.30
6.	Angel Broking Limited	1,499,028	0.69
7.	Karvy Stock Broking Ltd.	692,435	0.32
8.	Globe Capital Market Ltd.	572,417	0.26
9.	Sharekhan Limited	535,433	0.25
10.	Angel Capital & Debt Market Ltd.	530,909	0.24
	Total	15,202,677	7.00

ii) Partly Paid up Equity Shares

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1.	Ecap Equities Limited	10,000,000	4.23
2.	Oppenheimer Global Fund	9,072,951	3.84
3.	Dilipkumar Lakhi	2,050,000	0.87
4.	Oppenheimer Variable Account Funds	2,212,100	0.93
5.	Sathyamoorthi Devarajulu	2,190,000	0.93
6.	Manish Lakhi	2,000,000	0.85
7.	Quantum Securities Pvt. Ltd.	1,200,000	0.51
8.	Ing Oppenheimer Global Portfolio	1,528,003	0.65
9.	R. B. K. Share Broking Ltd.	622,000	0.26
10.	Metropolitan Series Fund, Inc.- Oppenheimer	547,757	0.23
	Total	31,422,811	13.30

MANAGEMENT DISCUSSION & ANALYSIS

Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

COMPANY OVERVIEW

Wire and Wireless (India) Limited (WWIL) is one of the India's largest Multi System Operator (MSO) with 50 analog and 7 digital headends, providing cable services in 54 cities across India. WWIL is a part of the Essel Group, which is amongst India's most prominent business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

WWIL product offers include Analog Cable, Digital Cable Television, Broadband and Local Television Channels. WWIL providing services in analog and digital mode, having technical capability to provide features like Video on Demand, Pay per View, Electronic Programming Guide (EPG), gaming through a Set Top Box (STB) and IPTV. All products are marketed under SITI brand Umbrella.

WWIL is professionally run by a team of experienced senior management professionals, responsible for day-to-day functioning for the business, supported by a team of qualified executives & engineers for the execution responsibilities with vast relevant experience. WWIL has recruited several professionals with domain expertise in critical areas and has employee strength of over 500.

For the year ended March 31, 2010 the income from operations was Rs. 2,726.5 million, which was 97% of the total revenue of Rs. 2,807.2 million.

1. Company Background

WWIL has been formed as a part of the whole demerger of Zee Entertainment Enterprises Limited (ZEEL-formerly known as Zee Telefilms Limited) the public listed flagship company of Zee Group. As per the Scheme of Arrangement approved by the Hon'ble High Court, Bombay, all the cable TV distribution business within ZEEL and Siticable Networks Ltd., has been transferred to WWIL w.e.f. March 31, 2006.

WWIL is engaged in the distribution of television channels through analog and digital cable distribution network, primary internet and allied services. WWIL has an affiliation to approximately 4,000 Local Cable Operators (LCOs).

2. Competitive Strengths

The principal competitive strengths of WWIL are as follows:

(i) It is one of the biggest MSOs in India:

WWIL is one of India's largest Multi System Operator in the cable industry. WWIL is present in 54 cities across the country. It provides input to approximately 4,000 LCOs through its 50 analog

and 7 digital headends. These features give WWIL direct reach of approximately 10 mn cable and satellite homes.

(ii) Strong operational, technical and management team:

WWIL has qualified, experienced and highly successful promoters, management, operations and technical teams who have contributed to its growth and would help it to successfully craft and implement its strategy. WWIL believes that it's competent, experienced and skilled operational, finance and technical team is its key strength in sustaining business operations and the management team is well placed to provide strategic leadership and direction to explore new emerging opportunities as well as constantly improve the current operations. WWIL has recruited several professionals with domain expertise in critical areas which provides a significant competitive edge. As on March 31, 2010, WWIL has more than 500 employees on its roll.

(iii) '24 x 7' Customer Care:

WWIL business is customer centric and hence Customer Care is given a great deal of focus. WWIL has Customer Care Centers in Mumbai, Noida, Kolkata and Bengaluru. These call centers ensure that customers, irrespective of their language preference, are given top quality service which is timely and efficient. As business expand, the customer care teams of WWIL looks forward in servicing customers across the platform that includes Digital, traditional Analog Cable and ISP customers.

(iv) Forward Integration Model:

The Forward Integration Model of WWIL enables it to access end consumers. WWIL has negotiated with the LCOs / MSOs to buyout 51% to 100% of their businesses which gives direct access to a large subscriber base. Direct access strategy helps WWIL in improving its ARPU (Average Revenue per User). This also helps it in providing value added services such as the internet.

BUSINESS STRATEGY

Cable television has registered an impressive growth over the last decade. There has been a tremendous growth in the Cable & Satellite (C&S) household and cable television networks have emerged in an un-regulated and fragmented manner. The total number of C&S households grew at a faster rate of 10 percent from 86 million to 95 million. A large part of this growth came from the digital homes being added.

In such a situation WWIL has identified several opportunities for growth of business and plans to grow and consolidate its position in the cable business by focusing on three key priorities viz. strengthening its presence in key markets, digitalisation of cable TV and transforming itself into a 'B to C' company with the strong focus on consumer delight. WWIL has taken multiple initiatives to build all its systems,

processes and delivery to provide the consumer with the best TV viewing experience at affordable price.

1. Acquisition of subscribers:

WWIL has acquired additional subscribers through a combination of acquisition and partnership with LCOs. LCOs play a role in maintaining the network and relationship with the customer. The consolidation strategy has been structured in such a way so that the LCOs would have the incentive to serve the customers.

2. Upgrading of the Company's Cable Network:

WWIL has upgraded its various analog headends and has extended technical upgradation program throughout its existing operations to improve the quality of current services to subscribers and is ready with high quality infrastructure for roll out of digital services, by way of voluntary digitization, beyond the currently notified CAS areas. WWIL has setup customer service centers, specialized in inbound and outbound calls, to strike a balance between operational efficiency and service quality. WWIL has deputed dedicated technical team on the ground to speedily address and resolve customer issues.

3. Launch of Digital Cable TV Distribution System:

With the intention of expanding its operation in digital cable distribution, WWIL has launched digital Cable TV distribution service in various cities across India including Delhi, Kolkata and Mumbai. WWIL has invested in setting up of digital headends, optical fiber network and providing Set Top Boxes (STB) to consumers in order to enable them to access digital cable television and interactive value-added services (VAS) and will roll-out these services in cities with existing presence and propose to launch in new cities.

4. Headend In the Sky (HITS):

WWIL is the first Company in Asia to undertake digitalization and addressability in the Cable Sector by adopting headend-in-the sky (HITS) technology for distribution of various TV channels to MSOs/Cable Operators in digital mode through business tie up with HITS platform of Dish TV India Limited. HITS is a satellite based technology that allows high quality digital TV signals to be provided to last mile operators over C band. We believe that through HITS distribution, in addition to big cities and metros, we would be able to provide Digital cable even in smaller towns, cities and villages where scale makes standalone digital head-ends unviable. While it will facilitate digitalization of large cities, it will also allow for efficient and speedy digitalization of cable TV for large housing projects, townships, hotels, etc.

While conceptually, the HITS platform was expected to help quicken the pace of digitization in the country, but various issues, which inter alia included the absence of a clear tariff and content policy, led to a slower than expected roll out of the services. Due to regulatory non-support and absence of conducive Government policies HITS has been suspended w.e.f. 31st March 2010.

5. Maintain consistently high standards of corporate governance:

The Company's continued commitment to strong values and business ethics, coupled with its article of faith to augment shareholder value, is at the core of its Corporate Governance Policy. We believe that good governance is not just rule driven, but involves voluntary adoption of global best practices. This is achieved in the Company by ensuring transparency in corporate disclosures, high quality of accounting practices and adhering to the highest level of business ethics. To further improve our operating procedures and bring in the leading business practices, Wire and Wireless has successfully implemented the SAP System.

BUSINESS ACTIVITIES

Primary business activities of WWIL are as follows:

1. Cable Subscription
2. Bandwidth Charges
3. Advertisement
4. Leasing out infrastructure

1. Cable Subscription:

WWIL provides Cable subscription services by using following models :

(i) Analog Cable Model:

As a business strategy the Company has invested in headends, cable networks and cable equipments. Setting up of cable distribution is a capital intensive as well as logistically challenging venture. LCOs generally find it difficult to manage such infrastructure and logistics. In the analog cable model, the broadcaster sends encrypted signals via satellite which is captured by the Company's headends and further decrypted and sent across to the LCOs. The LCOs further send the decrypted signals to the end users. WWIL is in the process of digitizing analog system. This method of delivery of TV signals will bring in total addressability and transparency in the system.

(ii) CAS Model:

CAS is a method of bringing in addressability in the distribution system and accurately tracking subscribers. CAS can be implemented in the digital mode. The broadcaster sends encrypted signals via satellite which is captured at the Digital Headend, de-crypted, re-encrypted based on each consumer's registered subscription request and delivered to the consumer via the LCOs. Subscribers need a special device called Set Top Box (STB) to decrypt the signals so that these could be viewed on their television set. A Set Top Box allows only those channels to be viewed that have

been registered by that subscriber through the subscriber management system and encryption facilities at the MSO's Headend leading to proper discovery of the number of TV sets on which a specific channel is available. CAS is beneficial to subscribers as they pay only for the channels they want to view and to broadcasters since they get paid for every TV on which their channel is made available thereby establishing transparency in the system. It also ensures that the MSO gets paid for all the subscribers to which it is sending TV signals. TRAI has mandated CAS in notified areas of Delhi, Kolkata, Chennai and Mumbai. The Company has also introduced complete Dunning in CAS areas.

(iii) Internet over Cable Project:

WWIL has launched Internet over Cable services in Bengaluru, Mumbai and Kolkata. Internet over Cable provides internet through cable lines, which is faster than the traditional dial-up. It provides high speed internet with better quality and at economical cost.

2. Bandwidth Charges:

WWIL is one of the largest MSOs in the country with presence in 54 cities. WWIL has created infrastructure which is capable of running upto 1000 digital channels or 100 analog channels. WWIL has entered into various agreements with broadcasters for channel placement, commanding a premium for different frequencies on which the channels are run. Bandwidth charges are an important source of revenue in both digital and analog services.

3. Advertisement:

WWIL, being one of the largest networks, has city specific channels and local channels such as SITI Delhi, SITI Mumbai, SITI Amritsar and so on. These channels are local in content. WWIL has movie channels across cities and major advertising revenue comes from Scroll Advertising, Commercials, Stills, Movies Promos, Song Promos.

SITI is a 24x7 infotainment channel offering 54 local cable TV channels, catering to 10 million households in 26 cities of India.

WWIL is revamping its Lead Channel SITI. SITI instead of being a City Specific Channel will be positioned as a National Local Cable Channel, with Common Quality Content (with reduced dependency on Movies) and this channel will be utilized to promote National Corporate Business across WWIL Networks.

WWIL also plans to launch SITI Radio – Quality old popular Hindi Radio Content which is targeted at household ladies.

4. Leasing Out Infrastructure:

WWIL has cable infrastructure all over the country. To make optimum utilization of its infrastructure / assets, the Company leased out these infrastructural facilities to other Companies like Telcos.

STANDALONE FINANCIALS

A. RESULTS OF OPERATIONS

Non-Consolidated Financial Information for the year ended March 31, 2010 compared to the period ended March 31, 2009.

Total Revenue

Total revenue decreased by Rs. 284.3 million or 12.3% from Rs. 2,302.6 million to Rs. 2,018.3 million.

Sales/Income from Operations

Revenue from Sales/Income from Operations decreased by Rs. 345.6 million or 15% from Rs. 2,284.3 million to Rs. 1,938.7 million.

Other Income

Other income increased by Rs. 61.3 million or 334% from Rs. 18.3 million to Rs. 79.6 million.

Total Expenditure

Total expenditure increased by Rs. 284.4 million or 11.8% from Rs. 2,408.4 million to Rs. 2,692.8 million. It includes Operational Cost, Personnel cost, Administrative expenses and Selling and Distribution expenses. While the Company took major initiatives and scaled up efficiencies across every department in its existing analog business, it suffered a setback in its newly launched HITS Project (suspended w.e.f. March 31, 2010) mainly due to regulatory non-support and lack of conducive government policies. As a result, while our overall expenditure in existing analog business reduced substantially, total expenditure increased due to newly launched HITS operations.

Operational Cost

Operational Cost increased by Rs. 377.2 million or 24.0% from Rs. 1,571.3 million to Rs. 1,948.5 million. Major operational cost is due to pay channel subscription charges and transponder charges for HITS operations.

Personnel Cost

Personnel Cost decreased by Rs. 49.7 million or 18.4% from Rs. 270.6 million to Rs. 220.9 million on account of decrease in the number of employees.

Administrative Expenses

Administrative Expenses decreased by Rs. 12 million or 2.4% from Rs. 495.8 million to Rs. 483.8 million.

Selling and Distribution Expenses

Selling and Distribution Expenses decreased by Rs. 31.2 million or 44.1% from Rs. 70.7 million to Rs. 39.5 million.

Operating Profit/(Loss)

Operating Profit/(Loss) has gone up from Rs. (105.8) million to Rs. (674.5) million, which amounts to 34.8% of the sales during the year. While our existing Analog business became operationally self sustainable and profitable in the financial year, we reported a negative EBITDA due to losses in newly launched HITS Business.

Interest and Finance Charges

Interest and Finance charges has gone up by Rs. 71.1 million or 11.8% from Rs. 602.2 million to Rs. 673.3 million on account of higher interest and borrowing during the year.

Depreciation

Depreciation has increased by Rs. 92.5 million from Rs. 297.8 million to Rs. 390.3 million.

Profit/(Loss) Before Exceptional Items and Tax

Profit/(Loss) before exceptional items and tax has gone up to Rs. (1,738.1) million from Rs. (1005.7) million.

Profit/(Loss) Before Tax

Profit/(Loss) before tax for the year ended March 31, 2010 has gone up to Rs. (1,738.1) million from Rs. (1,005.7) million.

Provision for Taxation

Provision for taxation for the year ended March 31, 2010 is Rs. 0.0 million as compared to Rs. 3.8 million for the period ended March 31, 2009.

Profit/(Loss) After Tax

Profit/(Loss) after tax for the year ended March 31, 2010 has gone up to Rs. (1,738.1) million from Rs. (1,009.4) million.

B. FINANCIAL POSITION

Non-Consolidated Financial Position as on March 31, 2010 as compared to March 31, 2009.

Sources of Funds**Share Capital, Reserves and Surplus**

Equity Share Capital is Rs. 335.4 million as on March 31, 2010 increased from March 31, 2009 due to Rights Issue of Equity Shares. Reserves and Surplus including security premium received against Rights Issue of Equity Shares for the year ended March 31, 2010 is Rs. 1,967.6 million.

Loan Funds

Total loan funds as on March 31, 2010 stood at Rs. 4,754.6 million, up from Rs. 4,253.8 million as on March 31, 2009.

Application of Funds**Fixed Assets**

During the year the Company's Gross Fixed Assets Block increased by Rs. 50.6 million, from Rs. 2,719.2 million as on March 31, 2009 to

Rs. 2,769.8 million as on March 31, 2010. The Net Block decreased by Rs. (326.1) million from Rs. 1,489.2 million as on March 31, 2009 to Rs. 1,163.1 million as on March 31, 2010. Capital Work-in-Progress including Capital Advances is Rs. 65.7 million as on March 31, 2010 as compared to Rs. 64.2 million as on March 31, 2009.

Investments

Total Investments of the Company were valued at Rs. 114.5 million as on March 31, 2010 as compared to Rs. 112 million as on March 31, 2009.

Net Current Assets

The Net Current Assets has increased by Rs. 1,070.4 million during the year ended March 31, 2010 from Rs. 475.5 million on March 31, 2009 to Rs. 1,545.9 million as on March 31, 2010.

Current Assets**Inventories**

Inventories of the Company decreased by Rs. 128.1 million as on March 31, 2009 from Rs. 648.3 million to Rs. 520.2 million as on March 31, 2010.

Sundry Debtors

Sundry Debtors have decreased to Rs. 802.4 million as on March 31, 2010 from Rs. 1,119.7 million as on March 31, 2009.

Cash and Bank Balances

Cash and Bank Balances lying with the Company, as on March 31, 2010 were Rs. 350.5 million as against Rs. 161.2 million as on March 31, 2009.

Loans and Advances

Loans and Advances as on March 31, 2010 increased to Rs. 1395.1 million from Rs. 775.0 million as on March 31, 2009.

Current Liabilities and Provisions**Current Liabilities**

Current liabilities stood at Rs. 1,505.3 million as on March 31, 2010 as against Rs. 2,210.5 million as on March 31, 2009.

Provisions

Provisions stood at Rs. 16.9 million as on March 31, 2010 as against Rs. 18.1 million as on March 31, 2009.

Miscellaneous Expenditure (to the extent not written off or adjusted)

Miscellaneous Expenditure (to the extent not written off or adjusted) stood at Rs. 130.9 million as on March 31, 2010 as against Rs. 30.6 million as on March 31, 2009.

CONSOLIDATED FINANCIALS**A. RESULTS OF OPERATIONS**

Consolidated Financial Information for the Year Ended March 31, 2010 compared to the Period Ended March 31, 2009.

Total Revenue

Total revenue decreased by Rs. 297.4 million or 9.6% from Rs. 3,104.6 million to Rs. 2,807.2 million. The major focus was on building up efficiencies. As a result, the Company adopted a policy of booking revenues based on collections rather than based on billings as per earlier policy.

Sales/Income from Operations

Revenue from Sales/Income from Operations decreased by Rs. 356.1 million or 11.5% from Rs. 3,082.6 million to Rs. 2,726.5 million.

Other Income

Other income increased by Rs. 58.6 million or 265.9% from Rs. 22.1 million to Rs. 80.7 million.

Total Expenditure

Total expenditure increased by Rs. 380.8 million or 12.5% from Rs. 3,058.1 million to Rs. 3,438.9 million. It includes Operational Cost, Personnel cost, Administrative expenses and Selling and Distribution expenses. While our overall expenditure in existing analog business reduced substantially due to scaling up efficiencies across departments and units, total expenditure increased due to newly launched HITS operations.

Operational Cost

Operational Cost increased by Rs. 411.3 million or 19.5% from Rs. 2,108.9 million to Rs. 2,520.2 million. Major operational cost is due to HITS expenses. Major operational cost is due to pay channel subscription charges and transponder charges for HITS operations.

Personnel Cost

Personnel Cost decreased by Rs. 48.9 million or 16.2% from Rs. 301.6 million to Rs. 252.7 million on account of decrease in the number of employees.

Administrative Expenses

Administrative Expenses increased by Rs. 50.3 million or 8.9% from Rs. 562.7 million to Rs. 613.0 million.

Selling and Distribution Expenses

Selling and Distribution Expenses decreased by Rs. 32 million or 37.6% from Rs. 84.9 million to Rs. 52.9 million.

Operating Profit/(Loss)

Operating Profit/(Loss) has gone down to Rs. (678.2) million from Rs. 46.5 million, which amounts to 23.2% of the sales during the year. While our existing Analog business became operationally self sustainable and profitable in the financial year, we reported a negative EBITDA due to losses in newly launched HITS Business.

Interest and Finance Charges

Interest and Finance charges has gone up by Rs. 72.1 million or 12% from Rs. 602.6 million to Rs. 674.7 million on account of higher interest and borrowing during the year.

Depreciation

Depreciation has increased by Rs. 94.1 million from Rs. 321.6 to Rs. 415.7 million.

Profit/(Loss) Before Exceptional Items and Tax

Profit/(Loss) before exceptional items and tax has gone up to Rs. (1,722.0) million from Rs. (877.7) million.

Exceptional Items

Exceptional Items for the year ended March 31, 2010 is Rs. 22.5 million as compared to Rs. 23.3 million during the period ended March 31, 2009.

Profit/(Loss) Before Tax

Profit/(Loss) before tax for the year ended March 31, 2010 has gone up to Rs. (1,744.5) million from Rs. (901.0) million.

Provision for Taxation

Provision for taxation for the year ended March 31, 2010 is Rs. 11.6 million as compared to Rs. 40.6 million for the period ended March 31, 2009.

Profit/(Loss) After Tax

Profit/(Loss) after tax for the year ended March 31, 2010 has gone up to Rs. (1,756.1) million from Rs. (941.6) million.

B. FINANCIAL POSITION

Consolidated financial position as on March 31, 2010 as compared to March 31, 2009.

Sources of Funds

Share Capital, Reserves and Surplus

Equity Share Capital increased by Rs. 118.1 million from Rs. 217.2 million as on March 31, 2009 to Rs. 335.3 million as on March 31, 2010 due to Rights Issue of Equity Shares. Reserves and Surplus as on March 31, 2010 is Rs. 1,967.6 million as compared to Rs. Nil as on March 31, 2009.

Loan Funds

Total loan funds as on March 31, 2010 stood at Rs. 4,755.0 million, up from Rs. 4,256.9 million as on March 31, 2009.

Application of Funds

Fixed Assets

During the year, the Company's Gross Fixed Assets Block increased by Rs. 86.1 million, from Rs. 3,179.6 million as on March 31, 2009 to Rs. 3,265.7 million as on March 31, 2010. The Net Block decreased by Rs. 315.5 million from Rs. 1,828.7 million as on March 31, 2009 to Rs. 1,513.2 million as on March 31, 2010. Capital Work-in-Progress including Capital Advances is Rs. 71.1 million as on March 31, 2010 as against Rs. 65.1 million as on March 31, 2009.

Net Current Assets

The Net Current Assets has increased by Rs. 1,025.9 million during the year ended March 31, 2010 from Rs. 463.2 million on March 31, 2009 to Rs. 1,489.1 million as on March 31, 2010.

Current Assets

Inventories

Inventories of the Company decreased from Rs. 688.1 million as on March 31, 2009 to Rs. 552.2 million as on March 31, 2010.

Sundry Debtors

Sundry Debtors have decreased from Rs. 1,350.1 million as on March 31, 2009 to Rs. 961.9 million as on March 31, 2010.

Cash and Bank Balances

Cash and Bank Balances lying with the Company, as on March 31, 2010 were Rs. 404.4 million as against Rs. 204.7 million as on March 31, 2009.

Loans and Advances

Loans and Advances as on March 31, 2010 increased to Rs. 1,548.3 million from Rs. 825.0 million as on March 31, 2009.

Current Liabilities and Provisions

Current Liabilities

Current liabilities stood at Rs. 1,906.4 million as on March 31, 2010 as against Rs. 2,550.7 million as on March 31, 2009.

Provisions

Provisions stood at Rs. 71.3 million as on March 31, 2010 as against Rs. 54.0 million as on March 31, 2009.

Miscellaneous Expenditure (to the extent not written off or adjusted)

Miscellaneous Expenditure (to the extent not written off or adjusted) increased by Rs. 100.2 million from Rs. 30.6 million as on March 31, 2009 to Rs. 130.9 million as on March 31, 2010.

SEGMENTAL PERFORMANCE

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 operates only in India.

OTHER COMPANY INFORMATION

1. Internal Control Systems:

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of business to ensure timely decision-making. It has an internal audit team

with professionally qualified financial personnel, which conducts periodic audits/review to maintain a proper system of checks and control.

The management information system (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in the business outlook is reported to the Board. Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the capital budget.

2. Human Resources:

Human Capital is a crucial asset in Cable Industry and an important business driver. The Company employs a number of well-qualified and skilled employees. The Company's senior management, including the heads of each department, is professionally qualified. The Company's staff includes engineers, marketing specialists, and treasury officers, costing consultants, procurement officers and accountants.

RISK FACTORS

The Company operates in a highly regulated industry that is subject to changes.

1. Some of the Promoter Group companies and associates are engaged in business activities which compete with its business.

Some of the promoter group companies and associates of the Company, such as Dish TV India Limited, are engaged in business activities which compete with its business of Digital distribution and IPTV that could be a potential source of conflict of interest. The Company has not faced any conflict in the past, yet no assurance can be given that no such conflict will arise in the future which would adversely affect its financial conditions and prospects.

2. The Company's business is heavily regulated and changes in regulations or failure to obtain required approvals could adversely affect its ability to operate.

WWIL operates in a highly regulated industry structure. Any changes in the rules and regulations or requirements by the Government of India may require the Company to incur significant expenditure and/or significantly increase its potential liabilities which may impact its financial position adversely. WWIL may incur loss of revenue and market share if there are any adverse changes in the policies of the Government of India.

3. Significant Competition from new entrants and existing players.

Significant additional competition in the C&S industry may result in reduced ARPU and thereby negatively affect the Company's revenues and profitability. Further, the introduction of foreign participation in the C&S sector will result in the entry of multinational C&S companies into the Indian market. Some of the

competitors are larger than WWIL and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Maintaining or increasing the market share will depend on effective marketing initiatives including advertising and the Company's ability to improve processes. WWIL cannot assure you that it would be able to compete effectively with other players. WWIL's failure to compete effectively could have a material adverse effect on its business and profitability.

4. The success of the Company's business is substantially dependent on its management and technical team, its inability to retain them could adversely affect the Company's business.

WWIL has a strong management and technical team to oversee the operations and growth of its business. The Company's ability to sustain its growth, largely depends, part, on its ability to attract, train, motivate and retain highly skilled personnel. Its ability to hire and retain additional qualified personnel will impact its ability to continue to expand business. There is a significant demand for personnel who possess the skills required in cable business. An increase in WWIL's rate of attrition for its experienced employees, would adversely affect the business. The Company cannot assure that it would be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those personnel who leave. This may adversely affect its business and consequently, the operational results. Further the Company cannot assure that it would be able to re-deploy and re-train its personnel to keep pace with continuing changes in its business.

5. Improved Technology.

The C&S industry has over the years seen technological improvements. The Company is moving from a simple analog wire to the digital mode for which it needs to adapt to the technological requirements. The Company may lose market share due to outdated technology. WWIL's competitors may be able to understand the application requirements better and react faster to customer requirements in the future. WWIL may also face competition arising from newer technology / automation leading to newer and more sophisticated products. This may lead to erosion of the Company's market share which would adversely impact its results of operations. The Company cannot assure that it will be able to keep up with the technological updates.

6. Operations in a highly capital intensive sector.

The Company operates in a capital-intensive industry. The cost of updating the network and laying new cables is capital intensive. The returns on its ventures would start, only at a later date. Return on capital investment depends upon, among other things, competition, demand, government policies, rate of interest and general economic conditions.

7. Major business operations in the un-organized sector.

The MSO business has a large number of independent operators and from whom we directly face competition. There is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so it relies on internally developed estimates, particularly in relation to subscriber base and revenues. While it believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and it cannot assure you of its accuracy. In the event, the Company's estimates differ materially from actual performance; it may adversely impact its results of operations.

8. Business plans may need substantial capital and additional financing to meet the Company's requirements.

The Company's proposed business plans are being partly proposed to be funded through the proceeds of Rights Issue and/or external funding. However the actual amount and timing of future capital requirements may differ from estimates including but not limited to unforeseen delays or cost overruns, unanticipated expenses, market developments or new opportunities. It might not be able to generate internal cash in the company as estimated and may have to resort to alternate sources of funds. If it decides to raise additional funds through the debt route, the interest obligations may increase and WWIL may be subject to additional covenants, which could limit its ability to access cash flows from operations.

9. The business largely depends on Broadcasters and LCOs.

The Company depends on the broadcasters for the signal input and on the LCOs to reach up to the end subscribers. Its business operations form a vital link between the broadcaster and LCOs. There can be no assurance that it will have unrestricted access to the signals or with respect to their quality, each of which could have an adverse impact on its ability to offer MSO services and could adversely affect its results of operations.

10. The Company may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, WWIL may consider making strategic acquisitions of other LCOs, MSOs or other businesses, whose resources, capabilities and strategies are complementary to and likely to enhance its business operations. The inability to identify suitable acquisitions targets or investments or the inability to complete or integrate such transactions may adversely affect the company's competitiveness or its growth prospects. There can be no assurance that it shall be able to achieve the strategic purpose of such an acquisition or operational integration or the targeted or any acceptable return on such an investment.

AUDITORS' REPORT

To

The Members of **Wire and Wireless (India) Limited**

1. We have audited the attached Balance Sheet of Wire and Wireless (India) Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's 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 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 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to Note 1 (b) of Schedule 21 to the accompanying financial statements. In view of the matters stated therein relating to the net worth position of the Company and the mitigating factors stated in that note, the accompanying financial statements have been prepared under the going concern assumption.
5. 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 purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account 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 Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 March 31, 2010;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.: 101049W

Chartered Accountants

per Yogesh Midha

Partner

Membership No.: 94941

Place : Gurgaon

Date : May 28, 2010

Annexure referred to in paragraph [3] of our report of even date

Re: Wire and Wireless (India) Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for some of the network equipments taken over in the Scheme of Arrangements where the records are maintained for group of similar assets and not for each individual asset. The fixed assets register does not contain item-wise depreciation and accumulated depreciation.*
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification. As informed, no material discrepancies were noticed on such verification. *In our opinion, the frequency of physical verification of the network equipment needs to be improved further having regard to the size of the Company and the nature of its assets.*
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). Accordingly, the provisions of Clause 4(iii)(b),(c), and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (b) As informed, 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 Companies Act, 1956. Therefore, the provisions of Clause 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate

internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods, advertising and carriage services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. *However, the internal control system for the sale of services for analogue subscription is inadequate since the Company does not have written agreements with customers in some cases, which is an industry issue as per management.* Having regard to management explanation that this is an industry wide issue, consequent to which it may not be possible to have written agreements in all cases, there is no continuing failure to correct a major weakness in the internal controls system of the company

- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
 - (b) None of the transactions made in pursuance of such contracts or arrangements exceed the value of Rupees five lakh in respect of any one such party in the financial year.
 - (vi) The Company has not accepted any deposits from the public.
 - (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
 - (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty, *have not generally been regularly deposited with the appropriate authorities in cases of tax deducted at source, though the delays in deposit have not been serious.* The provisions of excise duty are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs. million)	Period to which the amount relates	Due Date	Date of Payment
Andhra Pradesh State Entertainment Tax, 1939	Entertainment Tax	3.32	For the months from November 2006 to August 2009	25th of each month subsequent to the month of collection	Not yet paid
Income Tax Act, 1961	Tax Deducted at source u/s 194 H	3.95	For the months of July and August, 2009	7th of the subsequent month.	Rs. 1.22 million paid on 13-Apr-10. Rs. 2.73 million paid on 21-Apr-10.

- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax Penalty	Rs. 24.99 million	Assessment Year 2004-05	Income Tax Appellate Tribunal

Refer Note 9(ii) of Schedule 21 of the financial statement.

- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1920 debentures of Rs. 1 million each. The Company has created security in respect of debentures issued.
- (xx) We have verified that the end use of money raised by public issue, in the form of a rights issue by the Company during the year, is as disclosed in the notes to the financial statements.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per 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.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.: 101049W

Chartered Accountants

per Yogesh Midha

Partner

Membership No.: 94941

Place : Gurgaon

Date : May 28, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	2010	(Rs. million) 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	335.35	217.24
Stock options outstanding	2	5.39	5.39
Reserves and Surplus	3	1,967.61	-
		<u>2,308.35</u>	<u>222.63</u>
Loan Funds			
Secured Loans	4	3,520.03	1,367.28
Unsecured Loans	5	1,234.59	2,886.50
		<u>4,754.62</u>	<u>4,253.78</u>
TOTAL		<u><u>7,062.97</u></u>	<u><u>4,476.41</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,769.80	2,719.23
Less: Accumulated Depreciation/Amortisation		<u>1,606.68</u>	<u>1,230.03</u>
Net Block		1,163.12	1,489.20
Capital Work-in-Progress including Capital Advances		<u>65.69</u>	<u>64.22</u>
		<u>1,228.81</u>	<u>1,553.42</u>
Investments	7	114.50	112.00
Current Assets, Loans And Advances			
Inventories	8	520.16	648.28
Sundry Debtors	9	802.42	1,119.68
Cash and Bank Balances	10	350.47	161.16
Loans and Advances	11	1,395.10	775.04
	(A)	<u>3,068.15</u>	<u>2,704.16</u>
Less:			
Current Liabilities	12	1,505.33	2,210.52
Provisions	13	16.94	18.10
	(B)	<u>1,522.27</u>	<u>2,228.62</u>
Net Current Assets	(A-B)	<u>1,545.88</u>	<u>475.54</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	130.85	30.61
Profit and Loss Account		<u>4,042.93</u>	<u>2,304.84</u>
TOTAL		<u><u>7,062.97</u></u>	<u><u>4,476.41</u></u>
Significant Accounting Policies and Notes to Accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our attached report of even date

For **S. R. Batliboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Wire and Wireless (India) Limited

per Yogesh Midha
Partner
Membership No.: 94941
Place : Gurgaon
Date : May 28, 2010

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Sudhir Agarwal
Chief Executive Officer

R. K. Agarwal
Chief Financial Officer

Samir Raval
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	2010	(Rs. million) 2009
INCOME			
Sales/Income from Operations		1,938.74	2,284.32
Other Income	15	79.55	18.29
		2,018.29	2,302.61
EXPENDITURE			
Operational Cost	16	1,948.54	1,571.29
Personnel Cost	17	220.90	270.60
Administrative Expenses	18	483.85	495.79
Selling and Distribution Expenses	19	39.49	70.69
		2,692.78	2,408.37
OPERATING PROFIT/(LOSS)		(674.49)	(105.74)
Interest and Finance Charges	20	673.26	602.19
Depreciation/amortization	6	390.34	297.76
		1,063.60	899.95
Profit/(Loss) Before Tax		(1,738.09)	(1,005.69)
Less: Provision for Tax			
Current Tax		-	0.05
Fringe Benefit Tax		-	3.71
Net Profit/(Loss) for the year after tax		(1,738.09)	(1,009.45)
Add: Balance Brought Forward from Previous year		(2,304.84)	(1,295.39)
Balance Carried to Balance Sheet		(4,042.93)	(2,304.84)
Earnings/(Loss) Per Share: (Rs.)			
Basic/Diluted (Nominal value of shares Re. 1 (Previous Year: Re. 1))		(6.33)	(4.46)
(Refer Note 6 of Schedule 21 to financial statements)			
Significant Accounting Policies and Notes to Accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our attached report of even date

For **S. R. Batliboi & Associates**

Firm Registration No.: 101049W

Chartered Accountants

For and on behalf of the Board of Directors of

Wire and Wireless (India) Limited

per Yogesh Midha

Partner

Membership No.: 94941

Place : Gurgaon

Date : May 28, 2010

Amit Goenka

Whole-time Director

Arun Kapoor

Director

Sudhir Agarwal

Chief Executive Officer

R. K. Agarwal

Chief Financial Officer

Samir Raval

Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2010	(Rs. million) 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
740,000,000 (Previous Year: 740,000,000) Equity Shares of Re. 1 each	740.00	740.00
10,000,000 (Previous Year: 10,000,000) Preference Shares of Re. 1 each	10.00	10.00
	750.00	750.00
Issued, Subscribed and Paid-up		
217,217,753 (Previous Year: 217,217,753) Equity Shares of Re. 1 each fully paid-up	217.22	217.22
236,222,285 (Previous Year: Nil) Equity Shares of Re. 1 each (Rs. 0.50 paid-up)	118.11	-
23,436 (Previous Year: 23,436) 7.25% Non-Cumulative Redeemable Preference shares of Re. 1 fully paid-up	0.02	0.02
	335.35	217.24
Notes:		
1. 216,717,753 (Previous Year: 216,717,753) Equity Shares of Re. 1 each Fully Paid up are allotted for consideration other than cash pursuant to the scheme of arrangement.		
2. 236,222,285 (Previous Year: Nil) Equity Shares of Re. 1 each, Rs. 0.50 paid-up, issued by way of right issue during the year. (Refer Note 17 of Schedule 21 to the financial statements).		
3. 23,436 (Previous Year: 23,436) 7.25% Non-Cumulative Redeemable Preference Shares of Re. 1 each Fully Paid-up allotted on December 29, 2006 and redeemable at par on December 29, 2011 for consideration other than cash pursuant to the scheme of arrangement.		
SCHEDULE 2 : STOCK OPTIONS OUTSTANDING		
Employee Stock options outstanding (Refer Note 10 of Schedule 21 to the financial statements)	5.39	5.39
	5.39	5.39
SCHEDULE 3 : RESERVES AND SURPLUS		
Securities Premium Account (Refer Note 12 of Schedule 21 to the financial statements)	1,967.61	-
	1,967.61	-
SCHEDULE 4 : SECURED LOANS		
Debentures (Refer Note 7(i) of Schedule 21 to the financial statements)		
1920 (Previous Year : NIL) 9.95% p.a. Secured Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each redeemable at par at the end of 3 years from date of allotment.	1,920.00	-
Loans and Advances from Bank		
Working Capital Finance	537.28	352.02
Term Loans	1,000.00	1,000.15
Interest Accrued and Due on Term Loans	60.82	9.58
Finance Lease Obligation	1.49	3.52
Hire Purchase (Refer Note 7(ii), (iii) & (iv) of Schedule 21 to the financial statements)	0.44	2.01
	3,520.03	1,367.28
SCHEDULE 5 : UNSECURED LOANS		
From Others	1,094.04	2,730.00
Interest Accrued and Due	140.55	156.50
	1,234.59	2,886.50

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE 6 : FIXED ASSETS (At Cost)

(Rs. million)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2009	Additions	Deductions	As at 31-03-2010	Up to 01-04-2009	For the Year	Deductions	Up to 31-03-2010	As at 31-03-2010	As at 31-03-2009
(A) TANGIBLE ASSETS										
Building	31.03	-	-	31.03	6.28	0.51	-	6.79	24.24	24.75
Plant & Machinery	2,061.31	48.33	114.70	1,994.94	1,000.40	283.87	11.47	1,272.80	722.14	1,060.91
Computers	76.80	0.68	0.30	77.18	35.70	8.94	0.12	44.52	32.66	41.10
Office Equipment	38.47	0.94	-	39.41	11.08	1.82	-	12.90	26.51	27.39
Furniture & Fixtures	18.02	1.61	-	19.63	8.16	1.02	-	9.18	10.45	9.86
Studio Equipments	31.12	0.04	-	31.16	23.70	2.11	-	25.81	5.35	7.42
Vehicles	16.60	0.22	5.96	10.86	5.62	1.34	2.06	4.90	5.96	10.98
Lease Hold Improvements	37.57	0.19	1.48	36.28	11.62	3.73	-	15.35	20.93	25.95
Set Top Boxes	288.99	114.85	0.34	403.50	63.13	69.21	0.04	132.30	271.20	225.86
Total - (A)	2,599.91	166.86	122.78	2,643.99	1,165.69	372.55	13.69	1,524.55	1,119.44	1,434.22
(B) INTANGIBLE ASSETS										
Goodwill	11.31	-	-	11.31	2.57	2.26	-	4.83	6.48	8.74
Cable Rights	50.35	-	-	50.35	41.91	6.67	-	48.58	1.77	8.44
Softwares	57.66	6.49	-	64.15	19.86	8.86	-	28.72	35.43	37.80
Total - (B)	119.32	6.49	-	125.81	64.34	17.79	-	82.13	43.68	54.98
Total (A+B)	2,719.23	173.35	122.78	2,769.80	1,230.03	390.34	13.69	1,606.68	1,163.12	1,489.20
Previous Year 31.03.2009	1,969.59	757.85	8.21	2,719.23	936.18	297.76	3.91	1,230.03	1,489.20	-

Note: Vehicle includes vehicle taken on finance lease.

Gross Block Value of Rs. 2.21 million (Previous year : Rs. 4.42 million).

Net Block Value of Rs. 1.82 million (Previous year : Rs. 3.95 million).

(Rs. million)
2009

SCHEDULE 7 : INVESTMENTS

Long Term Investments (At Cost)

Unquoted - Trade

Equity Shares

480 Equity Shares of Rs. 100/- each fully paid up of Master Ads Pvt. Ltd.	0.05		0.05	
Less: Provision for diminution in value of Investments	0.05	-	0.05	-
9,500 Equity Shares of Rs. 10/- each fully paid up of Dakshin Communication Pvt. Ltd.	1.77		1.77	
Less: Provision for diminution in value of Investments	1.77	-	1.77	-
3,000 Equity Shares of Rs. 10/- each fully paid up of Centre Channel Pvt. Ltd.	0.23		0.23	
Less: Provision for diminution in value of Investments	0.23	-	0.23	-
6% Non-Cumulative Redeemable				
Preference Shares of Rs. 100/- each fully paid-up of				
14,080 Haryana Communication Network Pvt. Ltd.	7.04		7.04	
Less: Provision for diminution in value of Investments	7.04	-	7.04	-
5,430 Bangalore Communication Network Pvt. Ltd. #		-		-
1,610 Banjara Telelinks Pvt. Ltd. #		-		-
579 Bargachh Telelinks Pvt. Ltd. #		-		-
8,420 Chanakya Communications Network Pvt. Ltd. #		-		-
9,680 Chandigarh Network Systems Pvt. Ltd. #		-		-
1,230 Chirag Telelinks Pvt. Ltd. #		-		-
5,489 Condoor Communication Pvt. Ltd. #		-		-

2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2010	(Rs. million) 2009
SCHEDULE 7 : INVESTMENTS (Contd.)		
41,960 Dakhsin Communications Pvt. Ltd. #	-	-
8,580 Faridabad Entertainment Pvt. Ltd. #	-	-
6,270 Garden City Communication Pvt. Ltd. #	-	-
14,140 Him Mohini Communications Pvt. Ltd. #	-	-
3,659 North Bombay Cable Network Pvt. Ltd. #	-	-
12,510 North Delhi Cable Network Pvt. Ltd. #	-	-
8,118 Purvalaya Communications Pvt. Ltd. #	-	-
15,270 Purvi Communications Pvt. Ltd. #	-	-
9,820 Rajdhani Communication Network Pvt. Ltd. #	-	-
250 Satellite Communication Pvt. Ltd. #	-	-
5,730 Shri Sai Network Pvt. Ltd. #	-	-
3,290 Siti Communication Pvt. Ltd. #	-	-
1,290 Tirupathy Communication Network Pvt. Ltd. #	-	-
2,050 Trans Yamuna Communication Network Pvt. Ltd. #	-	-
3,850 Vanasthali Communication Network Pvt. Ltd. #	-	-
2,530 West Delhi Cable Network Pvt. Ltd. #	-	-
1,100 Zem Communication Pvt. Ltd. #	-	-
26,020 Ahmedabad Network System Pvt. Ltd. #	-	-
7,570 Amritsar Communication Network Pvt. Ltd. #	-	-
5,248 Delhi Prime Communication Network Pvt. Ltd. #	-	-
2,420 Divine Cable Visions Pvt. Ltd. #	-	-
4,600 Divya Communications Pvt. Ltd. #	-	-
5,699 Dwarka Telelinks Pvt. Ltd. #	-	-
1,989 East Delhi Communication Network Pvt. Ltd. #	-	-
4,469 East Ludhiana Cable Network Pvt. Ltd. #	-	-
10,280 East Patel Communication Network Pvt. Ltd. #	-	-
4,760 Jabalpur Cable Network Pvt. Ltd. #	-	-
2,990 Jalandhar Multimedia Pvt. Ltd. #	-	-
6,820 Jammu Communications Network Pvt. Ltd. #	-	-
12,930 Karnal Communications Pvt. Ltd. #	-	-
14,220 Mani nagar Network Pvt. Ltd. #	-	-
590 Nizamabad Communication Pvt. Ltd. #	-	-
6,580 Noida Network Systems Pvt. Ltd. #	-	-
10,898 Panchsheel Communication Network Pvt. Ltd. #	-	-
8,880 Panipat Communications Pvt. Ltd. #	-	-
4,180 Pink City Communication Network Pvt. Ltd. #	-	-
23,010 Sabarmati Network Pvt. Ltd. #	-	-
15,440 Space Channel Communication Pvt. Ltd. #	-	-
7,070 Vasant Kunj Cable Network Pvt. Ltd. #	-	-
4,390 Vision Network Pvt. Ltd. #	-	-
In Subsidiaries - Wholly owned		
10,000 Equity shares of Rs. 10/- each fully paid-up of Siticable Broadband South Ltd.	0.10	0.10
50,000 Equity shares of Rs. 10/- each fully paid-up of Central Bombay Cable Network Ltd.	0.50	0.50
	0.60	0.60

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2010	(Rs. million) 2009
SCHEDULE 7 : INVESTMENTS (Contd.)		
In Subsidiaries - Others		
6,831,000 Equity shares of Rs. 10/- each fully paid-up of Indian Cable Net Company Ltd.	111.14	111.14
25,500 Equity shares of Rs. 10/- each fully paid-up of Wire and Wireless Tisai Satellite Ltd.	0.26	0.26
	<u>111.40</u>	<u>111.40</u>
Current non-trade investments (at lower of cost and market value)(Quoted)		
14650.404 Units (Previous Year Nil Units) of face value of Rs.10 each of ICICI Prudential Flexible Income Premium Growth	2.50	-
	<u>2.50</u>	<u>-</u>
	<u>114.50</u>	<u>112.00</u>
Aggregate market value of current investment	<u>2.51</u>	<u>-</u>

Note : These investments have been written off against provision for diminution in the value of investments.

	2010	(Rs. million) 2009
SCHEDULE 8 : INVENTORIES (at lower of cost and net realisable value)		
Stock-in-trade	482.06	613.03
Store and Spares	38.10	35.25
	<u>520.16</u>	<u>648.28</u>
SCHEDULE 9 : SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
– Unsecured, considered good	380.36	414.60
– Unsecured, considered doubtful	1,486.31	1,197.72
Other debts		
– Unsecured, considered good	422.06	705.08
	<u>2,288.73</u>	<u>2,317.40</u>
Less: Provision for Doubtful Debts	<u>1,486.31</u>	<u>1,197.72</u>
	<u>802.42</u>	<u>1,119.68</u>
SCHEDULE 10 : CASH AND BANK BALANCES		
Cash on hand	3.54	3.24
Balance with Scheduled Banks		
– On Current Accounts	169.94	69.83
– On Deposit Accounts (for facilities provided by banks)	129.87	6.46
– In Margin Money	0.54	33.54
Cheques and Drafts on Hand/Transit	46.58	48.09
	<u>350.47</u>	<u>161.16</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

		(Rs. million)
	2010	2009
SCHEDULE 11 : LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances and Loan to Subsidiaries	39.29	37.59
Advances Recoverable in cash or in kind or for value to be received	729.52	192.04
Inter Corporate Deposits	0.45	0.45
Balance with excise, customs etc.	211.05	110.82
Deposit - Others	333.10	343.29
Advance Tax	81.69	90.85
Unsecured, Considered Doubtful		
Advances to Distribution Companies	738.38	738.38
Deposit - Others	2.81	2.81
Other Advances	134.49	70.80
(A)	<u>2,270.78</u>	<u>1,587.03</u>
Less: Provision for Advances to Distribution Companies	738.38	738.38
Provision for Deposits - Others	2.81	2.81
Provision for Other Advances	134.49	70.80
(B)	<u>875.68</u>	<u>811.99</u>
(A-B)	<u>1,395.10</u>	<u>775.04</u>
Included under loans and advances are:		
Subsidiaries		
Central Bombay Cable Network Ltd.	33.84	33.43
(Maximum amount outstanding during the year Rs. 33.84 (Previous Year Rs. 33.43))		
Siticable Broadband South Ltd.	4.00	3.74
(Maximum amount outstanding during the year Rs. 4.00 (Previous Year Rs. 3.80))		
Wire and Wireless Tisai Satellite Limited	1.45	-
(Maximum amount outstanding during the year Rs. 1.45 (Previous Year Rs. 1.2))		
Indian Cable Net Company Limited		
(Maximum amount outstanding during the year Rs. 1,483.50 (Previous Year Rs. Nil))	598.46	-
SCHEDULE 12 : CURRENT LIABILITIES		
Sundry Creditors :		
a) total outstanding dues of Micro and Small Enterprises	-	-
b) total outstanding dues of creditors other than Micro and Small Enterprise	918.51	892.87
(Refer Note 16 of Schedule 21)		
Other Liabilities	324.14	500.95
Trade Advances/ Deposits received	220.96	111.61
Book Overdraft	25.78	692.86
Interest Accrued but not Due	15.94	12.23
	<u>1,505.33</u>	<u>2,210.52</u>
SCHEDULE 13 : PROVISIONS		
Provision for Employee Benefits	16.89	18.05
Provision for Wealth Tax	0.05	0.05
	<u>16.94</u>	<u>18.10</u>
SCHEDULE 14 : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Unamortised Finance Cost	130.41	18.49
Right Issue Expenses (Refer Note 12 of Schedule 21 to the financial statements)	-	11.24
Preliminary Expenses	0.44	0.88
	<u>130.85</u>	<u>30.61</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. million)
	2010	2009
SCHEDULE 15 : OTHER INCOME		
Interest Income		
Bank deposits (Gross tax deducted at source Rs. 0.58 million Previous Year Rs.0.19 million)	2.58	1.95
Others (Gross tax deducted at source Rs. 0.72 million Previous Year Rs.0.87 million)	3.80	4.55
Miscellaneous Income (refer note 18.5 of Schedule 21)	37.34	6.24
Excess provision written back	35.83	5.55
	79.55	18.29
SCHEDULE 16 : OPERATIONAL COST		
Program Production Expenses	20.33	29.93
Distribution Charges	373.74	411.15
Pay Channel Subscription	895.04	935.57
Other Operational Cost	604.44	100.73
Repairs and Maintenance - Network	10.30	13.95
Rent	33.38	46.18
Cost of Goods Sold	11.31	33.78
	1,948.54	1,571.29
SCHEDULE 17 : PERSONNEL COST		
Salaries, wages, allowances and bonus	199.79	246.01
Contribution to Provident and other Funds	12.25	13.83
Gratuity Expenses	1.83	3.43
Workmen and staff welfare Expenses	7.03	7.33
	220.90	270.60
SCHEDULE 18 : ADMINISTRATIVE EXPENSES		
Rent	19.08	23.43
Rates and Taxes	2.09	3.05
Communication Expenses	11.93	13.24
Repairs and Maintenance		
– Building	0.38	0.34
– Others	4.71	8.97
Electricity and Water Charges	20.41	18.48
Legal, Professional and Consultancy Charges	32.87	47.74
Printing and Stationery	8.02	9.47
Service Charges	33.71	41.26
Travelling and Conveyance Expenses	21.74	26.88
Vehicle Expenses	7.88	14.83
Insurance Expenses	2.47	0.14
Miscellaneous Expenses	15.63	36.53
Provision for Doubtful Debts	208.49	215.41
Provision for doubtful advances	63.69	34.33
Loss on Sale/ Discard/ Write off of Assets (net)	30.31	1.25
Preliminary expenses written off	0.44	0.44
	483.85	495.79

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. million)
	2010	2009
SCHEDULE 19 : SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity Expenses	6.16	24.69
Commission Charges and Incentives	25.33	33.46
Rebate and discount	6.65	7.52
Business and Sales Promotion	1.35	5.02
	39.49	70.69
SCHEDULE 20 : INTEREST AND FINANCE CHARGES		
Interest on		
– term loans and debentures	267.41	254.17
– others	356.92	329.67
Financing expenses	48.93	18.35
	673.26	602.19

SCHEDULE 21 : NOTES TO ACCOUNTS

(All amounts in Rupees unless otherwise stated)

Significant Accounting Policies and Notes to Accounts

1. a) Background

Wire and Wireless (India) Limited (hereinafter referred to as 'the Company' or 'WWIL') was incorporated in the state of Maharashtra, India. The Company is engaged in Distribution of Television Channels through analogue and digital cable distribution network, primary internet and allied services.

- b) The Company's accumulated losses aggregate to Rs 4,042.93 million as at March 31, 2010; while the shareholder funds aggregate to Rs. 2,308.35 million at that date. As per the revised business plan, the Company will increase/expand the subscriber base of its analogue business, which will result in improved operational efficiency. Subsequent to the year end, the net worth of Company has become positive after receipt of second call of right issue. The Company has suspended its Headend in the Sky (HITS) operations w.e.f. March 31, 2010. This will also result in reduced operational losses as the Company incurred losses in HITS operations due to Regulatory non support, Governmental Policies etc. Based on the business plan, the Company expects to have positive cash flows and earnings before interest, depreciation and tax (EBIDTA) from operations from year 2010-11. Further, during the year, the Company has taken significant cost rationalization measures including right sizing of its work force, the benefit of which will be more significant in next year.

Based on the above, management expects to earn higher revenues and improved profitability which will enable the Company to strengthen its financial position. Also one of the promoter companies has provided assurance that it intends to provide financial and operational support to the Company, to continue its operations for the foreseeable future.

Based on above, the management is of the opinion that it is appropriate to prepare these financial statements on going concern basis.

2. Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standard Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

- (i) Fixed Assets are stated at cost less accumulated depreciation if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (ii) Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Intangible Assets

- a) Goodwill on acquisition is amortized using the straight-line method over a period of five years.
- b) Softwares are amortized over a period of six years on straight-line basis.
- c) Program/ Film/ Cable rights are stated at the lower of net cost (cost less accumulated amortization/ impairment) or realizable value.

e) Depreciation/Amortization

- (i) Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher

	Rates used
Building	1.63%
Plant and Machinery	10% to 20%
Furniture and Fixtures	6.33%
Studio Equipments	7.07%
Computers	16.21%
Vehicles	9.50%
Office Equipments	4.75%
Softwares (Intangible Assets)	16.21%
Set-top Boxes	20.00%

- (ii) Leasehold improvements are amortized over the lease term.
- (iii) Plant and Machinery taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.
- (iv) Cost of news/ current affairs/ chat shows/ events including sports events etc. are fully expensed on first telecast.
- (v) Program/ Film/ Cable rights are amortized on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.
- (vi) Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

f) Impairment

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases**Where the company is the Lessee**

Finance leases, which effectively transfers to the Company 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 minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the assets or the leased term.

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

i) Inventories

Inventories are valued as follows:

Stores and Spares are valued at cost on first-in-first out basis or at net realizable value whichever is lower. Stock-in-trade including Set Top Boxes are valued at cost on weighted average method or at net realizable value whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services

Subscription revenue and Other Services revenue are recognized on completion of services.

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

Advertisement revenue is recognized when the related advertisement appears before the public. Other Advertisement revenue for slot sale is recognized on period basis.

In pursuance of the regulation of Telecom Regulatory Authority of India (TRAI) the Company has implemented Conditional Access System (CAS) in the notified areas and accordingly subscription charges have been accounted in terms of the said regulations.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT. VAT collected is disclosed under current liabilities and not routed through profit and loss account as mentioned in Guidance Note of State Value Added Tax, issued by The Institute of Chartered Accountants of India (ICAI).

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

k) Miscellaneous Expenditure

Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. Preliminary Expenditure is amortized equally over a period of 5 years.

l) Foreign Currency Transaction

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and the non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

m) Retirement and other Employee Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

n) Income Tax

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o) Employees Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

p) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r) Cash and Cash Equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, cheques in hand and short-term investments with an original maturity of three months or less.

3. Segment Reporting Policies

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. Related Party Disclosure

(i) Names of Related Parties where control exists

(a) Individual having significant influence

Mr. Ashok Mathai Kurien, Mr. Laxmi Goel and Ms. Sushila Goel.

(b) Subsidiary Companies

Central Bombay Cable Network Ltd., Indian Cable Net Company Ltd., Siti Cable Broadband South Ltd., Wire and Wireless Tisai Satellite Ltd. and Master Channel Community Network Pvt. Ltd.

(ii) Key Management Personnel

Mr. Subhash Chandra, Director, Mr. Amit Goenka, Whole-Time Director, Mr. Sudhir Agarwal, Chief Executive Officer, Mr. Arun Kapoor, Director (w.e.f. April 22, 2009), Parminder Singh Sandhu (w.e.f. from March 25, 2010), Brijendra Kumar Syngal, Suresh Kumar Aggarwal (w.e.f. June 1, 2009), Michael Block (resigned w.e.f. March 25, 2010), Sanjay Jain (resigned w.e.f. April 25, 2009)

(iii) Other Related parties with whom transactions have taken place during the year

Agrani Satellite Services Ltd., Dakshin Media Gaming Solutions Pvt. Ltd., Diligent Media Corporation Limited, Dish TV India Ltd., Essel Propack Ltd., Essel Corporate Resources Pvt. Ltd., Integrated Subscriber Management Services Limited, Intrex India Ltd., Pan India Network Infravest Pvt. Ltd., Rama Associates Limited, Zee Entertainment Enterprises Limited, Zee Interactive Learning System, Zee News Limited, ZeeTurner Ltd., Churu Trading Co. Private Limited, Essel Minerals Pvt. Ltd., Briggs Trading Company Pvt. Ltd., Ganjam Trading Company Pvt. Ltd., Jayneer Capital Pvt. Ltd.

(Rs. million)

Sr. No.	Particulars Nature of Expenses/Names of the Parties	March 31, 2010	Major Parties March 31, 2010	March 31, 2009	Major Parties March 31, 2009
1.	Sale, Services and other Recoveries (Net) Indian Cable Net Company Ltd. ZEEL Zee News Ltd.	326.09	71.83 134.60 80.09	381.04	81.39 131.78 123.25
2.	Purchase of Programs, Goods & Services Zee Turner Ltd. Dish TV India Ltd.	839.24	184.42 624.12	170.38	– 170.24
3.	Purchase of Fixed Assets, Capital Goods and Investments Dish TV India Ltd. Zee Turner Ltd.	–	– –	3.84	2.09 1.74
4.	Sale of Fixed Assets & Capital Goods Indian Cable Net Company Ltd. Dish TV India Ltd.	75.36	0.06 75.18	0.62	0.54 0.07
5.	Interest Received Central Bombay Cable Network Ltd.	3.81	3.81	3.82	3.82
6.	Interest Paid Zee News Limited ZEEL Churu Trading Co.Pvt. Ltd.	298.25	142.21 127.10 12.57	301.97	127.88 75.18 84.89
7.	Advances given Dish TV India Ltd. Indian Cable Net Company Ltd.	1,484.05	– 1,483.50	277.25	246.50 –
8.	Receipts towards advances given Churu Trading Co.Pvt. Ltd. Dish TV India Ltd. Central Bombay Cable Network Ltd. Indian Cable Net Company Ltd.	854.19	– 15.00 3.39 820.00	10.29	– – 3.96 5.28
9.	Loans/Deposits received from Churu Trading Co.Pvt. Ltd. Zee News Ltd. ZEEL	2,622.89	740.26 1,876.00 –	4,666.32	2,023.20 1,018.00 1,550.00

Sr. No.	Particulars Nature of Expenses/Names of the Parties	March 31, 2010	Major Parties March 31, 2010	March 31, 2009	Major Parties March 31, 2009
10.	Repayment of Loans/ Deposits received Churu Trading Co. Pvt. Ltd. Zee News Ltd. ZEEL	4,411.41	952.50 1,041.00 2,399.72	3,032.50	2,070.00 892.50 70.00
11.	Expenses Recovered Indian Cable Net Company Ltd. Zee News Ltd. Zee Turner Ltd. Dish TV India Ltd. Wire and Wireless Tisai Satellite Ltd.	5.56	0.01 1.38 0.62 – 3.42	9.34	– 6.90 – 1.22 –
12.	Expenses Reimbursed Indian Cable Net Company Ltd. ZEEL Zee News Limited Zee Turner Limited	10.29	2.80 4.99 1.39 1.05	8.20	– 7.97
13.	Remuneration to Key Managerial Personnel: Deepak Chandnani Sudhir Agarwal	12.50	– 12.50	18.50	13.90 4.60
14.	Balances Outstanding				
a)	Sundry Debtors Indian Cable Net Company Ltd. Dish TV India Limited ZEEL Zee News Ltd. Wire and Wireless Tisai Satellite Ltd.	362.16	41.10 92.60 45.85 151.60 29.34	602.96	158.30 – 270.08 140.47 –
b)	Sundry Creditors ZEEL Zee Turner Ltd.	284.80	12.10 245.23	434.84	160.91 261.99
c)	Loans/ Deposits/ Advances given Central Bombay Cable Network Ltd. Dish TV India Ltd. Zee Turner Ltd. Indian Cable Net Co. Ltd.	938.78	33.84 226.41 14.01 598.46	313.68	33.43 251.96 13.19 –
d)	Loans/ Deposits/ Advances received Churu Trading Co. Pvt. Ltd. ETC Networks Ltd. ZEEL Zee News Ltd. Indian Cable Net Company Ltd.	1,094.11	13.92 91.81 – 988.32 –	2828.82	193.67 110.00 2300.81 125.50 141.33
e)	Interest Accrued on Loans/ Deposits/ Advances received Churu Trading Co. Pvt. Ltd. ZEEL Zee News Ltd.	150.43	12.56 – 123.15	218.66	50.12 134.98 27.82

5. Leases

In case of assets taken on lease

Finance Lease

Vehicles obtained on Finance Lease are for 4 years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease arrangements. There are no subleases.

Operating Lease

The Company's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, godowns, stores, etc. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease generally is for 11 to 120 months.

(Rs. million)

Particulars	Finance Lease		Operating Lease	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Total minimum lease payments at the year end	0.80	1.87	-	-
Less: amount representing finance charges	0.29	0.77	-	-
Present value of minimum lease payments	0.51	1.10	-	-
Lease payment for the year		-	52.46	69.61
Minimum Lease Payments:				
Not Later than one year	0.68	1.97	1.38	1.26
Later than one year and not later than five years	1.07	2.41	5.03	6.42
Later than 5 years	-	-	-	-

In case of assets given on lease

Operating Lease

Set Top Boxes given under operating leases are capitalized at an amount equal to cost arrived on weighted average method and the rental income is recognized on equal monthly rental billed to subscriber.

The Company has leased assets to its business associates and other parties by way of cancellable operating lease. The detail of gross book value of such assets, accumulated depreciation and depreciation for the year is as under.

(Rs. million)

Description of Assets	Gross Block	Depreciation for the year ended March 31, 2010	Accumulated Depreciation
Plant and Machinery	99.58	2.89	94.38
Equipments	0.25	0.01	0.23
Furniture and Fixtures	0.07	-	0.04
Studio Equipments	0.65	0.05	0.42
Air Conditioners	0.40	0.02	0.07
Set Top Boxes	266.11	43.88	92.68
Total	367.06	46.85	187.83
Previous Year	299.51	35.69	140.97

6. Earning Per Share

In accordance with AS - 20 "Earnings Per Share"(EPS) as notified by Companies (Accounting Standard) Rules, 2006,(as amended) basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Particulars	March 31, 2010	March 31, 2009
Weighted average number of equity shares (no.)	274,382,626	217,217,753
Nominal Value of equity shares (Re.)	1	1
Profit/(Loss) after Tax (Rs. million)	(1,738.09)	(1,009.46)
Basic/Diluted earnings/(loss) per share (Rs.)	(6.33)	(4.46)

There are potential equity shares as on March 31, 2010 in the form of stock options granted to employees. As these are anti dilutive they are ignored in the calculation of diluted earning per share and accordingly the diluted earning per share is the same as basic earnings per share. The Company has issued right shares during the current year. Earning per share of previous year has accordingly been reinstated as per AS-20 on Earning per share.

7. Secured Loans

i. Non-Convertible Debentures

Non-convertible debentures are secured by first ranking pari passu mortgage and/ or charge/assignment of all the Company's immovable properties, present and future and all the Company's movable, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, present and future and the Company's cash flow, receivables, bank account (other than the reserve account) wherever mentioned, all monies lying in and to the credit of such account, book debts, revenue of whatsoever nature and where ever arising, present and future and insurance policies. An exclusive charge over the reserve account and all amount lying there in and the credit thereof, present and future.

ii. Working Capital Finance From Banks

Secured by first pari passu charge on the fixed assets and current assets of the Company. All the loans are further secured by corporate guarantee of Zee Entertainment Enterprises Ltd. (ZEEL).

iii. Term Loan From Banks/Financial Institution

Term loans are secured by mortgage and charge in favour of lender in a form satisfactory to the lender of all the borrowers immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the borrowers current assets. Also secured by corporate guarantee of Zee Entertainment Enterprises Ltd.

iv. Finance lease and Hire Purchase facility

Secured by hypothecation of vehicles.

8. Capital Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) amounting to Rs. 20.60 million (Previous Year Rs. 3.29 million).

9. Contingent Liabilities not provided for

- Claims against the Company not acknowledged as debts Rs 93.45 million (Previous Year Rs. 114.68 million)
- Income Tax matters : Rs. 24.99 million for the assessment year 2004-05. This dispute arose when AO levied a penalty of Rs 24.99 million in the assessment year 2004-05 based on the additions in the income confirmed by the CIT(A). On an appeal filed by the Company against the penalty levied by the AO, the CIT (A) has affirmed the penalty and, the Company has filed an appeal before the Tribunal against the order of CIT(A).

However, since the Company may contend that all the relevant facts material to the computation of his total income were disclosed in the assessment proceedings, there would be no tax liability.

- The Company has undertaken continuing financial support to subsidiaries.

10. Employee Stock Option Plan – ESOP-2007

The Company instituted the Employee Stock Option Plan – ESOP-2007 to grant equity based incentives to its eligible employees. The ESOP-2007 ("The Scheme") has been approved by the Board of Directors of the Company at their meeting held on June 27, 2007 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on September 18, 2007 to grant aggregating 4,344,355 options (not exceeding 2% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2007, representing one share for each option upon exercise by the employee of the Company at an exercise price determined by the Board/ Remuneration committee. The Scheme covers grant of options to the specified permanent employees of the Company and Directors of the Company, whether Whole time Directors or otherwise as may be decided by the Board. Pursuant to the Scheme, the Remuneration Committee has on July 16, 2009 granted 2,808,800 options (Previous year grant of 150,000 Options on June 16, 2008) to specified eligible employee of the Company at the market price determined as per the SEBI Guidelines.

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

The movement in the options granted to the Employee during the year is set out below :

	Plan 3	Plan 2	Plan 1
Date of grant	July 16, 2009	June 16, 2008	October 22, 2007
Date of Board Approval	July 16, 2009	June 16, 2008	October 22, 2007
Date of Shareholder's approval	–	August 17, 2009	September 18, 2007
Number of options granted	2,808,800	150,000	2,987,300
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period*	Five Years	Five Years	Five Years

* Vesting under the Scheme: not less than one year and not more than five years.

The details of activity under Plan 1 have been summarized below:

Particulars	March 31, 2010		March 31, 2009		March 31, 2008	
	Number of options	Weighted Avg. Ex. Price	Number of options	Weighted Avg. Ex. Price	Number of options	Weighted Avg. Ex. Price
Outstanding at the beginning of the year	922,700	39.75	2,818,800	39.75	-	-
Granted during the year	-	-	-	-	2,987,300	39.75

Particulars	March 31, 2010		March 31, 2009		March 31, 2008	
	Number of options	Weighted Avg. Ex. Price	Number of options	Weighted Avg. Ex. Price	Number of options	Weighted Avg. Ex. Price
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired/Lapsed during the year	609,400	39.75	1,896,100	39.75	168,500	39.75
Outstanding at the end of the year	313,300	20.00 *	922,700	39.75	2,818,800	39.75
Exercisable at the end of the year	125,320	-	184,540	-	-	-
Weighted average fair value of options granted on the date of grant		7.61		10.88		10.88

* Re-pricing of the exercise price to Rs. 20 in the remuneration committee dated 22-10-2009

* The Shareholders of the Company in the Annual General Meeting held on August 17, 2009 approved to re-price the unexercised options already granted by the Company under the Employees Stock Option - 2007. The Remuneration Committee decided to re-price outstanding stock options at a price of Rs. 20/- being the closing price of the equity shares of the Company on October 21, 2009 at the National Stock Exchange of India Limited.

The details of activity under Plan 2 have been summarized below:

Particulars	March 31, 2010		March 31, 2009	
	Number of Options	Weighted Avg. Ex. Price	Number of Options	Weighted Avg. Ex. Price
Outstanding at the beginning of the year	150,000	30.65	-	-
Granted during the year	-	-	150,000	30.65
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	150,000	30.65	-	-
Outstanding at the end of the year	-	-	150,000	30.65
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-

The details of activity under Plan 3 have been summarized below:

Particulars	March 31, 2010	
	Number of Options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year	2,808,800	17.45
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/Lapsed during the year	691,400	17.45
Outstanding at the end of the year	2,117,400	17.45
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	-	5
Weighted average fair value of options granted		5.76

The details of exercise price for stock options outstanding at the end of the year March 31, 2010 :

Particulars	Plan 1	Plan 2	Plan 3
Range of exercise prices (Rs.)	20.00	30.65	17.45
Number of options outstanding	313,300	-	2,117,400
Weighted average remaining contractual life of options (in years)	3 years	-	5 years
Weighted average exercise price (Rs.)	20.00	30.65	17.45

The details of exercise price for stock options outstanding at the end of the year March 31, 2009 :

Particulars	Plan 1	Plan 2
Range of exercise prices (Rs.)	39.75	30.65
Number of options outstanding	922,700	150,000
Weighted average remaining contractual life of options (in years)	4 Years	5 years
Weighted average exercise price (Rs.)	39.75	30.65

Stock Options Granted:

The weighted average fair value of stock options granted during the year was Rs.5.76.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2010	March 31, 2009
Weighted average share price	16.05	12.30
Exercise Price	17.45	39.75
Expected Volatility	29.12%	24%
Historical Volatility	29.12%	24%
Life of the options granted (Vesting and exercise period) in years	4 years	4 years
Expected dividends	-	-
Average risk-free interest rate	7.10%	7.79%
Expected dividend rate	0%	0%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures. To allow for the effects of early exercise, it was assumed that the employees will exercise the options after the vesting date when the share price was twice the exercise price.

11. Employee Benefits**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Employer's Contribution to Provident Fund Rs. 11.71 million (Rs. 16.54 million as at March 31, 2009).

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are unfunded.

The following table summarizes the components of net benefit expenses recognized in the profit and loss account and amounts recognized in the Balance Sheet for the respective plans.

Profit and Loss Account

Net employee benefit expense (recognized in the Employee cost)

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Current service Cost	3.44	2.30
Interest cost on benefit obligation	0.87	0.69
Actuarial (gain)/loss recognized in the year	(2.48)	0.44
Net benefit expense	1.83	3.43
Actual return on plan asset	-	-

Details of Provision for gratuity

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Defined Benefit Obligations	8.42	8.13

Changes in the present value of the defined benefit obligation are as follows:

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Defined Benefit Obligation at the beginning of the year	8.13	6.13
Current service cost	3.44	2.30
Interest cost	0.87	0.69
Actuarial (gain)/loss	(2.48)	0.44
Benefits paid	(1.55)	(1.43)
Defined Benefit Obligation at the end of the year	8.42	8.13

Changes in the fair value of plan assets are as follows:

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Opening Fair Value of Plan assets as on March 31	-	-
Expected return	-	-
Contribution by employers	1.55	1.43
Benefits Paid	(1.55)	(1.43)
Actuarial (gains)/losses	-	-
Closing Fair Value of Plan Assets	-	-

The principal assumptions used in determining gratuity for the company's plan are shown below:

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Discount Rate (per annum)	8.30%	7.75%
Expected rate of return on assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

Amounts for the current and previous three periods are as follows:

(Rs. million)

Particulars	Gratuity			
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Defined benefit obligation	8.42	8.13	6.13	4.93
Plan assets	-	-	-	-
Surplus/(deficit)	(8.42)	(8.13)	(6.13)	(4.93)
Experience adjustments on plan liabilities	(1.83)	(0.18)	0.23	(0.25)
Experience adjustments on plan assets	-	-	-	-

12. Movement in Securities Premium Account

(Rs. million)

Particulars	March 31, 2010	March 31, 2009
Opening Balance	-	-
Add: Premium received	2,007.89	-
Less: Utilized to set off right issue expenses	40.28	-
Closing Balance	1,967.61	-

13. Unhedged Foreign Currency Exposure

(Rs. million)

Particulars	March 31, 2010		March 31, 2009	
	Foreign Currency (USD)*	Amount in Rs.	Foreign Currency (USD)*	Amount in Rs.
Sundry Debtors for carriage fee	0.04	1.69	0.38	19.60
Creditors for Capital Goods	-	-	0.28	14.15

* Closing rate as at March 31, 2010 : (1 USD = Rs. 45.14 (March 31, 2009: 1 USD = Rs. 49.95))

14. The breakup of year end tax assets and liabilities into major components of the respective balance is as under:-

(Rs. million)

Particulars	March 31, 2010	March 31, 2009
Deferred Tax Liabilities		
Deferred revenue expenses/Other difference	35.08	2.91
Gross Deferred Tax Liabilities (A)	35.08	2.91
Deferred Tax Assets		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	28.63	15.75
Unabsorbed depreciation	503.09	502.36
Carry forward of losses	541.70	206.91
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	13.04	58.13
Provision for doubtful debts	459.27	351.61
Provision for doubtful advances	270.59	
Gross Deferred Tax Assets (B)	1,816.32	1,134.76
Net Deferred Tax Liability/(Assets)	1,781.24	1,131.85

The Company has accounted deferred tax assets to the extent of deferred tax liability since there is no virtual certainty of sufficient future taxable income available in future.

15. Supplementary statutory information required to be given pursuant to Clause 32 of the listing agreement:**Loans and Advances to Companies in which Directors are interested/ subsidiaries**

(Rs. million)

Sr. No.	Name of the Enterprise	Balance as on March 31, 2010	Maximum outstanding during the year	Balance as on March 31, 2009	Maximum outstanding during the year
	Associates/Parties in which directors are interested				
1.	Agrani Satellite Services Ltd.	0.22	0.22	0.22	0.22
2.	Dish TV India Ltd.	226.41	226.41	251.96	252.54
3.	ETC Networks Ltd.	0.14	0.14	0.14	0.14
4.	Intrex India Ltd.	-	0.63	0.63	0.63
5.	Zee Interactive Learning Systems Ltd.	0.44	0.44	0.44	0.44
6.	Zee News Ltd.	0.16	0.74	0.52	0.69
7.	Pan India Network Infravest Private Limited	-	0.31	0.31	0.31
8.	Zee Turner Ltd.	14.01	14.01	0.47	0.47
	Subsidiaries				
1.	Central Bombay Cable Network Ltd.	33.84	33.84	33.43	33.43
2.	Siticable Broadband South Ltd.	3.91	3.91	3.74	3.80

16. There is no amount due to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent to which parties have been identified on the basis of information available with the Company.

17. The Company has issued 236,222,285 partly paid up equity shares of Re. 1 each at a premium of Rs. 18 per share for cash to the existing equity shareholders of the Company. The terms of payment of right issue are as under:

Particulars	Total amount due (per share)	Towards Share Capital (per share)	Towards Securities Premium (per share)	Total amount	Due on (after the date of allotment, at the option of the Company)
On Application	9	0.50	8.50	2,126	Along with application
On Final call	10	0.50	9.50	2,362	After 6 months but within 12 months
Total	19	1	18	4,488	

The utilization of the right issue proceeds aggregating to Rs. 2,126 million received along with application is as under:
(Rs. million)

Particulars	Amount
Repayment of unsecured loans	1,888
Working Capital	204
Issue expenses	34
Total	2,126

The Company has incurred Rs. 40.28 million as right issue expenses (including Rs. 2.37 million as audit fees) which has been set off against securities premium.

18. Additional information pursuant to the provision of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

18.1 Quantitative Information

The details of opening stock, acquisitions/productions, sales and closing stock are as under:

Particulars	March 31, 2010		March 31, 2009	
	Qty. (Nos.)	(Rs. million)	Qty. (Nos.)	(Rs. million)
Opening Stock				
VC Cards	83,137	15.90	139,325	24.36
Set Top Boxes	313,607	597.13	393,452	774.20
Total		613.03		798.56

Particulars	Qty. (Nos.)	(Rs. million)	Qty. (Nos.)	(Rs. million)
Acquisitions/Productions				
VC Cards	-	-	10,000	1.59
Set Top Boxes	-	-	50	0.06
Total	-	-		1.65

Particulars	Qty. (Nos.)	(Rs. million)	Qty. (Nos.)	(Rs. million)
Sales				
VC Cards	6,600	1.18	66,188	11.61
Set Top Boxes (net of returns)	4,039	8.67	76,103	166.01
Total		9.85		177.64

Particulars	Qty. (Nos.)	(Rs. million)	Qty. (Nos.)	(Rs. million)
Consumption				
VC Cards	35,201	6.40	-	-
Set Top Boxes	52,475	114.85	792	1.78
Total		121.25		1.78

Particulars	Qty. (Nos.)	(Rs. million)	Qty. (Nos.)	(Rs. million)
Closing Stock				
VC Cards	41,336	7.28	83,137	15.59
Set Top Boxes	257,093	474.78	313,607	597.13
Total		482.06		613.03

18.2 Director's Remuneration

(Rs. million)

Particulars	2010	2009
Salaries	-	-
Perquisites	-	-
Contribution to Provident fund	-	-
Sitting Fees	0.45	0.38

Note: No Commission is paid/payable to any director and hence the computation of profits under Section 198 / 349 of the Companies Act, 1956 is not required.

18.3 Auditors' Remuneration:

(Rs. million)

Particulars	2010	2009
Audit fees	3.05	2.25
Other Services	0.60	2.15
Certification services	0.06	-
Out of Pocket Expenses	0.31	0.01
Total	4.02	4.41

18.4 Foreign currency Transactions (Accrual Basis)

(Rs. million)

Earnings in foreign currency

Particulars	2010	2009
Carriage Income	13.13	3.54
Total	13.13	3.54

Expenditure in foreign currency

Particulars	2010	2009
Membership & Subscription Charges	-	0.26
Repair and Maintenance – Network	8.43	8.81
Total	8.43	9.07

Value of imports calculated on CIF Value

Particulars	2010	2009
Plant and machinery	1.79	77.87

18.5 Miscellaneous income includes foreign exchange gain/(loss) as on March 31, 2010 amounts to Rs. 0.92 million; (Previous Year Rs. (6.12) million).

19. Previous year Comparatives:

Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

For **S. R. Batliboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Wire and Wireless (India) Limited

per Yogesh Midha
Partner
Membership No.: 94941
Place : Gurgaon
Date : May 28, 2010

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Sudhir Agarwal
Chief Executive Officer

R. K. Agarwal
Chief Financial Officer

Samir Raval
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. million)
	2010	2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation and exceptional items	(1,738.09)	(1,005.70)
Adjustments for:		
Depreciation/Amortisation	390.34	297.76
Interest Income	(3.80)	(6.50)
Foreign Exchange Fluctuations	(0.92)	6.12
Interest and Finance Expenses	624.33	583.84
Excess provision written Back	(35.83)	(5.55)
Loss on Sale/Discard of Fixed Assets	30.31	1.25
Preliminary Expenses Written Off	0.44	0.44
Finance Cost Amortised	46.99	15.78
ESOP Cost	-	5.39
Provision for Debtors and Advances	272.18	439.21
Operating profit before working capital changes	(414.06)	332.03
Movement in Working Capital		
Decrease/(Increase) in Sundry Debtors	108.77	(697.93)
Decrease/(Increase) in Inventories	13.27	213.84
Decrease/(Increase) in Loans and Advances	(678.26)	(332.72)
Increase/(Decrease) in Current Liabilities & Provisions	(673.30)	1,075.69
Cash Flow from Operating Activities Before tax & prior period adjustment	(1,643.58)	590.91
Taxes paid	-	(3.71)
Net Cash Flow from Operating Activities	(1,643.58)	587.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Work-in-Progress	(59.97)	(438.19)
Proceeds from sale of Fixed Assets	78.78	3.03
Purchase of Investments in Subsidiaries	-	(0.21)
Loans/Advances to Subsidiary Companies (Net)	(1.70)	(12.50)
Interest Income Received	-	1.21
Purchase of Investments	(2.50)	-
Net Cash Flow from Investing Activities	14.61	(446.66)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. million)
	2010	2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Finance Expenses paid	(744.25)	(451.10)
Right Issue Expenses	(29.04)	(11.24)
Proceeds from Right Issue Shares	2,126.00	-
Proceeds from Long Term Borrowing	6,494.10	5,554.91
Repayment of Long Term borrowings	(6,028.53)	(5,247.99)
Net Cash Flow from Financing Activities	1,818.28	(155.42)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	189.31	(14.88)
Opening Cash and Cash Equivalents	161.16	176.04
CLOSING CASH AND CASH EQUIVALENTS	350.47	161.16
Cash and Cash Equivalents at the end of the year		
Cash on Hand	3.54	3.24
Cheques and Drafts on Hand/Transit	46.58	48.09
Balances with Scheduled Banks on Current Accounts	169.94	69.83
Balances with Scheduled Banks on Deposit Accounts/Margin Money	130.41	40.00
	350.47	161.16

As per our attached report of even date

For **S. R. Batliboi & Associates**

Firm Registration No.: 101049W

Chartered Accountants

For and on behalf of the Board of Directors of

Wire and Wireless (India) Limited**per Yogesh Midha**

Partner

Membership No.: 94941

Place : Gurgaon

Date : May 28, 2010

Amit Goenka

Whole-time Director

Arun Kapoor

Director

Sudhir Agarwal

Chief Executive Officer

R. K. Agarwal

Chief Financial Officer

Samir Raval

Company Secretary

AUDITORS' REPORT

The Board of Directors

Wire and Wireless (India) Limited

1. We have audited the attached consolidated balance sheet of Wire and Wireless (India) Limited ('the Company') and its subsidiaries (collectively known as 'the Group'), as at March 31, 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These 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 regarding components. Our responsibility is to express an opinion on these 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 1,418.95 million as at March 31, 2010, the total revenue of Rs. 908.97 million and net cash flow from operating activities amounting to Rs. 60.09 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements, issued by the Institute of Chartered Accountants of India.
5. Without qualifying our opinion, we draw attention to Note 1(b) of Schedule 22 to the accompanying financial statements. In view of the matters stated therein relating to the net worth position of the Company and the mitigating factors stated in that note, the accompanying financial statements have been prepared under the going concern assumption.
6. *Reference is drawn to Note 11 of Schedule 22 to the financial statements wherein Indian Cable Net Company Limited (one of the subsidiaries) has not provided for the Amusement tax liability amounting to Rs. 24.35 million. Had the provision for amusement tax been recorded, the consolidated loss for the year, the provisions and the debit balance in the profit and loss account as at March 31, 2010 would have been higher by Rs. 24.35 million. This had caused us to qualify our audit opinion on the financial statements relating to preceding year.*
7. Based on our audit and on consideration of reports of other auditors on separate 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, *except for the effect of matter stated in Paragraph 6 above*, 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, 2010;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941

Place: Gurgaon
Date: May 28, 2010

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	2010	(Rs. million) 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	335.35	217.24
Stock Option Outstanding	2	5.39	5.39
Reserves and Surplus	3	1,967.61	-
		2,308.35	222.63
Minority Interest		90.59	88.63
Loan Funds			
Secured Loans	4	3,520.06	1,367.28
Unsecured Loans	5	1,234.94	2,889.65
		4,755.00	4,256.93
Deferred Tax Liability (net) (Refer Note 7 of Schedule 22 to financial statement)		2.06	10.87
TOTAL		7,156.00	4,579.06
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	3,265.67	3,179.57
Less: Accumulated Depreciation / Amortisation		1,752.44	1,350.84
Net Block		1,513.23	1,828.73
Capital Work-in-Progress including Capital Advances		71.06	65.12
		1,584.29	1,893.85
Investments	7	2.50	-
Current Assets, Loans and Advances			
Inventories	8	552.15	688.06
Sundry Debtors	9	961.93	1,350.07
Cash and Bank Balances	10	404.38	204.71
Loans and Advances	11	1,548.30	825.04
(A)		3,466.76	3,067.88
Less: Current Liabilities And Provisions			
Current Liabilities	12	1,906.40	2,550.70
Provisions	13	71.30	53.95
(B)		1,977.70	2,604.65
Net Current Assets (A-B)		1,489.06	463.24
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	130.87	30.62
Profit and Loss Account		3,949.28	2,191.35
TOTAL		7,156.00	4,579.06
Significant Accounting Policies and Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our attached report of even date

For **S. R. Batliboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Wire and Wireless (India) Limited

per **Yogesh Midha**
Partner
Membership No.: 94941
Place: Gurgaon
Date: May 28, 2010

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Sudhir Agarwal
Chief Executive Officer

R. K. Agarwal
Chief Financial Officer

Samir Raval
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	(Rs. million)	
		2010	2009
INCOME			
Sales / Income from Operations		2,726.54	3,082.56
Other Income	15	80.69	22.05
		2,807.23	3,104.61
EXPENDITURE			
Operational Cost	16	2,520.25	2,108.87
Personnel Cost	17	252.71	301.63
Administrative Expenses	18	612.96	562.72
Selling and Distribution Expenses	19	52.91	84.86
		3,438.83	3,058.08
OPERATING PROFIT / (LOSS)		(631.60)	46.53
Interest and Finance Charges	20	674.71	602.59
Depreciation/ amortization	6	415.71	321.59
		1,090.42	924.18
Profit/(Loss) Before Exceptional Items and tax		(1,722.02)	(877.65)
Exceptional Items	21	22.49	23.32
Profit/(Loss) Before Tax		(1,744.51)	(900.97)
Less: Provision for Tax			
Current Tax		20.37	34.94
Deferred Tax (credit) / charge		(8.81)	1.14
Fringe Benefit Tax		-	4.56
Profit/(Loss) after Tax		(1,756.07)	(941.61)
Less: Prior Period Adjustments (Net)		(0.10)	(0.96)
Less: Minority Interest		1.96	21.68
Net Profit/(Loss) for the year		(1,757.93)	(962.33)
Add : Balance brought forward from Previous year		(2,191.35)	(1,229.02)
Balance Carried to Balance Sheet		(3,949.28)	(2,191.35)
Earnings/(Loss) Per Share: (Rs.)			
Basic/Diluted (Nominal value of shares Re.1 (Previous year: Re. 1))		(6.41)	(4.26)
(Refer Note 6 of Schedule 22 to financial statement)			
Significant Accounting Policies and Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our attached report of even date

For **S. R. Batliboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Wire and Wireless (India) Limited

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurgaon
Date: May 28, 2010

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Sudhir Agarwal
Chief Executive Officer

R. K. Agarwal
Chief Financial Officer

Samir Raval
Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010	(Rs. million) March 31, 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
740,000,000 (Previous Year: 290,000,000) Equity Shares of Re. 1 each	740.00	740.00
10,000,000 (Previous Year: 10,000,000) Preference Shares of Re. 1 each	10.00	10.00
	750.00	750.00
Issued, Subscribed and Paid-up		
217,217,753 (Previous Year: 217,217,753) Equity Shares of Re. 1 each fully paid-up	217.22	217.22
236,222,285 (Previous Year: Nil) Equity Shares of Re. 1 each (Rs. 0.50 paid-up)	118.11	-
23,436 (Previous Year: 23,436) 7.25% Non Cumulative Redeemable Preference shares of Re. 1 fully paid-up	0.02	0.02
Notes:		
1. 216,717,753 (Previous Year: 216,717,753) Equity Shares of Re. 1 each Fully Paid up are allotted for consideration other than cash pursuant to the scheme of arrangement.		
2. 236,222,285 (Previous Year: Nil) Equity Shares of Re. 1 each, Rs. 0.50 paid up, issued by way of right issue during the year. (Refer Note 20 of Schedule 22 to financial statements)		
3. 23,436 (Previous Year: 23,436) 7.25% Non-Cumulative Redeemable Preference Shares of Re. 1 each Fully Paid up allotted on December 29, 2006 and redeemable at par on December 29, 2011 for consideration other than cash pursuant to the scheme of arrangement.		
	335.35	217.24
SCHEDULE 2 : STOCK OPTIONS OUTSTANDING		
Employee Stock option outstanding	5.39	5.39
	5.39	5.39
SCHEDULE 3 : RESERVES AND SURPLUS		
Securities Premium Account	1,967.61	-
(Refer Note 17 of Schedule 22 to financial statement)	1,967.61	-
SCHEDULE 4 : SECURED LOANS		
Debentures		
1920 (Previous Year : NIL) 9.95% p.a Secured Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each redeemable at par at the end of 3 years from date of allotment.	1,920.00	-
(Refer Note 8(i) of Schedule 22 to the financial statements)		
Loans and Advances from Bank		
Working Capital Finance	537.28	352.02
Term Loans	1,000.00	1,000.15
Interest Accrued and Due on Term Loans	60.85	9.58
Finance Lease Obligation	1.49	3.52
Hire Purchase	0.44	2.01
(Refer Note 8 (ii), (iii) and (iv) of Schedule 22 to the financial statements)	3,520.06	1,367.28
SCHEDULE 5 : UNSECURED LOANS		
From Others	1,094.39	2,700.67
Interest Accrued and Due	140.55	188.98
	1,234.94	2,889.65

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE 6 : FIXED ASSETS (at Cost)

(Rs. million)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2009	Additions	Deductions	As at 31-03-2010	Up to 01-04-2009	For the year	Deductions	Up to 31-03-2010	As at 31-03-2010
(A) TANGIBLE ASSETS									
Building	38.05	-	6.38	31.67	6.84	0.53	0.32	7.05	24.62
Plant and Machinery	2,134.74	53.36	115.22	2,072.88	1,024.30	288.43	11.52	1,301.21	771.67
Computer	95.36	7.06	0.30	102.12	44.78	11.24	0.12	55.90	46.22
Equipments	27.40	0.67	-	28.07	7.81	1.28	-	9.09	18.98
Furniture and Fixtures	27.84	1.82	-	29.66	11.23	1.61	-	12.84	16.82
Air conditioners	13.36	0.34	-	13.70	3.87	0.64	-	4.51	9.19
Studio Equipment	38.67	0.19	-	38.86	28.27	2.48	-	30.75	8.11
Vehicles	17.00	2.18	5.96	13.22	5.84	1.45	2.06	5.23	7.99
Leasehold Improvements	44.34	0.19	1.48	43.05	12.14	3.79	-	15.93	27.12
STB'S	340.33	140.35	0.33	480.35	76.08	82.21	0.04	158.25	322.10
Decoders	1.00	-	-	1.00	0.11	-	-	0.11	0.89
Total - (A)	2,778.09	206.16	129.67	2,854.58	1,221.27	393.66	14.06	1,600.87	1,253.71
(B) INTANGIBLE ASSETS									
Goodwill	44.79	-	-	44.79	2.57	2.26	-	4.83	39.96
Cable Rights	48.04	-	-	48.04	39.60	6.67	-	46.27	1.77
Softwares	60.01	2.09	-	62.10	22.16	8.86	-	31.02	31.08
Ground Distribution Network	194.43	8.21	0.69	201.95	64.26	4.18	0.05	68.39	133.56
Networking	1.51	-	-	1.51	0.98	0.08	-	1.06	0.45
Goodwill on Consolidation	52.70	-	-	52.70	-	-	-	-	52.70
Total - (B)	401.48	10.30	0.69	411.09	129.57	22.05	0.05	151.57	259.52
Total (A+B)	3,179.57	216.46	130.36	3,265.67	1,350.84	415.71	14.11	1,752.44	1,513.23
Previous year 31.03.2009	2,375.25	814.11	9.79	3,179.57	1,034.19	321.59	4.94	1,350.84	1,828.73
Note: Vehicle includes vehicle taken on finance lease Gross Block Value of Rs. 2.21 million (Previous Year : Rs. 4.42 million) Net Block Value of Rs. 1.82 million (Previous Year : Rs. 3.95 million)									

SCHEDULE 7 : INVESTMENTS Long Term - At Cost

Unquoted - Trade

(Rs. million)

No. of Shares	Particulars	2010	2009
	Equity Shares		
480	Equity Shares of Rs. 100/- each fully paid-up of Master Ads Pvt. Ltd.	0.05	0.05
	Less: Provision for diminution in value of Investments	0.05	-
9,500	Equity Shares of Rs.10/- each fully paid up of Dakshin Communication Pvt. Ltd.	1.77	1.77
	Less: Provision for diminution in value of Investments	1.77	-
3,000	Equity Shares of Rs.10/- each fully paid up of Centre Channel Pvt. Ltd.	0.23	0.23
	Less: Provision for diminution in value of Investments	0.23	-
	6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid-up of		
14,080	Haryana Communication Network Pvt. Ltd.	7.04	7.04
	Less: Provision for diminution in value of Investments	7.04	-
5,430	Bangalore Communication Network Pvt. Ltd. #	-	-
1,610	Banjara Telcelinks Pvt. Ltd. #	-	-
579	Bargachh Telcelinks Pvt. Ltd. #	-	-
8,420	Chanakya Communications Network Pvt. Ltd. #	-	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

No. of Shares	Particulars	2010	2009
9,680	Chandigarh Network Systems Pvt. Ltd. #	-	-
1,230	Chirag Telelinks Pvt. Ltd. #	-	-
5,489	Condoor Communication Pvt. Ltd. #	-	-
41,960	Dakhsin Communications Pvt. Ltd. #	-	-
8,580	Faridabad Entertainment Pvt. Ltd. #	-	-
6,270	Garden City Communication Pvt. Ltd. #	-	-
14,140	Him Mohini Communications Pvt. Ltd. #	-	-
3,659	North Bombay Cable Network Pvt. Ltd. #	-	-
12,510	North Delhi Cable Network Pvt. Ltd. #	-	-
8,118	Purvalaya Communications Pvt. Ltd. #	-	-
15,270	Purvi Communications Pvt. Ltd. #	-	-
9,820	Rajdhani Communication Network Pvt. Ltd. #	-	-
250	Satellite Communication Pvt. Ltd. #	-	-
5,730	Shri Sai Network Pvt. Ltd. #	-	-
3,290	Siti Communication Pvt. Ltd. #	-	-
1,290	Tirupathy Communication Network Pvt. Ltd. #	-	-
2,050	Trans Yamuna Communication Network Pvt. Ltd. #	-	-
3,850	Vanasthali Communication Network Pvt. Ltd. #	-	-
2,530	West Delhi Cable Network Pvt. Ltd. #	-	-
1,100	Zem Communication Pvt. Ltd. #	-	-
26,020	Ahmedabad Network System Pvt. Ltd. #	-	-
7,570	Amritsar Communication Network Pvt. Ltd. #	-	-
5,248	Delhi Prime Communication Network Pvt. Ltd. #	-	-
2,420	Divine Cable Visions Pvt. Ltd. #	-	-
4,600	Divya Communications Pvt. Ltd. #	-	-
5,699	Dwarka Telelinks Pvt. Ltd. #	-	-
1,989	East Delhi Communication Network Pvt. Ltd. #	-	-
4,469	East Ludhiana Cable Network Pvt. Ltd. #	-	-
10,280	East Patel Communication Network Pvt. Ltd. #	-	-
4,760	Jabalpur Cable Network Pvt. Ltd. #	-	-
2,990	Jalandhar Multimedia Pvt. Ltd. #	-	-
6,820	Jammu Communications Network Pvt. Ltd. #	-	-
12,930	Karnal Communications Pvt. Ltd. #	-	-
14,220	Mani nagar Network Pvt. Ltd. #	-	-
590	Nizamabad Communication Pvt. Ltd. #	-	-
6,580	Noida Network Systems Pvt. Ltd. #	-	-
10,898	Panchsheel Communication Network Pvt. Ltd. #	-	-
8,880	Panipat Communications Pvt. Ltd. #	-	-
4,180	Pink City Communication Network Pvt. Ltd. #	-	-
23,010	Sabarmati Network Pvt. Ltd. #	-	-
15,440	Space Channel Communication Pvt. Ltd. #	-	-
7,070	Vasant Kunj Cable Network Pvt. Ltd. #	-	-
4,390	Vision Network Pvt. Ltd. #	-	-
		-	-
	Current non trade investments (at lower of cost and market value)(Quoted)		
	14650.404 Units (Previous Year Nil Units) of face value of Rs.10 each of ICICI Prudential Flexible Income Premium Growth	2.50	-
		2.50	-
	Aggregate market value of current investment	2.51	-

Note : These investments have been written off against provision for diminution in the value of investments.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Particulars	2010	(Rs. million) 2009
SCHEDULE 8 : INVENTORIES (at lower of cost and net realisable value)		
Stock-in-trade	499.66	639.26
Store and Spares	52.49	48.80
	<u>552.15</u>	<u>688.06</u>
SCHEDULE 9 : SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
- Unsecured, Considered Good	472.17	412.63
- Unsecured, Considered Doubtful	1,562.93	1,253.05
	<u>2,035.10</u>	<u>1,665.68</u>
Less : Provision for Doubtful Debts	1,562.93	1,252.83
	<u>472.17</u>	<u>412.85</u>
Other debts		
- Unsecured, Considered Good	489.76	937.22
- Unsecured, Considered Doubtful	4.62	
	<u>494.38</u>	<u>937.22</u>
Less: Provision for Doubtful Debts	4.62	-
	<u>489.76</u>	<u>937.22</u>
	<u>961.93</u>	<u>1,350.07</u>
SCHEDULE 10 : CASH AND BANK BALANCES		
Cash on hand	46.65	19.06
Balance with Scheduled Banks		
- On Current Accounts	179.02	96.29
- On Deposit Accounts (for facilities provided by banks)	130.01	6.60
- In Margin Money	1.67	34.67
Cheques and Drafts On Hand/Transit	47.03	48.09
	<u>404.38</u>	<u>204.71</u>
SCHEDULE 11 : LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances Recoverable in cash or in kind or for value to be received	834.17	318.56
Inter Corporate Deposits	0.45	0.45
Balance with excise, customs etc.	236.31	-
Deposit - Others	337.47	347.58
Advance Tax (Net of Provision)	139.90	158.44
Unsecured, Considered Doubtful		
Advances to Distribution Companies	738.38	738.38
Deposit - Others	2.81	2.81
Other Advances	136.40	71.54
	(A) 2,425.89	1,637.76
Less: Provision for Advances to Distribution Companies	738.38	738.38
Provision for Deposit Others	2.81	2.81
Provision for Other Advances	136.40	71.54
	(B) 877.59	812.73
	(A-B) 1,548.30	825.04

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	2010	(Rs. million) 2009
SCHEDULE 12 : CURRENT LIABILITIES		
Sundry Creditors:		
a) total outstanding dues of Micro and Small Enterprises		
b) total outstanding dues of creditors other than Micro and Small Enterprise	1,278.93	1,185.03
(Refer Note 21 of Schedule 22 to financial statement)		
Other Liabilities	325.75	500.95
Trade Advances/Deposits received	253.21	159.63
Book Overdraft	32.57	692.86
Interest Accrued but not Due	15.94	12.23
	1,906.40	2,550.70
SCHEDULE 13 : PROVISIONS		
Provision for Fringe Benefit Tax (Net of Advance Tax)	-	0.05
Provision for Employee Benefits	20.18	21.13
Provision for Taxation (Net of Advance Tax Payments)	51.12	32.77
	71.30	53.95
SCHEDULE 14 : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Unamortised Finance Cost	130.41	18.49
Right Issue Expenses (Refer Note 17 of Schedule 22)	-	11.24
Preliminary Expenses	0.46	0.89
	130.87	30.62

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010	(Rs. million) March 31, 2009
SCHEDULE 15 : OTHER INCOME		
Interest Income		
- Bank deposits	2.83	2.76
Excess provision written back	38.70	5.55
Miscellaneous Income	39.16	13.74
	80.69	22.05
SCHEDULE 16 : OPERATIONAL COST		
Program Production Expenses	21.37	30.25
Distribution Charges	499.26	537.50
Pay Channel Subscription	1,283.30	1,297.19
Other Operational Cost	658.69	155.17
Repairs and Maintenance - Network	23.76	37.89
Rent	33.87	46.99
Cost of Goods Sold	-	3.88
	2,520.25	2,108.87
SCHEDULE 17 : PERSONNEL COST		
Salaries, wages, allowances and bonus	227.78	271.88
Contribution to Provident and other Funds	14.50	19.47
Workmen and staff welfare expenses	10.43	10.28
	252.71	301.63

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. million)
	2010	2009
SCHEDULE 18 : ADMINISTRATIVE EXPENSES		
Rent	26.00	29.77
Rates and Taxes	2.40	4.15
Brokerage	-	0.60
Communication Expenses	13.99	15.39
Repairs and Maintenance		
- Building	0.88	0.64
- Others	9.34	13.27
Electricity Expenses and Water Charges	26.59	22.88
Legal, Professional and Consultancy Charges	37.27	51.41
Printing and Stationery	8.68	10.12
Service Charges	40.93	47.46
Travelling and Conveyance Expenses	28.49	29.67
Vehicle Expenses	7.88	18.81
Miscellaneous Expenses	24.62	42.88
Bad debts	47.76	46.60
Provision for Doubtful Debts	236.86	171.83
Provision for Doubtful advances	64.86	34.33
Loss on Sale/ Discard/ Write off of Assets (net)	36.41	22.91
	612.96	562.72
SCHEDULE 19 : SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity Expenses	6.83	25.45
Commission Charges and Incentives	28.34	35.46
Rebate and Discount	13.06	17.98
Business and Sales Promotion	4.68	5.97
	52.91	84.86
SCHEDULE 20 : INTEREST AND FINANCE CHARGES		
Interest on		
- Term Loan and Debentures	267.41	254.17
- Others	358.21	329.77
Financing Expenses	49.09	18.65
	674.71	602.59
SCHEDULE 21 : EXCEPTIONAL ITEMS		
Amusement Tax (Paid Against Demand Notice of Earlier Years)	22.49	23.32
	22.49	23.32

SCHEDULE 22: CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in Rupees unless otherwise stated)

Significant Accounting Policies and Notes to Accounts

1. a) Background

Wire and Wireless (India) Limited (hereinafter referred to as 'the Company' or 'WWIL') was incorporated in the state of Maharashtra, India. The Company and its subsidiaries (collectively known as 'the Group') is engaged in Distribution of Television Channels through analogue and digital cable distribution network, primary internet and allied services.

- b) The Group's accumulated losses aggregate to Rs. 3,949.28 million as at March 31, 2010 (Rs. 2191.35 million as at March 31, 2009); while the shareholder funds aggregate to Rs. 2,308.35 million at that date (Rs 222.63 million as at March 31, 2009). As per the revised business plan, the Group will increase/ expand the subscriber base of its analogue business, which will result in improved operational efficiency. Subsequent to year end, the net worth of Company has become positive after receipt of second call of right issue. The Company has suspended its Headend in the Sky (HITS) operations w.e.f. March 31, 2010. This will also result in reduced operational losses as the Company incurred losses in HITS operations due to Regulatory non support, Governmental Policies, etc. Based on the business plan, the Company expects to have positive cash flows and earnings before interest, depreciation and tax (EBIDTA) from operations from year 2010-11. Further, during the year, the Company has taken significant cost rationalization measures including right sizing of its work force, the benefit of which will be more significant in next year.

Based on the above, management expects to earn higher revenues and improved profitability which will enable the Group to strengthen its financial position. Also one of the promoter companies has provided assurance that it intends to provide financial and operational support to the Company, to continue its operations for the foreseeable future.

Based on above, the management is of the opinion that it is appropriate to prepare these financial statements on going concern basis.

2. Statement of Significant Accounting Policies:

a) Basis of preparation

The Consolidated Financial Statements (CFS) of the group are prepared under the Historical Cost Convention in accordance with Generally Accepted Accounting Principles in India and the Accounting Standard (AS 21) on "Consolidated Financial Statements" notified accounting standards by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956 as amended, to the extent possible in the same format as that adopted by the parent company for its separate financial statements by regrouping, recasting or rearranging figures wherever considered necessary.

The consolidation of the financial statements of the parent company and its subsidiaries is done, to the extent possible, on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All inter-group transactions, balances and unrealized inter-company profits have been eliminated in the process of consolidation and the consolidated financial statement have been prepared using uniform accounting policies except that in case of one of the subsidiaries, Central Bombay Cable Network Limited, fixed assets are depreciated using written down value method instead of straight-line method. The total amount of net block of these items of fixed assets represents 2.24% of the total consolidated fixed assets of the group at year end.

The CFS includes the financial statements of the parent company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired.

Name of the Subsidiaries	Extent of holding %	Place of incorporation
Indian Cable Net Company Limited. (hereinafter referred as "ICNCL")	68	India
Central Bombay Cable Network Limited. (hereinafter referred as "CBCNL")	100	India
Siticable Broadband South Limited. (hereinafter referred as "SBSL")	100	India
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	51	India
Master Channel Community Network Pvt. Ltd. (hereinafter referred as "MCCNPL")	66	India

Minority Interest in subsidiary represents the minority shareholders' proportionate share of the net assets and net income.

Minorities' interest in net profit of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been accounted for by the holding Company.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

- (i) Fixed Assets are stated at cost less accumulated depreciation and impairment if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (ii) Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Intangible Assets

- a) Goodwill on acquisition is amortized using the straight-line method over a period of five years
- b) Softwares are amortized over a period of six years on straight-line basis.
- c) Program/ Film/ Cable rights are stated at the lower of net cost (cost less accumulated amortization/ impairment) or realizable value.

e) Depreciation/Amortisation

- (i) Depreciation is provided using the Straight-line Method as per the useful lives of the assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher

	Rates used
Building	1.63%
Plant and Machinery	10.00% - 20.00%
Furniture and Fixtures	6.33%
Studio Equipments	7.07%
Computers	16.21%
Vehicles	9.50%
Office Equipments	4.75%
Software	16.21%
Set-top Boxes	20.00%

- (ii) Leasehold improvements are amortized over the lease term.
- (iii) Plant and Machinery taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.
- (iv) Cost of news/ current affairs/ chat shows/ events including sports events etc. are fully expensed on first telecast.
- (v) Program/ Film/ Cable rights are amortized on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.
- (vi) Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.
- (vii) In case of ICNCL, Set Top Boxes given on operating lease are amortized over the effective period of lease.

f) Impairment

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases**Where the Group is the Lessee:**

Finance leases, which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets or the leased term.

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Group is the lessor:

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i) Inventories:

Inventories are valued as follows:

Stores and Spares are valued at cost on first-in-first-out basis or at net realizable value whichever is lower. Stock-in-trade including Set Top Boxes are valued at cost on weighted average method or at net realizable value whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

In respect of ICNCL, Capital Network Inventory meant for capitalization is valued at cost on simple yearly weighted average method or at net realizable value whichever is lower.

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Income from Services:

Subscription revenue and Other Services revenue are recognised on completion of services.

Lease rentals and Carriage fees are recognised on accrual basis over the terms of related agreements.

Advertisement revenue is recognised when the related advertisement appears before the public. Other Advertisement revenue for slot sale is recognised on period basis.

In pursuance of the regulation of Telecom Regulatory Authority of India (TRAI) the Group has implemented Conditional Access System (CAS) in the notified areas and accordingly subscription charges have been accounted in terms of the said regulation.

The followings revenue recognition policies are specific to ICNCL:

- a) Income from rendering technical services is recognized on accrual basis.
- b) Income from dark fiber leasing is recognized on accrual basis as per terms of the respective contracts.
- c) Telecast fees are recognized as evenly accruing over the term of the contract of telecast, unless the contracts specify a different basis of recognition of such telecast fees.
- d) Income from broadband services recognized on accrual basis.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT. VAT collected is disclosed under current liabilities and not routed through profit and loss account as mentioned in Guidance Note of State Value Added Tax issued by The Institute of Chartered Accountants of India (ICAI).

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

k) Miscellaneous Expenditure

Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. Preliminary Expenditure is amortised equally over a period of 5 years.

l) Foreign Currency Transaction

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and the non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

m) Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability and leave encashment are defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of each financial year.

Short-term compensated absences are provided for on estimates. Long-term compensated absences are provided for based on actuarial valuation on projected unit credit method made at the end of each financial year.

In respect of ICNCL, gratuity which is in the nature of non-contributory defined benefit plan, is administered by the Trustees. Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). ICNCL provides gratuity benefit through annual contributions to a fund managed by LIC. Under this plan settlement obligation remains with it, although LIC administers the plan and determines the contribution premium required to be paid by ICNCL. The contribution to the fund with LIC is debited to the provision for gratuity which is created by the difference between the balance in the fund with LIC and the amount of fund required at the end of a relevant period as determined by external actuarial valuation.

In case of MCCNPL, provision for gratuity has not been made on actuarial valuation basis. Further no provision for leave encashment has been made.

Short-term compensated absences are provided for on estimates. Long-term compensated absences are provided for based on actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

n) Income Tax

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the group does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

o) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Employees Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

q) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

r) Cash and Cash Equivalents

Cash & Cash Equivalents in the Balance Sheet comprises cash in hand and at Bank and short-term investments with an original maturity of three months or less.

3. Segment Reporting Polices:

The Group provides Cable Television Network Services, Internet and allied services which is considered as the only reportable segment. The group's operations are based in India.

4. Related Party Disclosure:

(i) Names of Related Parties where control exists:

(a) Individuals having significant influence

Mr. Ashok Mathai Kurien, Mr. Laxmi Goel and Ms. Sushila Goel.

(b) Key Management Personnel:

Mr. Subhash Chandra, Director, Mr. Amit Goenka, Whole-Time Director, Mr. Sudhir Agarwal, Chief Executive Officer, Mr. Arun Kapoor, Director (w.e.f. April 22, 2009), Mr. Parminder Singh Sandhu (w.e.f. from March 25, 2010), Mr. Brijendra Kumar Syngal, Mr. Suresh Kumar Aggarwal (w.e.f. June 1, 2009), Mr. Michael Block (resigned w.e.f. March 25, 2010), Mr. Sanjay Jain (resigned w.e.f. April 25, 2009), Mr. Avnindra Mohan, Director, Mr. V.K. Agrawal, Director, Mr. Suresh Kumar, Director, Mr. Suresh Kumar Sethia, Director, Mr. Sudhir J. Agarwal, Director (w.e.f. April 21, 2009), Mr. Amit Nag, Manager (left w.e.f. December 15, 2009), Mr. B.K. Singh, Director, Mr. R.K. Singh, Director, Mr. Sandeep Kumar Jain, Director, Mr. V.Kumar, Director, Mr. Mukesh Mittal, Director, Mr. S.K. Gupta, Director, Mrs. Sulbha Gaekwad, Director, Mr. P. Sai Babu, Smt. P. Kiranmayee, Mr. Shiv Kumar Gupta, Mr. V.K. Gupta, Mr. Jain Kumar, Mr. Sandeep Kumar Jain.

(ii) Other Related parties with whom transactions have taken place during the year

Agrani Satellite Services Ltd., Dakshin Media Gaming Solutions Pvt. Ltd., Diligent Media Corporation Limited, Dish TV India Ltd., Essel Propack Ltd., Essel Corporate Resources Pvt. Ltd., Integrated Subscriber Management Services Limited, Intrex India Ltd., Pan India Network Infravest Pvt. Ltd., Rama Associates Limited, Zee Entertainment Enterprises Limited, Zee Interactive Learning System, Zee News Limited, Zee Turner Ltd., Churu Trading Co. Private Limited, Essel Minerals Pvt. Ltd., Briggs Trading Company Pvt. Ltd., Ganjam Trading Company Pvt. Ltd., Jayneer Capital Pvt. Ltd., Shree Jarimari Satellite Services, Shree Tisai Satellite Services.

(Rs. million)

Sr. No.	Particulars Nature of Expenses / Names of the Parties	March 31, 2010	Major Parties March 31, 2010	March 31, 2009	Major Parties March 31, 2009
1	Sale. Services and other Recoveries (Net) ZEEL Zee News Ltd. Zee Turner Ltd	223.98	134.60 80.09 0.40	269.65	131.78 123.25 14.61
2	Purchase of Programs, Goods & Services Dish TV India Limited Zee Turner Ltd.	849.71	624.12 184.42	199.82	170.24 --
3	Purchase of Fixed Assets, Capital Goods and Investments Zee Turner Ltd. Dish TV India Ltd.	–	– –	3.84	1.74 2.09
4	Sale of Fixed Assets & Capital Goods Dish TV India Ltd.	75.36	75.18	0.07	0.07
5	Interest Paid Zee News Limited ZEEL Churu Trading Company Private Ltd.	298.25	142.21 127.10 12.57	301.97	127.88 75.18 84.89
6	Advances given Dish TV India Ltd.	–	–	246.60	246.60

Sr. No.	Particulars Nature of Expenses / Names of the Parties	March 31, 2010	Major Parties March 31, 2010	March 31, 2009	Major Parties March 31, 2009
7	Receipts towards advances given Dish TV India Ltd.	15.00	15.00	–	–
8	Loans/Deposits received from Zee News Ltd. Churu Trading Co. Pvt. Ltd. ZEEL	2,616.26	1,876.00 740.26 –	4,591.20	1,018.00 2,023.20 1,550.00
9	Repayment of Loans/Deposits received Churu Trading Co. Pvt. Ltd. Zee News Limited ZEEL	4,411.41	952.50 1,041.00 2,399.72	3,032.50	2,070.00 892.50 70.00
10	Expenses Recovered Zee News Ltd. Zee Turner Ltd. Dish TV India Ltd.	2.13	1.38 0.62 –	8.94	6.90 0.56 1.22
11	Expenses Reimbursed Zee News Limited Zee Turner Limited ZEEL	2.73	1.39 1.05 4.99	8.13	– – 7.97
12	Remuneration to Key Managerial Personnel MCNCL ICNCL	4.33	2.40 1.93	–	– –
13	Balances Outstanding as on 31st March 2010				
a)	Sundry Debtors Zee News Ltd. Dish TV India Limited ZEEL	293.33	151.60 92.60 45.85	420.54	140.47 0.04 270.08
b)	Sundry Creditors ZEEL Shree Tisai Satellite Services Zee Turner Ltd	306.13	12.10 35.72 245.23	437.65	160.91 2.78 261.99
c)	Loans/ Deposits/ Advances given Zee Turner Ltd. Dish TV India Limited Rama Associates Limited	291.67	14.01 226.41 50.03	267.42	13.19 251.96 –
d)	Loans/ Deposits/ Advances received ETC Networks Ltd. Churu Trading Co. Pvt. Ltd. ZEEL Zee News Limited	1,094.04	91.81 13.92 – 988.32	2,687.42	114.52 173.70 2,264.74 –
e)	Interest Accrued on Loans/ Deposits/ Advances received Churu Trading Co. Pvt. Ltd. ZEEL Zee News Limited	150.43	12.56 – 123.15	218.66	50.12 134.98 –
f)	Remuneration to Key Managerial Personnel Deepak Chandnani MCNCL	0.70	– 0.70	18.50	13.90 4.60

5. Leases:

In case of assets taken on lease

Finance Lease

Vehicle obtained on Finance Lease is for 4 years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There is no restriction imposed by the lease arrangements. There are no subleases.

Operating Lease

The Group's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, godowns, stores, etc. These leases are cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease generally is for 11 to 120 months.

(Rs. million)

Particulars	Finance Lease		Operating Lease	
	2010	2009	2010	2009
Total minimum lease payments at the year end	0.80	1.87	–	–
Less: amount representing finance charges	0.29	0.77	–	–
Present value of minimum lease payments	0.51	1.10	–	–
Lease payment for the year	–	–	52.95	70.42
Minimum Lease Payments :	–	–	–	–
Not Later than one year	0.68	1.97	1.82	1.66
Later than one year and not later than five years	1.07	2.41	5.11	6.93
Later than 5 years	–	–	–	–

In case of assets given on Lease

Operating Lease

Set Top Boxes given under Operating Leases are capitalised at an amount equal to cost arrived on weighted average method and the rental income is recognised on equal monthly rental billed to subscriber.

The Group has leased assets to its business associates and other parties by way of cancellable operating lease. The detail of gross book value of such assets, accumulated depreciation and depreciation for the year is as under:

(Rs. million)

Description of Assets	Gross Block	Depreciation for the year ended March 31, 2010	Accumulated Depreciation
Plant and Machinery	99.58	2.89	94.38
Equipments	0.25	0.01	0.23
Furniture and Fixtures	0.07	0.00	0.05
Studio Equipments	0.65	0.05	0.42
Air Conditioners	0.40	0.02	0.07
Set Top Boxes	322.83	53.39	112.90
Total	423.77	56.36	208.05
Previous Year	342.37	41.87	152.65

ICNCL has been leasing out certain portion of its Ground Distribution Network to various parties on terms and conditions as to value and length of the lease set out in the respective contract with the said parties which is flexible. The total lease rental income out of such lease is aggregating to Rs.15.95 million (Previous Year Rs. 11.42 million). The Capital value of such assets is not separately identifiable as the same network is also used for its own cable distributions. The said leases are in the nature of Operating Lease.

6. Earning Per Share:

In accordance with AS - 20 "Earnings Per Share" as notified by Companies (Accounting Standards) Rules, 2006, (as amended) basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Particulars	2010	2009
Weighted average number of equity shares (no.)	274,382,626	225,906,463
Nominal Value of equity shares (Re.)	1	1
Profit/(Loss) after Tax (Rs million)	(1,757.93)	(962.33)
Basic/ Diluted earnings/ (loss) per share (Rs.)	(6.41)	(4.26)

There are potential equity shares as on March 31, 2010 in the form of stock options granted to employees. As these are anti dilutive they are ignored in the calculation of diluted earnings per share and accordingly the diluted earnings per share is the same as basic earnings per share. The Company has issued right shares during the current year. Earnings per share of previous year has accordingly been reinstated as per AS-20 on Earning per share.

7. Taxation:

In accordance with the Accounting Standard 22 on "Accounting for taxes on income" (AS 22) as notified by Companies (Accounting Standards) Rules, 2006, (as amended), deferred tax assets and liability should be recognized for all timing differences in accordance with the said standard.

Further, Deferred Tax Assets are not recognized in standalone financials of Wire and Wireless (India) Limited (Net Rs. 1,781.24 million, Previous Year Rs. 1,131.85 million) since it is not virtually certain that Deferred Tax Assets can be realized against future taxable profits. However, in case of subsidiaries the same are taken as per AS-22.

The break-up of year end deferred tax assets and liabilities into major components of the respective balances in case of WWIL and its subsidiary companies are as follows;

(Rs million)

Particulars	March 31, 2010	March 31, 2009
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	31.10	16.21
Deferred revenue expenses/Other difference	35.08	2.91
Total (A)	66.18	19.12
Deferred Tax Assets		
Unabsorbed Depreciation	503.09	502.36
Carry forward of losses	541.70	206.91
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	14.16	61.04
Provision for doubtful debts	487.14	369.79
Provision for doubtful advances	270.59	
Total (B)	1,845.35	1,140.10
Net Deferred Tax Assets/(Liability) (A-B)	1,779.18	1,120.98

8. Secured Loans**i. Non-Convertible Debentures**

Non-convertible debentures are secured by first ranking pari passu mortgage and/or charge/assignment of all the Company's immovable properties, present and future and all the Company's movable, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, present and future and the Company's cash flow, receivables, bank account (other than the reserve account) wherever mentioned, all monies lying in and to the credit of such account, book debts, revenue of whatsoever nature and where ever arising, present and future and insurance policies. An exclusive charge over the reserve account and all amounts lying there in and the credit thereof, present and future.

ii. Working Capital Finance From Banks

Secured by first pari passu charge on the fixed assets and current assets of the Company. All the loans are further secured by corporate guarantee of Zee Entertainment Enterprises Ltd. (ZEEL).

iii. Term Loan From Banks/Financial Institution

Term loans are secured by mortgage and charge in favour of lender in a form satisfactory to the lender of all the borrowers immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the borrowers current assets. Also secured by corporate guarantee of Zee Entertainment Enterprises Ltd.

iv. Finance lease and Hire Purchase facility

Secured by hypothecation of vehicles.

9. Capital Commitments:

Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) amounting to Rs. 20.60 million (Previous Year Rs. 3.29 million).

10. Contingent Liabilities not provided for

- Claims against the group not acknowledged as debts Rs. 127.93 million (Previous Year Rs. 125.08 million).
- Income Tax matters: Rs. 24.99 million for the assessment year 2004-05. This dispute arose when Assessing Officer (AO) levied a penalty of Rs. 24.99 million in the assessment year 2004-05 based on the additions in the income confirmed by the Commissioner Income Tax (Appeals) CIT(A). On an appeal filed by the Company against the penalty levied by the AO, the CIT(A) has affirmed the penalty and the Company has filed an appeal before the Tribunal against the order of CIT(A).

However, since the Company may contend that all the relevant facts material to the computation of his total income were disclosed in the assessment proceedings, there would be no tax liability.

- iii) In case of ICNCL, the Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on ICNCL's income from cable TV services. It has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, *inter alia*, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized in the books of accounts.
- iv) The Company has undertaken continuing financial support to subsidiaries.
11. In case of ICNCL, pursuant to an Order passed by the Hon'ble Supreme Court, The Entertainment Tax Department, West Bengal, has imposed entertainment/amusement tax, *inter alia*, on Multi System Operators (MSOs) as a percentage of gross receipts from Cable TV service from April, 1998 and has accordingly made Assessments up to 31.03.2006 and raised a demand of Rs. 72.61 million towards Amusement Tax payable. Out of the said Rs. 72.61 million, no provision has been made for Rs. 72.16 million. Against the said unprovided liability of Rs. 72.16 million, it has paid Rs.2 million during the year ended 31.03.2008, Rs. 23.32 million during the year ended 31.03.2009, and 22.49 million during the year ended 31.03.2010 and the same has been debited to profit and loss account for respective years and balance of Rs. 24.35 million is not yet provided and the same shall be provided in the books as and when paid.
12. ICNCL has entered into a Development Agreement (DA) with another company for demolition of the existing building of ICNCL and construction of another building thereon at the terms and conditions set forth in the said DA. ICNCL had received a sum of Rs. 30.00 million as deposit refundable in terms of the said MOU. During the year the said DA has been terminated and said deposit of Rs. 30.00 million has been refunded by ICNCL. Further ICNCL has paid Rs. 3.82 million towards expenses incurred under DA for termination of DA and same has been accounted for as Capital Work In Progress to be capitalized at a future date.
13. ICNCL has entered into a memorandum of understanding dated September 25, 2009 (subsequently amended vide Addendum MOU dated December 30, 2009) during the year with another company M/s. Jay Properties Pvt. Ltd. for purchase of office space in Mumbai, at the terms & conditions set forth in the said MOU. ICNCL has given a sum of Rs. 678.50 million as an advance for the purchase/acquisition of the said Office Space and the same is lying as advance under the Head Advances to Others in Schedule-11 to financial statements.
14. WWTSL has taken over networks on Right to Use basis from Shree Jarimari Star Vision, the partnership concern where one of the directors of WWTSL is a partner, Shree Tisai Satellite Service, proprietary concern of Mrs. Sulbha Gaikwad, Shree Jarimari Satellite Services, proprietary concern of Mr. Ganpat Gaikwad, and Shree Tisai Star Vision. WWTSL is in the process of transferring registrations to itself. Pending the same, it has paid Entertainment tax to Statutory authorities.
15. **Employee Stock Option Plan – ESOP-2007**

The Company instituted the Employee Stock Option Plan – ESOP-2007 to grant equity based incentives to its eligible employees. The ESOP-2007 ("The Scheme") has been approved by the Board of Directors of the Company at their meeting held on June 27, 2007 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on September 18, 2007 to grant aggregating 4,344,355 options (not exceeding 2% of the issued, subscribed and paid up equity share capital of the Company as on March 31, 2007, representing one share for each option upon exercise by the employee of the Company at an exercise price determined by the Board / Remuneration committee. The Scheme covers grant of options to the specified permanent employees of the Company and Directors of the Company, whether Whole time Directors or otherwise as may be decided by the Board. Pursuant to the Scheme, the Remuneration Committee has on July 16, 2009 granted 2,808,800 options (Previous year grant of 150,000 Options on June 16, 2008) to specified eligible employee of the Company at the market price determined as per the SEBI Guidelines.

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

The movement in the options granted to the Employee during the year is set out below:

	Plan 3	Plan 2	Plan 1
Date of grant	July 16, 2009	June 16, 2008	October 22, 2007
Date of Board Approval	July 16, 2009	June 16, 2008	October 22, 2007
Date of Shareholder's approval	-	August 17, 2009	September 18, 2007
Number of options granted	2,808,800	150,000	2,987,300
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period*	Five Years	Five Years	Five Years

* Vesting under the Scheme: not less than one year and not more than five years.

The details of activity under plan 1 have been summarized below:

Particulars	March 31, 2010		March 31, 2009		March 31, 2008	
	Number of options	Weighted Average Ex. Price	Number of options	Weighted Average Ex. Price	Number of options	Weighted Average Ex. Price
Outstanding at the beginning of the year	922,700	39.75	2,818,800	39.75	-	-
Granted during the year	-	-	-	-	2,987,300	39.75
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired/Lapsed during the year	609,400	39.75	1,896,100	39.75	168,500	39.75
Outstanding at the end of the year	313,300	20.00*	922,700	39.75	2,818,800	39.75
Exercisable at the end of the year	125,320	-	184,540	-	-	-
Weighted average fair value of options granted on the date of grant	-	7.61	-	10.88	-	10.88

* Repricing of the exercise price to Rs. 20 in the remuneration committee dated 22-10-2009.

* The Shareholders of the Company in the Annual General Meeting held on August 17, 2009 approved to re-price the unexercised options already granted by the Company under the Employees Stock Option -2007. The Remuneration Committee decided to re-price outstanding stock options at a price of Rs. 20/- being the closing price of the equity shares of the Company on October 21, 2009 at the National Stock Exchange of India Limited.

The details of activity under Plan 2 have been summarized below:

Particulars	March 31, 2010		March 31, 2009	
	Number of Options	Weighted Average Ex. Price	Number of Options	Weighted Average Ex. Price
Outstanding at the beginning of the year	150,000	30.65	-	-
Granted during the year	-	-	150,000	30.65
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-

The details of exercise price for stock options outstanding at the end of the year March 31, 2009:

Expired/Lapsed during the year	1,50,000	30.65	-	-
Outstanding at the end of the year	-	-	150,000	30.65
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-

The details of activity under Plan 3 have been summarized below:

Particulars	March 31, 2010	
	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year	2,808,800	17.45
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/Lapsed during the year	691,400	17.45
Outstanding at the end of the year	2,117,400	17.45
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	-	5
Weighted average fair value of options granted	-	5.76

The details of exercise price for stock options outstanding at the end of the year March 31, 2010 :

Particulars	Plan 1	Plan 2	Plan 3
Range of exercise prices (Rs.)	20.00	30.65	17.45
Number of options outstanding	313,300	-	2,117,400
Weighted average remaining contractual life of options (in years)	3 years	4 Years	5 years
Weighted average exercise price (Rs.)	20.00	30.65	17.45

The details of exercise price for stock options outstanding at the end of the year March 31, 2009 :

Particulars	Plan 1	Plan 2
Range of exercise prices (Rs.)	39.75	30.65
Number of options outstanding	922,700	150,000
Weighted average remaining contractual life of options (in years)	4 Years	5 years
Weighted average exercise price (Rs.)	39.75	30.65

Stock Options Granted:

The weighted average fair value of stock options granted during the year was Rs. 5.76.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2010	March 31, 2009
Weighted average share price	16.05	12.30
Exercise Price	17.45	39.75
Expected Volatility	29.12%	24%
Historical Volatility	29.12%	24%
Life of the options granted (Vesting and exercise period) in years	4 years	4 years
Expected dividends	-	-
Average risk-free interest rate	7.10%	7.79%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures. To allow for the effects of early exercise, it was assumed that the employees will exercise the options after the vesting date when the share price was twice the exercise price.

16. Employee Benefits:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Employer's Contribution to Provident Fund Rs. 14.50 million.

Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are unfunded except in case of ICNCL where the same are funded.

The following table summarizes the components of net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (recognized in the Employee cost)

(Rs million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Current service Cost	3.84	2.54
Interest cost on benefit obligation	1.07	0.82
Expected Return on Plan Asset	(0.10)	(0.09)
Actuarial (gain)/loss recognized in the year	(2.54)	0.65
Net benefit expense	2.37	3.92
Expected return on plan asset	(0.10)	(0.09)
Actual return on plan asset	0.10	0.09

Changes in the present value of the defined benefit obligation are as follows:

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Defined Benefit Obligation at the beginning of the year	10.24	7.57
Current service cost	3.84	2.61
Interest cost	1.07	0.83
Actuarial (gain)/loss	(2.54)	0.70
Benefits paid	(1.55)	(1.47)
Defined Benefit Obligation at the end of the year	11.07	10.24

Changes in the fair value of plan assets are as follows:

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Opening Fair Value of Plan assets as on March 31	1.10	1.06
Expected return	0.10	0.09
Contribution by employers	1.55	1.43
Benefits Paid	(1.55)	(1.47)
Actuarial (gains)/losses	-	-
Assets acquired on acquisition	-	-
Closing Fair Value of Plan Assets	1.21	1.10

The principal assumptions used in determining gratuity for the company's plan are shown below:

(Rs. million)

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Discount Rate (per annum)	8.30%	7.75%
Expected rate of return on assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%

However, in case of one of the subsidiaries (ICNCL), where the gratuity is in the nature of non contributory defined benefit, the following actuarial assumptions have been followed:

Particulars	Gratuity	
	March 31, 2010	March 31, 2009
Expected rate of return on assets (per annum)	7.50%	7.50%
Rate of escalation in salary (per annum)	8.00%	8.00%

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the group's policy for plan asset management.

Amounts for the current and previous four periods are as follows:

(Rs. million)

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Defined benefit obligation	11.07	10.24	7.57	5.94
Plan assets *	1.10	1.10	1.06	0.98
Surplus/(deficit)	9.97	(9.14)	(6.51)	(4.96)

*pertains to ICNCL only (refer note 1(m) of Schedule 22 to financial statements).

17. Movement in Securities Premium Account

(Rs. million)

Particulars	March 31, 2010	March 31, 2009
Opening Balance	-	-
Add: Premium received	2,007.89	-
Less: Utilized to set off right issue expenses	40.28	-
Closing Balance	1,967.61	-

18. Unhedged Foreign Currency Exposure

(Rs. million)

Particulars	March 31, 2010		March 31, 2009	
	Foreign Currency (USD)	Amount in Rs.	Foreign Currency (USD)	Amount in Rs.
Sundry Debtors for carriage fee	0.04	1.69	0.38	19.60
Creditors for Capital Goods	-	-	0.28	14.15

* Closing rate as at March 31, 2010: 1 USD = Rs. 45.14 (March 31, 2009: 1 USD = Rs. 49.95)

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

Loans and Advances to Companies in which Directors are interested

(Rs. million)

Sr. No.	Name of the Enterprise	Balance as on March 31, 2010	Maximum outstanding during the year	Balance as on March 31, 2009	Maximum outstanding during the year
	Associates / Parties in which directors are interested				
1.	Agrani Satellite Services Ltd.	0.22	0.22	0.22	0.22
2.	Dish TV India Ltd.	226.41	226.41	251.96	252.54
3.	ETC Networks Ltd.	0.14	0.14	0.14	0.14
4.	Intrex India Ltd.	–	0.63	0.63	0.63
5.	Zee Interactive Learning Systems Ltd.	0.44	0.44	0.44	0.44
6.	Zee News Ltd.	0.16	0.74	0.52	0.69
7.	Pan India Network Infravest Private Limited	–	0.31	0.31	0.31
8.	Zee Turner Ltd.	14.01	14.01	0.47	0.47

- 20.** The Company has issued 236,222,285 partly paid up equity shares of Re. 1 each at a premium of Rs. 18 per share for cash to the existing equity shareholders of the Company. The terms of payment of right issue are as under:

Particulars	Total amount due (per share)	Towards Share Capital (per share)	Towards Securities Premium (per share)	Total amount	Due on (after the date of allotment, at the option of the Company)
On Application	9	0.50	8.50	2,126	Along with application
On Final call	10	0.50	9.50	2,362	After 6 months but within 12 months
Total	19	1	18	4,488	

The utilization of the right issue proceeds aggregating to Rs. 2,126 million received along with application is as under:

(Rs. million)

Particulars	Amount
Repayment of unsecured loans	1,888
Transponder charges	204
Other operational expenses	34
Total	2,126

The Company has incurred Rs. 40.28 million as right issue expenses (including Rs. 2.37 million as audit fees) which has been set off against securities premium.

- 21.** There is no amount due to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent to which parties have been identified on the basis of information available with the Group.

22. Previous year Comparatives:

Previous year's figures have been regrouped where necessary to confirm to this year's classification.

For **S. R. Batliboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941

For and on behalf of the Board of Directors of
Wire and Wireless (India) Limited

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Place: Gurgaon
Date: May 28, 2010

Sudhir Agarwal
Chief Executive Officer

R. K. Agarwal
Chief Financial Officer

Samir Raval
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	March 31, 2010	March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation, and exceptional items	(1,722.02)	(877.65)
Adjustments for:		
Depreciation/Amortisation	415.71	321.58
Interest Income	(0.35)	(10.41)
Foreign Exchange Fluctuations	(0.91)	6.12
Interest and Finance Expenses	625.62	583.98
Liabilities Written Back	(38.70)	(11.22)
Leave Encashment & Gratuity Provided	(0.20)	5.30
Loss on Sale/Discard of Fixed Assets	36.41	1.50
Preliminary Expenses Written Off	0.43	0.45
Finance Cost Amortised	46.99	15.78
ESOP Cost	-	5.39
Provision for Debtors and Advances	301.72	442.23
Operating profit before working capital changes	(335.30)	483.05
Movement in Working Capital		
Decrease/(Increase) in Sundry Debtors	(688.53)	(683.13)
Decrease/(Increase) in Inventories	1.56	212.75
Decrease/(Increase) in Loans and Advances	(685.57)	(327.64)
Increase/(Decrease) in Current Liabilities	158.63	964.17
Cash Flow from Operating Activities Before tax & prior period adjustment	(1,549.21)	649.20
Net Prior Period Adjustment	0.10	0.96
Old amusement tax liability paid	(22.49)	23.32
Income tax paid (including FBT)	(11.93)	(28.99)
Net Cash Flow from Operating Activities	(1,583.53)	644.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Work-in-Progress	(107.40)	(494.78)
Proceeds from sale of Fixed Assets	78.90	3.44
Purchase of Investments in Subsidiaries	-	(0.20)
Interest Income Received	0.25	1.29
Purchase of Investments	(2.50)	-
Net Cash Flow from Investing Activities	(30.75)	(490.25)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	March 31, 2010	March 31, 2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Finance Expenses paid	(745.45)	(451.26)
Right Issue Expenses	(29.04)	(11.24)
Proceeds from Right Issue Shares	2,126.00	-
Proceeds from Long Term Borrowing	6,491.03	5,555.11
Repayment of Term borrowings	(6,028.55)	(5,247.98)
Proceeds from issuance of Share Capital	-	0.19
Net Cash Flow from Financing Activities	1,813.95	(155.18)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	199.67	(0.94)
Opening Cash and Cash Equivalents	204.71	205.66
CLOSING CASH AND CASH EQUIVALENTS	404.38	204.71
Cash and Cash Equivalents at the end of the year		
Cash on Hand	3.59	19.06
Cheques and Drafts on Hand/Transit	45.21	48.09
Balances with Scheduled Banks on Current Accounts	230.95	96.29
Balances with Scheduled Banks on Deposit Accounts/Margin Money	124.64	41.27
TOTAL	404.38	204.71

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Wire and Wireless (India) Limited

per Yogesh Midha
Partner
Membership No.: 94941

Amit Goenka
Whole-time Director

Arun Kapoor
Director

Place: Gurgaon
Date: May 28, 2010

Sudhir Agarwal
Chief Executive Officer

R. K. Agarwal
Chief Financial Officer

Samir Raval
Company Secretary

**FINANCIAL STATEMENTS
OF SUBSIDIARIES**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report along with the Audited Financial Statement for the year ending on March 31, 2010.

Financial Results:

(Rs. In '000)

Particulars	2009-10	2008-09
Total Income	7,23,327	6,73,224
Expenditure including depreciation	6,75,243	5,56,110
Profit/(Loss) after Depreciation but before Exceptional Items and Tax	48,084	1,17,115
Less: Exceptional Items	22,488	23,320
Profit/(Loss) before Tax	25,596	93,795
Less: Provision for Taxation		
Current Tax	18,623	32,533
Deferred Tax	(8,696)	985
Fringe Benefit Tax	NIL	457
Profit/(Loss) After Tax	15,669	59,820
Less: Prior Period Adjustments	NIL	(986)
Less: Income Tax/FBT in respect of earlier years	NIL	196
Profit/(Loss) after Tax & Prior Period Items	15,669	60,610

Financial Review:

During the financial year ended on 31st March, 2010 the gross income of the Company has increased to Rs.72.33 Crores as compared to Rs.67.32 Crores during the last preceding financial year ended on 31st March, 2009. Whereas, the Net Profit of the Company during the financial year ended on 31st March, 2010 has decreased to Rs.1.57 Crores, as compared to Rs.5.99 Crores in the last preceding financial year ended on 31st March, 2009, which is mainly due to increase in operating expenses, administrative & other expenses. The operating expenses have increase from Rs.44.82 Crores in financial year 2008-09 to Rs.51.02 Crores in financial year 2009-10; administration & other expenses have increased from Rs.6.44 Crores in financial year 2008-09 to Rs.11.88 Crores in financial year 2009-10.

Dividend:

Your Directors do not recommend payment of dividend for the year under review.

Directors and Manager:

During the year under review, Mr.Suresh Kumar Sethiya and Mr.Suresh Kumar will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment. Your Directors have recommended their re-appointment.

During the period under review Mr.V.K.Agarwal had tendered his resignation w.e.f. March 31, 2010, from the office of Director. Further, Mr.Raj Kumar Agarwal has been appointed on the Board of the Company as Additional Director on March 31, 2010 and pursuant to the provisions of Section 260 of the Companies Act, 1956, he will vacate office on the date of ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received by the Company proposing his candidature for the office of the Director.

The terms of office of Mr.Amit Nag as Manager of the Company has expired on March 31, 2010.

Directors' Responsibility Statement:

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the annual accounts on a 'going concern' basis.

Audit Committee :

The Audit Committee consists of:

Mr.A.Mohan;
Mr.Raj Kumar Agarwal; and
Mr.Suresh Kumar.

During the period under review, Mr.Raj Kumar Agarwal has been appointed as member of the Audit Committee in place of Mr.V.K.Agarwal.

The Committee has, inter-alia, the mandate to oversee the Companies financial reporting process and the disclosure of financial information in order to ensure that the financial statements are correct, sufficient and credible. The committee reviewed the independence of both the internal and statutory auditors and expressed its satisfaction with the same. The Committee also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that accounting transactions are in accordance with prevailing laws and regulations. The Committee found no material discrepancy or weakness in the internal control system of the Company.

The Committee recommended the Board re-appointment of M/s.A.K.Tekriwal & Co., Chartered Accountants, Kolkata, as the auditors of the Company for the financial year ending March 31st, 2011. The Committee also recommended the Board that the necessary resolution for re-appointing them as auditors of the Company be placed before the member at the ensuing Annual General Meeting.

Remuneration Committee

The Remuneration Committee consists of:

Mr.A.Mohan;
Mr.Raj Kumar Agarwal; and
Mr.Suresh Kumar.

The Terms of reference of the Remuneration Committee, inter alia, consist of reviewing the over compensation policy, service agreements and other employment conditions of Whole-time-Director(s) /Manager. The remuneration of the Whole-time-Director(s)/Manager is decided by the Board of Directors on the recommendation of the Remuneration Committee as per the remuneration policy of the company within the overall ceiling approved by the shareholders.

During the period under review, Mr.Raj Kumar Agarwal has been appointed as member of the Remuneration Committee in place of Mr.V.K.Agarwal.

Auditors:

M/s.A.K.Tekriwal & Co. Chartered Accountants, Kolkata, statutory auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the said Auditors to the effect that their re-appointment, if made, shall be within the prescribed limit in terms of Section 224 (1B) of the Companies Act, 1956.

Auditors Report:

The observations made by the auditors in their report have been duly explained by way of appropriate notes to the accounts.

Deposit(s):

During the period under review, your Company had neither invited nor accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

Personnel:

The Statutory information pertaining to employees of the Company as required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is attached herewith as an Annexure-I:

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosures as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given below:

a. Conservation of energy

Your Company's business operation do not involves high level energy consumption. Efforts to conserve and optimise the use of energy through improved operational methods, is always being made.

For and on behalf of the Board

b. Technology absorption

Not Applicable. The Company is providing Services only.

(SUDHIR AGARWAL)
Director

(SURESH KUMAR)
Director

c. Foreign exchange earnings and outgo

The particulars regarding foreign exchange earnings and outgo are given in Schedule 12 note 20 to the Notes to the Accounts forming part of the Annual Accounts.

Acknowledgement:

Your Directors place on record their sincere thanks to the Central Government, Bankers and other concerned agencies for their continued co-operation extended to the Company. Your Directors also wish to place on records their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

Place: Kolkata

Date: 18th May, 2010

ANNEXURE TO DIRECTORS' REPORT

I. Information under Section 217(2A) (b)(ii) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010

Sr. No.	Name	Designation /Nature of Duties	Gross Remuneration (Rs. In '000)	Qualification	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Last Employment and Designation
1	Amit Nag	Manager – re-designated as Chief Executive Officer	2166	M .Com, LLB, ICWAI	55	32	July 30, 2003	Modi Entertainment Ltd.- Chief Executive

Notes :

- His appointment is contractual and terminable by notice on either side.
- He is not related to any of the Directors.
- Remuneration includes Salary, Bonus ,Incentive awards, Commission, Allowances, Leave Travel assistance, Medical benefits, Gratuity, Company's contribution to Provident fund and on the basis of Income-tax Rules 1962
- *Remuneration paid is for the period starting from 1st April, 2009 to 15th December, 2009.

For and on behalf of the Board

(SUDHIR AGARWAL)
Director

(SURESH KUMAR)
Director

Place: Kolkata

Date: 18th May, 2010

AUDITORS' REPORT

To,
The Members of **Indian Cable Net Company Limited**

We have audited the attached Balance Sheet of INDIAN CABLE NET COMPANY LIMITED as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for the Year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. 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 from any 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 management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in the Annexure to para 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books of account;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, ***subject to Note No. 9 to Notes to Accounts regarding non-provision of amusement tax liability of Rs. 24349 thousands***, comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956. ***The said non provision has the effect of, the accumulated credit balance in Profit and Loss Account being higher by Rs. 24349 thousands.***
- e) Based on the written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified, as on 31st March, 2010, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and ***subject to Note No. 9 to Notes to Accounts regarding non provision of Amusement Tax liability amounting to Rs. 24349 thousands***, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **A.K. Tekriwal & Co.**
Chartered Accountants

Place: Kolkata
Date: 18th day of May, 2010

(A.K. Tekriwal)
Partner
Membership No. 056362

Annexure referred to in paragraph 2 of our report of even date on the accounts for the year ended 31st March, 2010 of Indian Cable Net Company Ltd.

- i) (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company *except those in ground distribution network and Set Top Boxes including smart cards with Subscribers* for which physical verification is not practicable, have been physically verified by the management during the year and no material discrepancies between book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed asset has not been disposed of by the Company during the year.
- ii) (a) Physical verification of inventory *except Set Top Boxes including smart cards with local cable operators of non-CAS area* has been conducted by the Management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No material discrepancies were noticed in the physical stock as compared with the book records.
- iii) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, Firms or other parties covered in register 301 of the Companies Act, 1956. Hence paragraphs 4(iii) (a) to 4(iii)(g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- vi) The Company has not accepted any deposits from the Public within the meaning of sections 58A and 58AA of the Act and the rules framed thereunder.
- vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956, is not applicable to the Company.
- ix) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, and other material statutory dues with the appropriate authorities. ***In respect of interest and penalties of amusement tax an amount of Rs. 1221 thousand is outstanding as at the last day of the financial year for a period of more than six month from the date it became payable. However, the same has been deposited after the end of financial year on 14th May, 2010.***
- (b) According to the information and explanations given to us and the records of the Company examined by us, there is no disputed liability outstanding as on 31st March, 2010.
- x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year.
- xi) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks or debenture holders. There were no dues to any Financial Institution during the year.
- xii) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund /society. Therefore, paragraph 4(xiii) of the order is not applicable to the Company.
- xiv) In our opinion, Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, paragraph 4(xiv) of the Order is not applicable to the company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) As no fresh term loan has been obtained by the company during the year, paragraph 4(xvi) of the Order is not applicable.
- xvii) On the basis of an overall examination of the balance sheet of the Company and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice versa.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies concerned in the Register maintained u/s 301 of the Act during the year and therefore, paragraph 4(xviii) of the Order is not applicable.
- xix) The Company did not issue any debenture during the year and therefore, paragraph 4(xix) of the Order is not applicable.
- xx) The Company has not raised any money by public issues during the year and therefore, paragraph 4(xx) of the Order is not applicable.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **A.K. Tekriwal & Co.**
Chartered Accountants

(A.K. Tekriwal)
Partner
Membership No. 056362

Place: Kolkata
Date: 18th day of May, 2010

BALANCE SHEET AS AT 31 MARCH , 2010

		(Rs. in '000)	
PARTICULARS	Sch. Ref.	As at March 31, 2010	As at March 31, 2009
Sources of Funds			
Shareholders Fund			
Share Capital	1	100,911	100,911
Reserves and Surplus	2	169,257	153,588
Deferred Tax Liability (Net)		1,932	10,628
TOTAL		272,100	265,127
Application of Funds			
Fixed Assets			
Gross Block	3	365,890	334,390
Less: Accumulated depreciation		128,941	106,715
Net Block		236,949	227,675
Add: Capital work-in-progress		5,370	550
		242,318	228,224
Current Assets, Loans & Advances	4		
Inventories		31,857	39,777
Sundry Debtors		169,619	200,824
Cash and Bank Balances		45,577	32,176
Other Current Assets		179	503
Loans and Advances		777,161	74,322
		1,024,393	347,602
Less: Current Liabilities & Provisions	5		
Current Liabilities		943,273	277,605
Provisions		51,338	33,094
		994,611	310,699
Net Current Assets		29,782	36,903
TOTAL		272,100	265,127
Significant Accounting Policies & Notes to Accounts	12		
Balance Sheet referred in our report of even date.			
Schedules referred to above form an integral part of the balance sheet.			

For **A.K. Tekriwal & Co.**
Chartered Accountants

A.K. Tekriwal
Partner
Membership No. 056362

Place: Kolkata
Date: 18th day of May, 2010

For **Indian Cable Net Co. Ltd.**

Sudhir Agarwal **Suresh Kumar**
Director Director

Atul Kumar Singh
Asstt. Vice President - F & A

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. in '000)	
PARTICULARS	Sch. Ref.	Year ended March 31, 2010	For year ended March 31, 2009
Income			
Income from Sales & Services		718,533	667,528
Other Income	6	4,794	5,696
TOTAL		723,327	673,224
Expenditure			
Operational Expenses	7	510,177	448,208
Personnel Expenses	8	22,364	21,791
Administrative and Other Expenses	9	118,777	64,372
Interest and Financial Expenses	10	1,333	222
Depreciation	3	22,592	21,518
TOTAL		675,243	556,110
Profit/(Loss) Before Exceptional Items and Tax		48,084	117,115
Exceptional Items	11	22,488	23,320
Profit/(Loss) Before Tax		25,596	93,795
Provision for Taxation			
- Current Tax		18,623	32,533
- Deferred Tax		(8,696)	985
- Fringe Benefit Tax		-	457
Profit/(Loss) After Tax		15,669	59,820
Prior Period Adjustments (Net)		-	(986)
Income Tax / FBT in respect of earlier years		-	196
Profit/(Loss) After Tax & Prior Period Items		15,669	60,610
Balance Brought Forward		56,790	(3,820)
		72,459	56,790
Balance Carried to Balance Sheet		72,459	56,790
		72,459	56,790
Basic and diluted earning per share Before Prior Period Item		1.55	5.91
Basic and diluted earning per share After Prior Period Item		1.55	6.01
(Refer Note-4 of Schedule 12)			
Nominal value per share		10	10
Significant Accounting Policies & Notes to Accounts	12		
Profit & Loss A/c referred in our report of even date.			
Schedules referred to above form an integral part of the balance sheet.			

For **A.K. Tekriwal & Co.**
Chartered Accountants

A.K. Tekriwal
Partner
Membership No. 056362

Place: Kolkata
Date: 18th day of May, 2010

For **Indian Cable Net Co. Ltd.**

Sudhir Agarwal **Suresh Kumar**
Director Director

Atul Kumar Singh
Asstt. Vice President- F & A

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

PARTICULARS	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
120,00,000 Equity Share of Rs.10/- each	120,000	120,000
TOTAL	120,000	120,000
Issued, Subscribed and Paid-up		
1,00,91,070 (1,00,91,070) Equity Share of Rs.10/- each fully paid-up in cash	100,911	100,911
TOTAL	100,911	100,911
SCHEDULE 2 : RESERVES & SURPLUS		
Securities Premium (As per last accounts)	96,798	96,798
Profit & Loss Account	72,459	56,790
TOTAL	169,257	153,588

SCHEDULE- 3 : FIXED ASSETS (Rs. in '000)										
Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at April 1, 2009	Addition during the year	Sale/ Adjustments during the year	As at March 31, 2010	As at April 1, 2009	For the year	Sale / Adjustments during the year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Leasehold Land *	6,779	-		6,779	514	64		578	6,200	6,265
Building	6,537	-	6,381	156	327	3	315	15	141	6,209
Plant & Machinery	49,321	1,764	-	51,085	18,348	2,543	-	20,890	30,194	30,973
Ground Distribution Network	194,432	8,209	695	201,946	64,265	4,185	51	68,399	133,547	130,167
Furniture, Fixture & Equipment	8,602	180	-	8,782	2,331	515	-	2,846	5,936	6,271
Computers	17,185	1,929	-	19,113	7,890	2,262	-	10,153	8,961	9,295
Motor Vehicle	192	990	-	1,182	92	19	-	111	1,071	101
Set Top Boxes**	51,342	25,504	-	76,846	12,948	13,001	-	25,948	50,898	38,395
TOTAL	334,390	38,575	7,076	365,890	106,715	22,592	366	128,941	236,949	227,675
Previous Year ('000)	289,100	45,356	67	334,390	85,222	21,518	24	106,715	227,676	203,878

Note : * Leasehold land amounting to Rs. 1905 thousand at Greater Noida is pending registration in the Company's name and no amortisation has been made by the Company in respect of the said lease.

** Set Top Boxes includes Rs. 56,717 thousands (PY 42,864 thousands) given on Operating Lease and depreciation charged on the same is Rs. 20,667 thousands (PY 10,591 thousands) upto 31.03.2010

PARTICULARS	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
SCHEDULE 4 : CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
INVENTORIES (As valued and certified by management)		
Capital Network Inventory	14,252	13,550
Stock of Set Top Boxes and Viewing Cards	17,605	26,227
TOTAL	31,857	39,777
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
More than Six Months		
– Considered good	68,868	28,252
– Considered doubtful	75,391	52,626
Others		
– Considered good	100,750	172,572
– Considered doubtful	4,618	245
	249,627	253,694
Less : Provision for Doubtful Debts	80,008	52,870
	169,619	200,824

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

PARTICULARS	(Rs. in '000)	
	As at March 31, 2010	As at March 31, 2009
SCHEDULE 4 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)		
CASH AND BANK BALANCES		
Cash in hand	42,448	14,768
(Includes Cheque in Hand of Rs. 40623 (thousand)) (2008-09 -Rs. 14306 (thousand))		
Balance with Scheduled Banks		
In Current accounts	1,863	16,138
In Deposits accounts	138	127
(Rs. 27 (thousand) (2008-09-Rs. 25) pledged as performance guarantee)		
In Margin Money	1,128	1,143
(held as margin against bank guarantee)		
TOTAL	45,577	32,176
OTHER CURRENT ASSET		
Income Accrued but not due	179	503
B) LOANS AND ADVANCES		
(Unsecured, Considered good unless otherwise stated)		
Deposits	3,416	3,402
Loans	541	-
Advances (Refer Note No. 15 of Schedule - 12)		
(Recoverable in cash or in kind or for value to be received)		
To Others		
– Considered good	692,681	9,895
– Considered doubtful	1,905	735
	694,586	10,629
Less: Provision for doubtful advances	1,905	735
	692,681	9,895
Advance Tax /Income Tax refundable	55,265	43,981
Service Tax Credit Receivable	22,646	14,497
Balance with Sales Tax Department	2,612	2,547
TOTAL	777,161	74,322
Total Current Asset	1,024,393	347,602
SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors - For Programmes and Goods	175,372	88,541
- For Expenses and other Liabilities	733,835	143,254
Trade Advances and Deposits Received	27,271	15,809
Temporary Overdraft	6,794	-
Security Deposit received against land (refer Note No. 12)	-	30,000
	943,273	277,605
B) PROVISIONS		
For Employee Benefits	2,335	2,692
For Taxation (Including fringe benefit tax)	49,004	30,402
[(MAT credit Set Off during the year-Rs Nil (PY - Rs. 17,887 thousand))]		
	51,338	33,094
TOTAL	994,611	310,699

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

PARTICULARS	(Rs. in '000)	
	For the Year March 31, 2010	For the year March 31, 2009
SCHEDULE 6 : OTHER INCOME		
Interest	248	85
(TDS-Rs. 38 thousand, PY Rs. 17 thousand)		
Miscellaneous & Other Income	1,681	57
Liabilities Written back (Net)	2,865	5,554
TOTAL	4,794	5,696
SCHEDULE 7 : OPERATIONAL EXPENSES		
Pay Channel Subscription	287,260	242,133
Network Management Charges	45,000	45,000
Carriage service charges	144,544	126,809
Repairs & Maintenance- Plant & Machinery	13,444	16,784
Other Operational Expenses	19,781	17,435
Cost of goods sold	148	47
TOTAL	510,177	448,208
SCHEDULE 8 : PERSONNEL COST		
Salaries, Allowances and Bonus	18,002	17,763
Contributions to Provident and other funds	1,433	1,333
Employees Welfare Expenses	2,930	2,695
TOTAL	22,364	21,791
SCHEDULE 9 : ADMINISTRATIVE AND OTHER EXPENSES		
Rent	5,968	5,432
Rates & Taxes	60	1,077
Insurance	40	57
Electricity Charges	4,532	3,826
Legal, Professional & Consultancy Charges	3,917	3,065
Printing & Stationery	558	540
Travelling & Conveyance Expenses	2,105	1,915
Communication Expenses	1,382	1,313
Vehicle hire Expenses	4,034	3,446
Sundry Expenses	2,194	1,098
Repairs & Maintenance - Building	503	293
Repairs & Maintenance - Others	4,493	4,082
SMS start up & Usage Charges	3,292	2,779
Security & Service Charges	7,049	5,994
Advertisement & Publicity	596	764
Commission & Brokerage	660	353
Sales Promotion	2,618	281
Rebates & Discounts	4,995	3,595
Bad Debts	35,362	21,413
Provision for doubtful loans and advances	1,170	-
Provision for doubtful debts	27,138	3,024
Loss on sale/ discard/ demolition of fixed asset	6,112	27
TOTAL	118,777	64,372
SCHEDULE 10 : INTEREST AND FINANCIAL EXPENSES		
Interest on		
Fixed term	-	-
Others	1,181	58
Financing and Other Expenses	151	164
TOTAL	1,333	222
SCHEDULE 11 : EXCEPTIONAL ITEMS		
Amusement Tax - (paid against demand notice for earlier years)	22,488	23,320
TOTAL	22,488	23,320

SCHEDULE 12 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. Significant Accounting Policies

a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

b) Fixed Assets and Depreciation

Fixed assets are stated at their cost of acquisition including financing and associated costs and incidental expenses, if any.

Depreciation on fixed assets is provided at the rates specified in Schedule XIV to the Companies Act 1956 on straight-line method (except Set Top Box which is being depreciated @20% SLM basis).

The Company recovers a part of its ground networking cost up-to the signal injection point of its customers as installation charges which is credited to fixed assets.

Leasehold land is amortized over the effective period of lease.

The Set Top Boxes given on operating lease are amortized over the effective period of lease.

c) Foreign Currency Transaction

Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date(s). Transaction remaining unsettled, other than those contracts covered under forward exchange contracts, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising there-from are adjusted in the Profit and Loss Account except in respect of fixed assets, where the exchange difference is adjusted to the carrying amount of the respective asset.

d) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current or future periods.

e) Employee Benefits

The Company's obligations towards various employee benefits have been recognized as follows:

Short-term benefits:

Cost of accumulating compensated absences that are expected to be availed within a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Cost is computed based on past trends and is not discounted. Hitherto, costs of such compensated absences were recognized when the absences occurred. The financial impact of the change in accounting policy is not significant.

Cost of non-accumulating compensated absences is recognized when absences occur. Costs of other short term employee benefits are recognized on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company.

Post employment benefit

i. Monthly contributions to Provident funds which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund authorities on a monthly basis.

ii. In respect of gratuity which is in the nature of non contributory defined benefit plan, is administered by the Trustees. Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). The Company provides gratuity benefit through annual contributions to a fund managed by LIC. Under this plan settlement obligation remains with the Company, although LIC administers the plan and determines the contribution premium required to be paid by the Company. The annual charge to the P & L is determined by the actuarial valuation done by the certified actuarial valuer appointed by the Company. The contribution to the fund with LIC is debited to the provision for gratuity which is created by the difference between the balance in the fund with LIC and the amount of fund required at the end of a relevant period as determined by external actuarial valuation.

Other Long-term benefits

Cost of a long-term benefit by way of accumulating compensated absence that are expected to be availed after a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Such cost is recognized based on actual valuation of related obligation on the reporting date. Actuarial gains and losses for the period are recognized in the profit and loss account as income or expense.

Termination benefit

Cost of termination benefit recognized only when the company has a present obligation as a result of a past event, it is probable that outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.

f) Borrowing Costs

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred, unless the borrowings are used for acquiring qualifying assets and activities that are necessary to prepare the qualifying assets for its intended use.

g) Inventories

i. Capital Network Inventory: Capital Network Inventory meant for capitalization is valued at cost on simple yearly weighted average method or at net realizable value whichever is lower.

ii. Stock of STB and viewing cards is valued at cost on simple yearly weighted average method or net realizable value whichever is lower.

h) Revenue Recognition

(i) Subscription Income from Cable Service

Subscription Income from Cable Service (net of applicable taxes and duties) are recognized on accrual basis from the date of commencement of supply at the signal injection point(s) of the customers after an initial 'free-viewing' period, if any, as per schedule of rates.

In pursuance of the regulation of Telecom Regulatory Authority of India (TRAI) the Company has implemented Conditional Access System (CAS) in the notified areas and accordingly subscription charges have been accounted in terms of said regulation.

- (ii) Other Services
- Telecast fees are recognized as evenly accruing over the term of the contract of telecast, unless the contracts specify a different basis of recognition of such telecast fees.
 - Income from insertion of advertisements is recognized on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.
 - Income from rendering technical services is recognized on accrual basis when the same is provided.
 - Income from dark fiber leasing is recognized on accrual basis as per terms of the respective contracts.
 - Carriage Income is recognized on accrual basis as evenly accruing over the term of the contract of carriage.
 - Income from broadband services is recognized on accrual basis when the same is provided.
- (iii) Leases
- Assets given under Operating Leases are capitalized at an amount equal to cost arrived on simple average method and the rental income is recognized on an equal monthly rental billed to subscriber. The initial security deposit received has been recognized as current liability net of statutory monthly deduction. The statutory monthly deduction has been recognized as other income.
- (iv) Sales of Set Top Box
- Sale of STB is net of VAT and recognized at the time effecting the delivery.
- i) Taxation
- Income Tax expense (i.e., Current Tax and Fringe Benefit Tax) is determined and provided in the accounts on tax payable method.
- Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of un-absorbed depreciation and carry forward losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- j) Impairment of Assets
- The Carrying of the fixed assets and capital work-in-progress are reviewed at each balance sheet date in accordance with Accounting Standard-28 on "Impairment of Assets" prescribed by the Companies (Accounting Standard) rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date and impairment loss is recognized whenever carrying amount of an asset or cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognized in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.
- k) Earnings Per Share
- Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

II. Notes to Accounts:

(Rs. in '000)

Sr. No.	Particulars	As at March 31, 2010		As at March 31, 2009	
1	Contingent liabilities:				
	(i) for counter guarantees in respect of outstanding bank guarantees & FD pledged		1132		1154
	(ii) Claims against the companies not acknowledged as debts (including subjudice matters) to the extent ascertainable		29849		5580
	(ii) In respect of unexpired contracts		3500		3667
2	Break up of Prior period Adjustment	Exp	Inc.	Exp	Inc
	LCO Expenses	-	-	-	-
	Reversal of Lease Rental income	-	-	-	-
	Pay channel Expenses /Reversal	-	-	295	58
	Reversal of Sale of STB	-	-	-	-
	Subscription Income	-	-	-	491
	Carriage Income	-	-	-	15
	Other Network Receipt	-	-	-	116
	Security Deposit	-	-	24	-
	Communication Expenses	-	-	-	16
	Credit note issued during year for last year billing errors	-	-	3306	-
	Service Tax Liability written back in respect of debtor already written off during FY 04-05 & 05-06.	-	-	-	3915
				3625	4611
3	Managerial Remuneration:				
	Salaries and Allowances		1818		2352
	Contribution to provident and other funds		108		142
	Perquisites and other benefits		2		406
			1928		2900
Note: No Commission is Paid / payable to any director and hence the computation of profit under Section 198 / 349 of Companies Act, 1956 is not required.					

Sr. No.	Particulars	As at March 31, 2010	As at March 31, 2009
4.	Basis of computation of Earnings Per Share:	2009-10	2008-09
	(i) Net Profit (Loss) before prior period item for the year attributable to equity shareholders (Rs'000) (A)	15669	59625
	(ii) Net Profit (Loss) after prior period item for the year attributable to equity shareholders (Rs'000) (B)	15669	60610
	(iii) Weighted average number of equity shares of Rs.10 each outstanding during the year (C)	10091070	10091070
	(iv) Basic and Diluted Earnings Per Share of Rs.10 each before prior period Item(A)/(C)	1.55	5.91
	(v) Basic and Diluted Earnings Per Share of Rs.10 each after prior period Item(B)/(C)	1.55	6.01

(vi) Calculation of weighted average no. of equity shares for 2009-10				
	No. of shares		Days	Proportionate No. of shares
	Allotted	Outstanding		
	Balance at the beginning of the year	10091070	365	3683240550
	Add: Allotment of shares			
			365	3683240550

5. Quantitative Information:

(Rs. in '000)

Particulars	FY 2009-10		FY 2008-09	
	QTY	Amount	QTY	Amount
Opening Stock:				
Set Top Boxes	12127	25603	13092	26031
Viewing Cards	3118	623	5484	1097
Total				27128
Acquisitions/ Productions:				
Set Top Boxes	10740	17025	11669	25664
Viewing Cards	6100	1156	9300	1860
Total				27524
Sales Return :				
Set Top Boxes	107	223	129	194
Viewing Cards	-	-	-	-
Total				194
Sales:				
Set Top Boxes	70	145	23	47
Viewing Cards	-	-	-	-
Total				47
Leased Out/Consumption:**				
Set Top Boxes	12670	25518	12740	26239
Viewing Cards	6915	1361	11666	2333
Total				28572
Closing Stock:				
Set Top Boxes	10234	17187	12127	25603
Viewing Cards	2303	418	3118	624
Total		17605		26227

** Consumption includes inventory written off.

6. (i) The detail of employee benefit for the period in respect of gratuity which is funded defined benefit plan is as under:
a) Component of employer expense

Particulars	As on March 31, 2010	As on March 31, 2009
Current Service Cost	281	238
Interest on defined benefit obligation	173	134
Expected Return on plan assets	(104)	(89)
Net Accrual losses/(gains) recognized in the year	11	206
Past Service Cost	-	-
Losses / (Gains) on "curtailment & Settlement"	-	-
Losses / (Gains) on "Acquisition & Divestiture"	-	-
Effect of the limit Para 59(b)	-	-
Total Included in employer benefit	361	489
Actual Return on plan assets	103	85

- b) Net Asset / (Liability) recognized in the balance sheet as at 31st March 2010.

Particulars	As at March 31, 2010	As at March 31, 2009
Present Value of Funded Obligation	2367	1902
Fair Value of Plan Assets	(1206)	(1102)
Present Value of Unfunded Obligation	-	-
Unrecognized Past Service Cost	-	-
Amount not recognized as asset	-	-
Net Liability	1161	800
Amount in Balance Sheet		
Liability	1161	800
Assets	-	-
Net Liability	1161	800

- c) Reconciliation of Benefit Obligation & Plan Assets for the Period ended

Particulars	March 31, 2010	March 31, 2009
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1902	1368
Current Service Cost	281	237
Interest Cost	173	133
Actuarial Losses / (Gain)	11	202
Past Service Cost		
Actuarial Losses / (Gains) due to curtailment		
Liabilities Extinguished on the settlement		
Liabilities assumed on Acquisition / (Settled on Divestiture)	-	-
Exchange Difference on Foreign Plans		
Benefits Paid	-	(39)
Closing Defined Benefit Obligation	2367	1902
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	1102	1057
Expected Return on Plan Assets	104	89
Actuarial Gain / (Losses)	(0.3)	(4)
Assets Distributed on Settlements	-	-
Contribution by Employer	-	-
Assets acquired on acquisition / (distributed on Divestiture)	-	-
Exchange Difference on Foreign Plans		
Benefits Paid	-	(40)
Closing Fair Value on Plan Assets	1206	1102
Expected Employer Contribution Next Year	700	600

- d. Asset Information of Plan Assets

Category of Assets	March 31, 2010	March 31, 2009
Insurer Managed Fund	100%	100%

- (ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave is Rs.2371 thousand (P.Y Rs.1891 thousand).

- (iii) Actuarial Assumptions

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Discount Rate (p.a.)	8.30%	8.00%
Expected rate of return on Assets	7.50%	7.50%
Salary Escalation Rate (p.a.)	8.00%	8.00%

- a) Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.
- b) Expected rate of return on plan assets is based on our expectation of the average long-term rate of return expected on investment of the fund during the estimated term of obligations.
- c) Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.

7. The Company has timing differences between taxable Income & Accounting Income that originates in one year and is capable of reversal in one or more subsequent years. Accordingly in keeping with the requirement of Accounting Standard (AS)-22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company has provided deferred tax assets and liabilities as on March 31, 2010.

The break-up of year-end deferred tax assets and liabilities into major components of the respective Balance is as under:

(Rs.'000)

Deferred Tax Assets	As on March 31, 2010	As on March 31, 2009
Provision for doubtful debts & Advances	27842	18220
Disallowance u/s 40(a)(ia) capable of reversal during the next year	26	84
Disallowance u/s 43B capable of reversal during the next year	881	2826
Total Deferred Tax Assets (A)	28749	21130
Difference between Tax Depreciation and Book Depreciation	30681	31758
Total Deferred Tax Liability (B)	30681	31758
Net Deferred Tax Liability (B-A)	1932	10628

8. The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the Company's income from cable TV services. The Company has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, *inter alia*, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized by the Company in the books of accounts.
9. Pursuant to an Order passed by the Hon'ble Supreme Court, The Entertainment Tax Department, West Bengal, has imposed entertainment/amusement tax, *inter alia*, on Multi System Operators (MSOs) as a percentage of gross receipts from Cable TV service from April, 1998 and has accordingly made Assessments up to 31.03.2006 and raised a demand of Rs.72611 thousands towards Amusement Tax payable. Out of the said Rs.72611 thousand, no provision has been made for Rs.72158 thousand. Against the said unprovided liability of Rs.72158 thousands, the company has paid Rs.2000 thousand during the year ended 31.03.2008, Rs. 2,33,21 thousands during the year ended 31.03.2009, and 2,24,88 thousand during the year ended 31.03.2010 and the same has been debited to profit and loss account for respective years and balance of Rs.2,43,49 thousand is not yet provided and the same shall be provided in the books as and when paid.
10. The Company has given Set Top Boxes under Operating Lease, particulars of which as required under AS -19 are disclosed here under:

Assets Given at Lease	As at March 31, 2010
i) Total Gross Investment in the leases	18999
Not later than 1 year	3314
Later than 1 year but not later than 5 years	2914
Later than 5 years	Nil

ii) (Rs.'000)

Gross Carrying Amount	Depreciation charged to P/L (CY)	Net Carrying Amount	Impairment Loss	Revenue Recognized in P/L (CY)
56718	9516	36051	NIL	9146

- iii) Significant leasing arrangements:
 - a) No covenant for contingent rent.
 - b) The Company has leased out Set Top Boxes. The Lease period is 5 years after which the legal title will be passed to lessee.
 - c) No restrictive covenants relating to dividend, additional debt and further leasing.
- iv) The Company has been leasing out certain portion of its Ground Distribution Network to various Parties on terms and conditions as to value and length of the lease set out in the respective contract with the said parties which is flexible. The total lease rental income out of such lease is aggregating to Rs.15944 (thousand), (previous year Rs.11418 (thousand)). The Capital value of such Assets are not separately identifiable as the same network is also used by the Company for its own cable distributions. The said leases are in the nature of Operating Lease.

(Rs. in '000)

11. Auditors remuneration (Including Service Tax)	2009-10	2008-09
Audit Fees	143	110
Limited Review fee	-	-
Tax Audit Fees	50	36
Certification, taxation, reports & others	200	127
Reimbursement of Expenses	-	11
	393	284

12. There is no amount due to any Small Scale Industrial Undertakings as at Mar 31, 2010.
13. The Company has not received intimation from vendor regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. And hence disclosures relating to amount unpaid as on March 31, 2010 together with interest paid or payable under this Act have not been given.
14. The Company (ICNCL) has entered into a Development Agreement (DA) with another company for demolition of the existing building of ICNCL and construction of another building thereon at the terms and conditions set forth in the said DA. ICNCL had received a sum of Rs.30000 (thousand) as deposit refundable in terms of the said MOU. During the year the said DA has been terminated and said deposit of Rs.30000 (thousand) has been

refunded by ICNCL. Further ICNCL has paid Rs. 3815 (thousand) towards expenses incurred under DA for termination of DA and same has been accounted for as Capital Work-in-Progress to be capitalized at a future date.

15. Loss on Sale/ Discard/ Demolition of Fixed Assets include an amount of Rs. 6066 thousands, being loss on Demolition of the Existing Office Building Owned by the company in terms of the Development Agreement entered between ICNCL and Olympia IT Park Developers (P) Ltd. which has since been terminated during the year.
16. The Company (ICNCL) has entered into a memorandum of understanding dated September 25, 2009 (subsequently amended vide Addendum MOU dated December 30, 2009) during the year with another company M/s. Jay Properties Pvt. Ltd. for purchase of office space in Mumbai, at the terms & conditions set forth in the said MOU. ICNCL has given a sum of Rs. 678500 thousand as an advance for the purchase / acquisition of the said Office Space and the same is lying as advance under the Head Advances to Others in Schedule-4.
17. Balances of Debtors & Creditors are subject to confirmation.
18. The Company operates in single business segment (cable networking and signal distribution) and therefore there is no reportable segment as per AS-17.
19. In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on March 31, 2010 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.
20. Earnings in Foreign Exchange from sales of services is Rs. NIL [P.Y. Rs. 3,37,08,000/- (including Service Tax of Rs. 37,08,000/-)]
21. Related Party Disclosure:
List of parties where control Exists.
 - a) Holding Company
 - Wire and Wireless (India) Limited
 - b) Fellow Subsidiary Companies
 - Siticable Broadband South Limited
 - Central Bombay Cable Network Limited
 - Wire and Wireless Tisai Satellite Ltd.
 - Master Channel Community Network Pvt. Ltd
 - c) Key Managerial Personnels

• Mr. Avnindra Mohan	Director
• Mr. V. K. Agarwal	Director
• Mr. Suresh Kumar	Director
• Mr. Suresh Kumar Sethia	Director
• Mr. Sudhir J. Agarwal	Director (w.e.f. – 21.04.2009)
• Mr. Amit Nag	Manager (left w.e.f – 15.12.2009)

Transactions with related parties.

- a) Transaction with holding Co.

(Rs. in '000)

Particulars	Holding Company
Expenses paid by	407
Expenses paid on behalf of	3858
Payment for purchase of material /services	80102
Purchases of material/ services	76083
Sale of service /material	10160
Advances Received	625598
Outstanding as on 31/03/09 (Credit)	624940

- b) Transaction with key managerial persons

Remuneration paid to manager	1928
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22. Previous year's figures have been regrouped and/or rearranged wherever necessary.

For **A.K. Tekriwal & Co.**
Chartered Accountants

A.K. Tekriwal
Partner
Membership No. 056362

Place: Kolkata
Date: 18th day of May, 2010

For **Indian Cable Net Co. Ltd.**

Sudhir Agarwal	Suresh Kumar
Director	Director

Atul Kumar Singh
Asstt. Vice President - F & A

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Year ended 31 March, 2010	(Rs'000) Year ended 31 March, 2009
A. Cash Flow from operating activities:		
Net Profit before taxation and exceptional item	48,084	117,115
Adjustment for :		
Depreciation	22,592	21,518
Loss on sale/disposal/decapitalisation of Fixed Assets	6,112	27
Provision for Retirement Benefit (excess payment over provisions)	(357)	1,173
Provision for Sick leave (written back)	-	(872)
Liability no longer required written back (Net)	(2,865)	(4,682)
Provision for doubtful debts & Advances	28,308	3,024
Inventory written off	-	2
Interest on Fixed Deposit	(248)	(85)
Operating profit before working capital changes	101,625	137,219
Change in working capital		
Decrease/(Increase) in Trade and other receivable	(688,335)	(131,565)
Decrease/(Increase) in Inventories	8,400	181
Increase/(Decrease) in Trade payable and other liabilities	668,534	89,786
Cash Generation from Operating Activities before exceptional item	90,224	95,621
Old amusement tax liability paid	(22,488)	(23,320)
Cash Generation from Operating Activities after exceptional item	67,736	72,302
Net Prior Period Adjustment	-	986
Cash Generation from Operating Activities after Prior Period Item	67,736	73,287
Income Tax Paid (including TDS)	(11,252)	(21,946)
FBT Paid	(53)	(545)
Net Cash Generation from operating Activities	56,431	50,796
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets/Capital work in Progress	(43,395)	(45,356)
Sale of Fixed Assets/Decapitalisation	116	15
Interest on Fixed Deposit	248	85
Net Cash deployed in Investing Activities	(43,031)	(45,256)
C. Cash Flow From Financing Activities:		
Net Cash Generation from Financing Activities	-	-
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	13,400	5,539
Cash & Cash Equivalent at the beginning of the year	32,176	26,637
Cash & Cash Equivalent at the end of the year	45,577	32,176

Notes To Cash Flow Statement:

1. Cash & Cash Equivalent includes Cheques in Hand of Rs. 40623 thousand and P.Y. Rs.14306 thousand

Cash Flow Statement referred in our report of even date.

For **A.K. Tekriwal & Co.**

Chartered Accountants

A.K. Tekriwal

Partner

Membership No. 056362

Place: Kolkata

Date: 18th day of May, 2010

For **Indian Cable Net Co. Ltd.****Sudhir Agarwal**

Director

Suresh Kumar

Director

Atul Kumar Singh

Asstt. Vice President - F & A

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details:

Registration Number	21-75754
State Code	21
Balance Sheet Date	31.03.2010

II Capital raised during the year (Amount Rs. in Thosands)

Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placements	Nil

III Position of mobilisation and Deployment of funds (Amount Rs. in Thosands)

Total Liabilities	272100	Total Assets	272100
Sources of funds		Application of funds	
Paid up capital	100911	Net fixed Assets	242318
Reserve & Surplus	169257	Net Current Assets	29782
Secured Loans	-	Miscellaneous Expenditure	-
Unsecured Loans	-	Investments	-
Deferred Tax Liability (Net)	1932	Accumulated Losses	-

IV Performance of the Company (Amount Rs. in Thosands)

Turnover (Including other Income)	723,327	Total Expenditures	697,731
Profit before Tax	25,596	Profit after Tax	15,669
Earning per Share in Rs.	1.55	Dividend Rate	Nil

V Generic Names of Principal products/services of the Company

(As per Monetary Terms)

Item Code No.	Not specified	Description of Service	Cable TV Service
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Cash Flow Statement referred in our report of even date.

For **A.K. Tekriwal & Co.**

Chartered Accountants

A.K. Tekriwal

Partner

Membership No. 056362

Place: Kolkata

Date: 18th day of May, 2010

For **Indian Cable Net Co. Ltd.**

Sudhir Agarwal

Director

Suresh Kumar

Director

Atul Kumar Singh

Asstt. Vice President - F & A

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report along with the Audited Financial Statement for the year ending on 31st March, 2010:

Financial Results:

Amount in (Rs.)

PARTICULARS	31.03.2010	31.03.2009
Total Income	42,00,000	42,00,000
Expenditures before depreciation	38,21,861	38,66,523
Profit/(Loss) before depreciation and tax	3,78,139	3,33,477
Less Depreciation	81,925	96,759
Profit/(Loss) before tax	2,96,214	2,36,718
Less Provision for taxation	1,26,885	90,298
Add Provisions for Deferred Tax Assets	NIL	9,660
Profit/(Loss) after tax	1,69,329	1,56,080
Balance Brought Forward	65,35,526	63,79,446
Balance carried forward	67,04,855	65,35,526

Financial Review:

During the financial year ended on 31st March, 2010 the Net Profit after Tax of the Company has increased to Rs.1.69 Lakhs as compared to Rs.1.56 Lakhs in the last preceding financial year ended on 31st March, 2009. Your directors are hopeful that the Company will do well in the current financial year.

Dividend:

Your Directors do not recommend payment of dividend for the year under review.

Directors:

Mr. Mukesh Mittal will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. Your Board of Directors has recommended his re-appointment.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, the Board hereby certifies and confirms that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the annual accounts on a 'going concern' basis.

Subsidiary Company:

During the period under review, the Company continued to be the holding company of M/s Master Channel Community Network Pvt. Ltd. (MCCNPL), by holding 1980 equity shares in the equity share capital of MCCNPL, which constitute 66% of total paid-up equity share capital of MCCNPL.

A statement pursuant to Section 212 of the Companies Act, 1956, is annexed hereto as Annexure – I and the same shall form a part of this Directors' Report.

Auditors:

M/s. Gaba & Associates, Chartered Accountants, New Delhi, statutory auditors of the Company had been merged with M/s. Arora Sanjiv Kumar & Co., New Delhi with effect from December 31, 2009, as per the certificate issued by the Institute of Chartered Accountants of India. A copy of said certificate of the Institute of Chartered Accountants of India is enclosed herewith as Annexure - II. Accordingly, M/s Arora Sanjiv Kumar & Co., Chartered Accountants, New Delhi, which have become the statutory auditors of the Company w.e.f. December 31, 2009, shall retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received a letter from the said Auditor to the effect that their re-appointment, if made, shall be within the prescribed limit in terms of Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

Auditors Report:

The observations made by the auditors in their report have been duly explained by way of appropriate notes to the accounts.

Personnel:

Employees information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended : During the year under review there was no employee receiving remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Deposit(s):

During the year under review, your Company had neither invited nor accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

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

The disclosures as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given below:

- Conservation of energy:** Your Company's business operations do not involve high level of energy consumption. Efforts to conserve and optimise the use of energy through improved operational methods, is always being made.
- Technology absorption:** Not Applicable. The Company is providing services only.
- Foreign exchange earnings and outgo:** During the year under review, there were no Foreign Exchange Earnings and outgo.

Acknowledgement:

Your Directors place on record their sincere thanks to the Central Government, Bankers and other concerned agencies for their continued co-operation extended to the Company.

Your Directors also wish to place on record their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

For and on behalf of the Board	
Sd/-	Sd/-
(S.K.GUPTA)	(B.K.SINGH DEO)
Director	Director

New Delhi
26th April, 2010

ANNEXURE - I

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AND FORMING PART OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010

Name of the subsidiary company	Master Channel Community Network Private Limited	
The financial year of the subsidiary company ended on	31st March, 2010	
Extent of holding company's interest %	66.00 %	
Face Value of equity share (per share)	Rs.100/-	
No. of equity shares held by the holding company and / or its subsidiaries	1980	
Net aggregate amount of profits (losses) of the subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company:	For the financial year ended on March 31, 2010 (Amount Rs. In Millions)	NIL
	For the previous financial years of the subsidiary since it became a subsidiary (Amount Rs. In Millions)	NIL
Net aggregate amount of profits (losses) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company:	For the financial year ended on March 31, 2010 (Amount Rs. In Millions)	6.57
	For the previous financial years of the subsidiary since it became a subsidiary (Amount Rs. In Millions)	2.38

For and on behalf of the Board

Sd/-
(S.K.GUPTA)
Director

Sd/-
(B.K.SINGH DEO)
Director

New Delhi
26th April, 2010

ANNEXURE - II

The Institute of Chartered Accountants of India
(Decentralised Office)
PO Box 314, 16/77-B, Civil Lines, (Behind RBI), Kanpur - 208 001.
Tel.: 0512-3989398 Fax: 0512 3011193, 230338
E-mail: cro@icai.org Website: http://www.icai.org

TO WHOMSOEVER IT MAY CONCERN

This is to certify that the under mentioned firm of Chartered Accountants is registered under the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988 made thereunder. The name/s of the Proprietor/Partner therein is/are given below:

Regn. No. (F.R.N.)	507971C
Name of the Firm	M/s. ARORA SANJIV KUMAR & CO
H.O. Address	D-3/3465, VASANTKUNJ NEW DELHI 110070
Address of Branch Offices	GH-13/762, PASCHIM VIHAR, NEW DELHI - 110087 E-149, FIRST FLOOR, OPP. SAINIK VIHAR GALI NO.1, RISHI NAGAR, NEW DELHI 2189/168, TRI NAGAR, DELHI 110035
Year of Establishment	15/10/1984
Date from which it is continuing as a Partnership Firm	21 /03/1991
Constitution of the Firm as on	19/05/2010

Particulars of Partners

Member Name	Membership Number	Admission Date as Partner/ Proprietor	*Deemed Date	FCA Date	ACA Date	Individual Practice/ Association with Other Firm/Occupation	Paid Asst. in same firm From To
MR. GOYAL VIRANDER KUMAR	FCA 083367	15/10/1984	23/01/1984	31/07/1989	23/01/1984		
MR. VYAS AKESH	FCA 084830	25/01/1986	14/01/1986	29/01/1991	14/01/1986		
MR. SANJIV KUMAR ARORA	FCA 086569	22/10/1987	03/08/1987	13/08/1992	03/08/1987		
MR. GABA GULSHAN	FCA 088726	01/04/1990	01/04/1990	26/04/1995	27/01/1990		

Details of Merger

- Firm Registration No. : 004791N
Firm Name : M/s. VIRANDER KUMAR GOYAL & CO
Constitution Date: 15/10/1984
Partners/Proprietor of Merged Firm
(a) MR. GOYAL VIRANDER KUMAR

Merger Date: 31/12/2009
MRN No. 083367
Join Date 15/10/1984
- Firm Registration No. 005955N
Firm Name: M/s. A VYAS & ASSOCIATES
Constitution Date: 25/01/1986
Partners/Proprietor of Merged Firm
(a) MR. VYAS AKESH

Merger Date: 31/12/2009
MRN No. 084830
Join Date 25/01/1986
- Firm Registration No.: 010178N
Firm Name: M/s. GABA & ASSOCIATES
Constitution Date: 01/04/1990
Partners/Proprietor of Merged Firm
(a) MR. GABA GULSHAN

Merger Date: 31/12/2009
MRN No. 088726
Join Date 01/04/1990

Dr. Surinder Pal
(Sr. Deputy Director)

AUDITORS' REPORT

The Members,

Central Bombay Cable Network Limited

Ladies and Gentlemen,

1. We have audited the attached Balance Sheet of CENTRAL BOMBAY CABLE NETWORK LIMITED as at March 31, 2010 and also the Profit and Loss account and Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's 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 Standard 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 materials mis-statement. An audit also includes assessing the accounting principles used and significant estimate made by 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 issued by the central Government of India in term of sub-section (4A) of Section 227 of Companies Act, 1956, we enclose in the Annexure a statement on the matter Specified in paragraph 4 & 5 of the said order.
4. Further to our comment in the Annexure referred to above, we report that:
 - (i) We have obtained all the information's and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion proper Books of account as required by law have kept by the company so far as appear from our examination of books;

- (iii) The balance sheet and profit and loss account and Cash Flow Statement dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report Comply with accounting standard referred to sub-section (3c) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2010 from being appointed as director in term of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give 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 March 31, 2010.
 - b) In the case of Profit and Loss account, of the profit for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date

For **M/s. Arora Sanjiv Kumar & Co.**
Chartered Accountants

(Gulshan Gaba)

Partner

Membership No. 88726

Place: New Delhi
Date: April 26, 2010

ANNEXURE

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the management during the year but there is no regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - c) During the year the Company has not disposed of any Plant and machinery.
2.
 - a) The Company is not maintaining any inventory.
 - b) N.A.
 - c) N.A.
3.
 - a) The company had taken unsecured loan from its holding company i.e. Wire and Wireless (India) Ltd. The maximum amount involved during the year was Rs. 3,30,93,086/-.
 - b) The Company has not taken any interest bearing loan.
 - c) N.A.
 - d) N.A.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.
5.
 - a) Based on the audit procedure applied by us and according to the information and explanations provided by management, we are of the opinion that the transaction that need to be entered in to the register maintained under Section 301 have been so entered.
 - b) N.A.
6. In our opinion and according to information and explanations given to us there are no transaction exceeding Rs. 5.0 lakhs made in pursuance of contract or arrangements entered in the Register maintained u/s 301 of the Companies Act, 1956.
7. The Company has not accepted any deposits from public under the provision of Section 58 A and 58 AA of Companies Act, 1956 and companies (Acceptance of Deposits) Rule, 1975.
8. The Company is not having paid-up capital exceeding Rs. 50 lakhs and average annual turnover doesn't exceed Rs. 5 crore for a period three consecutive financial years therefore the clause regarding internal audit system doesn't apply to the company.
9. The Central Government has not prescribed for the maintenance of cost records under Section 209 (1) d of the Companies Act, 1956.
10.
 - a) According to the records of the Company, the company is regular in depositing with appropriate authorities undisputed statutory dues.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were outstanding, as at 31-3-2010 for a period of more than six months from the date they became payable.
11. There are no accumulated losses of the company at March 31, 2010.
12. The Company has not availed any secured loan from Bank, financial institution and debenture holders.
13. Based on our audit procedure and on the information and explanations given by management, we are of the opinion that Company has not granted loans and advances on the basis of security by way of pledge of share, debenture and other securities.
14. N.A.
15. The Company has not given any guarantee for loans taken by others from bank or financial institution;
16. The Company has not taken any term loan.
17. According to the information and explanation given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment, No long-term fund have been used to finance short-term assets .
18. Based on over examination of record and information provided to us by management, we report that the Company has not made preferential allotment of share to parties and companies covered in the register maintained under Section (301) of the Act.
19. During the period covered by our audit report, the Company has not issued any debentures. The question of creation of any security in respect of these debenture doesn't arise.
20. The Company has not raised any money by public issue.
21. Based upon the audit procedure performed and 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.

For **M/s. Arora Sanjiv Kumar & Co.**
Chartered Accountants

(Gulshan Gaba)

Partner

Membership No. 88726

Place: New Delhi
Date: April 26, 2010

BALANCE SHEET AS AT MARCH 31, 2010

				(Amount in Rs.)	
		SCHEDULE	March 31, 2010	March 31,2009	
SOURCES OF FUNDS					
Shareholder’s Fund					
Share Capital	A		500,000		500,000
Reserve and Surplus					
Profit and Loss Account	B		6,704,855		6,535,526
Loans Fund					
Unsecured Loan	C		33,093,086		33,057,387
			<u>40,297,941</u>		<u>40,092,913</u>
APPLICATION OF FUNDS					
Fixed Assets					
Net Block					
Gross Block	D		34,982,595	34,982,595	
Less: Depreciation			<u>1,054,933</u>	<u>973,008</u>	34,009,587
Investments	E		258,150		258,150
Current Assets, Loan and Advances					
a) Sundry Debtors	F		700,000	350,000	
b) Cash and Bank Balance			39,822	12,968	
c) Loans and Advances			12,210,539	12,210,539	
d) TDS Recoverable			<u>1,248,688</u>	<u>812,472</u>	
			14,199,049	13,385,979	
Less: Current Liabilities and Provisions	G		8,088,300	<u>6,110,749</u>	5,823,796
Deferred Tax Asset				7,562,183	1,380
Notes on Accounts and Significant Accounting Policies					
	J		<u>40,297,941</u>		<u>40,092,913</u>

In terms our separate Audit Report of even date
For **M/s. Arora Sanjiv Kumar & Co.**
Chartered Accountants

(Gulshan Gaba)
Partner
Membership No. 88726

Place: New Delhi
Date: April 26, 2010

For **Central Bombay Cable Network Ltd.**

S.K. Gupta
Director

B.K. Singh Deo
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		March 31, 2010	March 31, 2009
Right to use Charges	H	4,200,000	4,200,000
		4,200,000	4,200,000
EXPENDITURE	I		
Administrative & Other Exps.		3,821,861	3,866,523
Depreciation		81,925	96,759
		3,903,786	3,963,282
Profit before Taxation		296,214	236,718
Less: Provision for Current Year Tax		126,885	90,298
Profit after Current Year Tax		169,329	146,420
Add: Provision for Deferred Tax Assets		-	9,660
Profit after Deferred Tax		169,329	156,080
Net Profit after Tax		169,329	156,080
Balance Brought Forward		6,535,526	6,379,446
Balance Carried to Balance Sheet		6,704,855	6,535,526

In terms our separate Audit Report of even date
For **M/s. Arora Sanjiv Kumar & Co.**
Chartered Accountants

(Gulshan Gaba)
Partner
Membership No. 88726

Place: New Delhi
Date: April 26, 2010

For **Central Bombay Cable Network Ltd.**

S.K. Gupta
Director

B.K. Singh Deo
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

		(Amount in Rs.)	
		As at March 31, 2010	As at March 31, 2009
SCHEDULE A : SHARE CAPITAL			
Authorised Share Capital			
50,000 Equity Shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid-up			
50,000 Equity Shares of Rs. 10/- each		500,000	500,000
(Held by Wire and Wireless (India) Ltd., the Holding Company)			
SCHEDULE B : RESERVES AND SURPLUS			
Profit and Loss Account		6,704,855	6,535,526
SCHEDULE C : LOANS FUND			
Unsecured Loan			
Loan from Holding Co. - Wire and Wireless (India) Ltd.		32,432,387	33,057,387
WWIL-NOIDA HO		660,699	-
SCHEDULE D : FIXED ASSETS			
Net Block	1		
Gross Block		34,982,595	
Less : Depreciation		<u>1,054,933</u>	<u>34,009,587</u>
		33,927,662	

Detail of Fixed Assets as on March 31, 2010.

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description of Assets	As at 31.03.2009	Addition during the year	Deduction during the year	As at 31.03.2010	Rate of Dep.	Upto 31.03.09	Dep. till 31.03.2010	Upto 31.03.2010	As at 31.03.2010	As at 31.03.09
Goodwill	33,475,175	-	-	33,475,175	-	-	-	-	33,475,175	33,475,175
Networking Assets	1,507,420	-	-	1,507,420	15.33%	973,008	81,925	1,054,933	452,487	534,412
	34,982,595	-	-	34,982,595		973,008	81,925	1,054,933	33,927,662	34,009,587

		(Amount in Rs.)	
		As at March 31, 2010	As at March 31, 2009
SCHEDULE E : INVESTMENTS			
30,000 Equity Shares of Rs. 2/- each fully paid in Indian Cable Net Co. Ltd.			
		60,150	
1,980 Equity Shares of Rs. 100/- each fully paid in Master Channel Community Network Pvt Ltd.			
		<u>198,000</u>	<u>258,150</u>
			258,150
SCHEDULE F : CURRENT ASSETS, LOANS & ADVANCES			
A. Current Assets			
a) Sundry Debtors			
Less than six months		<u>700,000</u>	<u>700,000</u>
			350,000
b) Cash & Bank Balance			
Cash in hand		550	
Balance with Scheduled Bank in HDFC		<u>39,272</u>	<u>39,822</u>
			12,968
C) Loans & Advances			
North Bombay Cable N/w Pvt. Ltd.		210,539	
Variety Entertainment Pvt. Ltd.		<u>12,000,000</u>	<u>12,210,539</u>
TDS Recoverable			12,210,539
			812,472
		<u>14,199,049</u>	<u>13,385,979</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	ANNEXURE	(Amount in Rs.)
	As at March 31, 2010	As at March 31, 2009
SCHEDULE G : CURRENT LIABILITIES		
Creditors for Expenses		
Gaba & Associates	9,112	9,112
Sundry Creditor	2,815,372	2,815,372
Expenses Payable (07-08)	2,291,207	2,291,207
Expenses Payable 08-09, 09-10	36,180	19,538
Payable against Investment	198,000	198,000
WWIL - Noida Expenses Account	2,512	-
WWIL - Expenses Account	372,165	372,165
	5,724,548	5,705,394
Security Deposit	900,000	900,000
TDS Payable	871,569	866,491
Provision for Taxation		
F.Y. 2008-2009 , 09-10	217,183	90,298
	8,088,300	7,562,183

SCHEDULE TO PROFIT AND LOSS ACCOUNT

	As at	
	March 31, 2010	March 31, 2009
SCHEDULE H : INCOME		
Right to use Fee	4,200,000	4,200,000
SCHEDULE I : EXPENDITURE		
Administrative and Other Exps.		
Auditors Remuneration		
- Audit fees	6,742	6,742
- Taxation Matter	2,500	2,500
Professional Charges	1,930	-
Filing Fees	6,800	6,150
Preliminary Expenses W/o	-	531
Legal Expenses	2,512	9,704
Printing and Stationery	600	600
Interest Account	3,800,777	3,840,296
	3,821,861	3,866,523

SCHEDULE J : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The Accounts of the Company are prepared under the historic cost convention and on going concern basis.

2. Revenue Recognition

All incomes and expenses are recognized on Accrual basis in accordance with generally accepted accounting principles.

3. Fixed Assets

Fixed assets are stated at cost less depreciation.

4. Depreciation

Depreciation has been provided as per written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.

5. Miscellaneous Expenditure

The Company amortizes preliminary expenses over 10 years and pre-operative expenses and deferred revenue expenditures etc. over a period of 5 years.

6. Taxation

The provision for current year income tax is made as per the provisions of the Income Tax Act, 1961. The Company has been following Accounting Standard-22, "Accounting for Tax on Income." Accordingly, the net difference of deferred tax assets/liability for the year has been recognized in the Profit and Loss Account.

B. NOTES TO ACCOUNTS

1. Claims against the Company not acknowledged as debt - NIL.
2. Previous year figures have been regrouped/rearranged wherever necessary.
3. Contingent liabilities not provided for - NIL
4. In the opinion of Board, Current Assets are realizable approximately at the value stated in the ordinary course of Business.

5. Payment to Auditors

For Statutory Audit	Rs. 4,495/- (Including Service Tax)
For Tax Audit	Rs. 2,247/- (Including Service Tax)
For Taxation Matters	Rs. 2,500/-

6. Expenditure in Foreign currency is Rs. NIL and company earning in Foreign Exchange is Rs. NIL.

7. Related party Disclosure:

a) Holding Company

- Wire and Wireless (India) Limited

b) Subsidiary Company

- Master Channel Community Network Private Limited

c) Fellow Subsidiary Company

- Indian Cable Net Company Limited
- Siticable Broadband South Limited
- Wire and Wireless Tisai Satellite Limited

d) Key Managerial Personnel

- Mr. B.K. Singh Deo Director
- Mr. S.K. Gupta Director
- Mr. V. Kumar Director
- Mr. Mukesh Mittal Director

8. Related Party Transactions

Sl. No.	Name of the Related Party	Description of Relationship	Nature of Transaction	Amount of Transaction	Balance as on Balance Sheet Date
1	Wire and Wireless (India) Ltd.	Holding Co.	Repayment of Interest free loan	Rs.39,95000/-	Rs.33,093,086/-
2	Wire and Wireless (India) Ltd.	Holding Co.	Reimbursement of expenses	NIL	Rs. 7,49,677/-

9. Accounting for Tax on Income-AS-22

Components of Deferred tax balance are as under:

1. Depreciation:-

Depreciation as per Income Tax Act, 1961	Rs. 58,094/-
Depreciation as per Companies Act, 1956	Rs. 81,925/-
Excess amount of Depreciation as per Companies Act, 1956	Rs. 23,831/-
Net Deferred tax Assets for the year	Rs. 7,364/-

10. Schedule "J" forms an integral part of the balance sheet and has been duly authenticated.

In terms our separate Audit Report of even date

For **M/s. Arora Sanjiv Kumar & Co.**

Chartered Accountants

For **Central Bombay Cable Network Ltd.**

(Gulshan Gaba)

Partner

Membership No. 88726

S.K. Gupta

Director

B.K. Singh Deo

Director

Place: New Delhi

Date: April 26, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Year ended March 31, 2010	(Amount in Rs.) Year ended March 31, 2009
Cash Flow from Operating Activities		
Net Income/(Loss) before Tax	296,214	146,420
Adjustments for:		
Depreciation	81,925	96,759
Amortisation of Preliminary Expenses	-	531
Provision for Income Tax	(126,885)	1,380
Operating Profit before working capital changes	251,254	243,710
Adjustments for:		
(Increase)/decrease in accounts receivable	(350,000)	-
(Increase)/decrease in prepaid and other current assets	(436,216)	(99,631)
Increase/(decrease) in accounts payable	526,117	344,581
Cash Flow from Operating Activities before Taxes	(8,845)	488,660
Taxes Paid	-	-
Net Cash provided by Operating Activities	(8,845)	488,660
Cash Flow from Investing Activities		
Purchase/(sale) of property, plant and equipment		-
Purchase of Investment		(198,000)
Increase/(decrease) in Miscellaneous expenditure		-
Net Cash utilised in Investing Activities		(198,000)
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital		-
Loan from Holding Company	35,699	-
Loan repaid to Holding Company	-	(908,152)
Net Cash provided by Financing Activities	35,699	(908,152)
Net increase in Cash and cash equivalents	26,854	(617,492)
Cash and Cash Equivalents as at 01.04.2009	12,968	630,460
Cash and Cash Equivalents as at 31.03.2010	39,822	12,968

In terms our separate Audit Report of even date
For **M/s. Arora Sanjiv Kumar & Co.**
Chartered Accountants

(Gulshan Gaba)
Partner
Membership No. 88726

Place: New Delhi
Date: April 26, 2010

For **Central Bombay Cable Network Ltd.**

S.K. Gupta
Director

B.K. Singh Deo
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

I		Registration Details	:	
	1	Registration No.	:	102012
	2	State code	:	55
	3	Balance sheet date	:	31.03.2010
			:	
II		Capital Raised during the period	:	(Rs. In Thousands)
	*	Public Issue	:	Nil
	*	Right Issue	:	Nil
	*	Bonus Issue	:	Nil
	*	Private Placement	:	Nil
			:	
III		Position of Mobilisation and Deployment of Funds:	:	
	1	Total Liabilities	:	40,298.00
	2	Total Assets	:	40,298.00
	3	Source of Funds:-	:	
	*	Paid up capital	:	500
	*	Reserves and Surplus	:	6,704.90
	*	Unsecured loans	:	33,093.10
			:	40,298.00
	4	Application of Funds	:	
	*	Net fixed assets	:	33,927.70
	*	Investment	:	258.10
	*	Net Current Assets	:	6,110.80
	*	Net Deferred Tax Assets	:	1.40
			:	40,298.00
IV		Performance of Company	:	
	1	Turnover	:	4,200.00
	2	Total Expenditure	:	3,903.79
	3	Profit before tax	:	296.21
	4	Profit after tax	:	169.33
	5	Dividend rate (in %)	:	Nil
	6	Earning per share (in Rs.)	:	3.38
			:	
V		Generic Names of principal products/services of company (As per monetary terms)		
	1	Item code No. (ITC code)	:	N.A
		Product Description	:	N.A

For M/s Arora Sanjiv Kumar & Co.
Chartered Accountants

(Gulshan Gaba)
Partner
Membership No. 88726

S.K. Gupta
Director

B.K. Singh Deo
Director

Place: New Delhi
Date: April 26, 2010

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Ninth Annual Report together with the audited statement of the Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS:

(Amount in Rs.)

Particulars	March 31, 2010	March 31, 2009
Total Income	9,14,430	17,39,491
Expenditures – excluding depreciation	18,07,002	18,85,708
Profit/(Loss) before depreciation and tax	(8,92,572)	(1,46,217)
Depreciation	45,768	45,770
Profit/(Loss) before tax	(9,38,340)	(1,91,987)
Provision for taxation (FBT)	NIL	204
Profit/(Loss) after tax	(9,38,340)	(1,92,191)
Balance Brought Forward	(46,21,368)	(44,29,177)
Balance carried forward	(55,59,708)	(46,21,368)

FINANCIAL REVIEW:

During the financial year ended on March 31, 2010 the gross income of the Company has decreased to Rs. 9.14 Lakhs as compared to Rs.17.39 lakhs during the last preceding financial year ended on March 31, 2009. Accordingly, the Net Loss of the Company during the financial year ended on March 31, 2010 has increased to Rs. 9.38 Lakhs as compared to Rs.1.92 lakhs in the last preceding financial year ended on March 31, 2009. Your Directors are hopeful that the Company will do well in the current financial year.

DIVIDEND:

Your Directors do not recommend payment of dividend for the year under review.

DIRECTORS:

During the period under review, Mr. Rakesh Kumar Singh, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Board of Directors has recommended his re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, the Board hereby certifies and confirms that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of your Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the annual accounts on a 'going concern' basis.

AUDITORS:

M/s. MGB & Co., Chartered Accountants, Mumbai, the statutory auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate has been received from them to the effect that their re-appointment, if made, shall be within the prescribed limit in terms of Section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT:

The observations made by the auditors in their report have been duly explained by way of appropriate notes to the accounts.

PERSONNEL:

Employees information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended: During the year under review there was no employee receiving remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956:

Pursuant to Section 383A of the Companies Act, 1956, your Company has obtained a Certificate of Compliance from M/s. Vinod Kumar & Associates, Company Secretaries in Whole-Time Practice. The findings of the compliance certificate were entirely satisfactory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosures as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given below:

- Conservation of energy:** Your Company's business operation do not involves high level energy consumption. Efforts to conserve and optimise the use of energy through improved operational methods, is always being made.
- Technology absorption:** Not Applicable. The Company is providing services only.
- Foreign exchange earnings and outgo:** During the year under review, there were no Foreign Exchange Earnings and outgo.

PUBLIC DEPOSITS:

During the period under review the Company had neither invited nor accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to the Central Government, Bankers and other concerned agencies for their continued co-operation extended to the Company.

Your Directors also wish to place on records their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

For and on behalf of the Board

Sd/-
(S. K. Jain)
Director

Sd/-
(R. K. Singh)
Director

Place : New Delhi
Date : May 18, 2010

COMPLIANCE CERTIFICATE

To,
The Members
Siticable Broadband South Limited,
United Mansions, No.39, M.G. Road, III Floor,
Bangalore - 560 001.

We have examined the registers, records, books and papers of Siticable Broadband South Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **ANNEXURE - A** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **ANNEXURE - B** to this certificate, with the Registrar of Companies, Regional Director, Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 6 times on 18th May, 2009; 11th June, 2009; 1st September, 2009, 16th December, 2009, 20th January, 2010 and 31st March, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members, and/or Debenture-holders during the financial year.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 17th July, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book mentioned for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has not entered into contracts under Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. There was no necessity for the Company to obtain necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act.
12. The Company has not issued duplicate share certificates.
13. The Company has:
 - i. delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii. not required to deposit the amount of dividend declared including interim dividend in a separate bank account as no dividend was declared.
 - iii. not required to post warrants for dividends to the members of the Company as no dividend was declared.
 - iv. not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as such instances did not arise.
 - v. Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been duly made.
15. As the Company is a Public Limited Company with paid up share capital less than Rs. 5 Crores, provisions regarding appointment of Managing Director/whole-time Director/Manager under Section 269 read with Schedule XIII to the Act and approval of the Central Government, are not applicable.
16. The Company has not appointment sole-selling agents during the financial year.
17. The Company has not required to obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued shares/debentures/other securities during the financial year.
20. The Company has not bought back shares during the financial year ending 31st March, 2010.
21. There was no necessity for the Company to redeem preference shares/debentures during the year.
22. There was no necessity for the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited deposits under the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending - is/are within the borrowing limits of the Company as per section 293(1)(d) of the Act.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register made for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation, of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to the capital of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company.
32. The Company has not received any amount as security from its employees during the year under certification.
33. The Company has not deducted any contribution towards Provident Fund pursuant to Section 418 of the Companies Act during the year under scrutiny.

For Vinod Kumar & Associates

Vinod Kumar
Company Secretary
C.P. No. 5740

Place: New Delhi
Date: May 18, 2010

ANNEXURE 'A'

Registers as maintained by the Company

Sl. No.	Name of Register	Under Section
1.	Register of Members	150 & 151
2.	Register of Share Transferred	
3.	Minutes Book of Board Meetings & General Meetings	193
4.	Books of Accounts	209
5.	Register of contracts, firms and companies in which Directors are interested	301
6.	Register of Directors, Managing Directors Manager and Secretary	303
7.	Register of Directors' Shareholding	307
8.	Register of Fixed Assets	

ANNEXURE 'B'

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010 :

Sl. No.	Form No.	Filed U/s	For	Roc Receipt No.	Whether filed within prescribed time Yes/No	If delay in filing whether Requisite additional fee paid Yes/No
1.	Balance Sheet	220	2008-2009	P34576413	Yes	No
2.	Annual Return	159	2008-2009	P33739517	Yes	No
3.	Compliance Certificate	383A	2008-2009	P33780453	Yes	No

For Vinod Kumar & Associates

Place: New Delhi
Date: May 18, 2010

Vinod Kumar
Company Secretary
C.P. No. 5740

AUDITORS' REPORT

To,
The Members,
Siticable Broadband South Limited,

1. We have audited the attached Balance Sheet of **Siti Cable Broadband South Limited** as at March 31, 2010, and also the Profit and Loss Account of the company and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 ('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 as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper Books of Accounts as required by Law have been kept by the Company, so far as appears from our examination of those books;

- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account 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 Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and other notes thereon as per Schedule-7, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the loss for the year ended on March 31, 2010.
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **MGB & Co.**
Chartered Accountants

(**L. K. Shrishrimal**)
Partner

M. No. : 72664

Firm Regd. No.101169W

Place: New Delhi
Date : May 18, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT TO THE MEMBERS OF SITI CABLE BROADBAND SOUTH LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at the end of the year and no discrepancy was noticed on such verification.
- (c) The Company has not disposed off a substantial part of the fixed assets.
- (ii) The Company does not have any inventory during the year; hence clause (ii) is not applicable to the Company.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, the requirements of Clause (iii.b), (iii.c) and (iii.d) of paragraph 4 of the Order are not applicable to the Company.
- (b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, the requirements of clause (iii.f) and (iii.g) of paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of stores, fixed assets and for sale of services. We have not observed any continuing failure to correct major weakness in internal control system.
- (v) According to information and explanations given to us, there were no contracts or arrangements the particulars of which are required to be entered into the register in pursuance of Section 301 of the Companies Act.
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. We are informed that no Order has been passed by the Company Law Board.
- (vii) The clause on internal audit system is not applicable on the Company.
- (viii) We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues, as applicable, with appropriate authorities ***though there have been a delay in few cases.***
- According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess and other statutory dues, as applicable, with appropriate authorities were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has accumulated losses exceeding fifty percent of its net worth as at March 31, 2010 and has incurred cash losses in the current as well as in the immediately preceding financial year.
- (xi) The Company has not taken any loan from any financial institution or bank or on debenture.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Societies. Therefore, the provisions of the clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loan during the year; as such clause 4(xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company.
- We report that the no fund raised on short term basis have 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 Companies Act, 1956 during the year.
- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year.

For **MGB & Co.**
Chartered Accountants

(**L. K. Shrishrimal**)
Partner

Place: New Delhi
Date : May 18, 2010

M. No. : 72664
Firm Regd. No.101169W

BALANCE SHEET AS AT MARCH 31, 2010

			(Amount in Rs.)
	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	2,327,500	2,327,500
TOTAL		2,327,500	2,327,500
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block (At Cost)	2	652,184	652,184
LESS: Depreciation		219,770	174,002
Net Block		432,414	478,182
Current Assets, Loans & Advances	3		
Sundry Debtors		823,495	1,021,963
Cash & Bank Balances		713,033	529,950
Loans & Advances		410,066	358,183
		1,946,594	1,910,096
Less: Current Liabilities & Provisions	4	5,617,417	4,694,549
Net Current Assets		(3,670,822)	(2,784,453)
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary Expenses		6,201	12,403
Profit and Loss Account		5,559,708	4,621,368
Deferred Tax (Net) [Refer Note 4]		-	-
Total Application of Funds		2,327,500	2,327,500
Notes on Accounts & Significant Accounting Policies	7		

As per our attached Report of even date
For **MGB & Co.**
Chartered Accountants

For and on behalf of the Board

L. K. Shrishrimal
Partner
Membership No. 72664
Firm Regd. No. 101169W

R. K. Singh
Director

Sandeep Kumar Jain
Director

Place: New Delhi
Date: May 18, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year ended March 31, 2010	(Amount in Rs.) Year ended March 31, 2009
INCOME			
Subscription Income		913,350	1,689,105
Other Income		1,080	50,386
TOTAL		914,430	1,739,491
EXPENDITURE			
Operational Expenses	5	980,391	1,577,611
Administrative & Other Expenses	6	826,611	308,097
Depreciation	2	45,768	45,770
TOTAL Expenditure		1,852,770	1,931,478
LOSS BEFORE TAXATION		938,340	191,987
Provision for Taxation			
- Current Tax		-	-
- Fringe Benefit Tax		-	204
- Deferred Tax (Refer Note 4)		-	-
LOSS AFTER TAX		938,340	192,191
Add: Loss Brought forward from Previous Year		4,621,368	4,429,177
Balance Carried to Balance Sheet		5,559,708	4,621,368
Basic/ Diluted Earning per Share		(93.83)	(19.22)
Notes on Accounts & Significant Accounting Policies	7		

As per our attached Report of even date

For **MGB & Co.**

Chartered Accountants

For and on behalf of the Board

L. K. Shrishrimal

Partner

Membership No. 72664

Firm Regd. No. 101169W

R. K. Singh

Director

Sandeep Kumar Jain

Director

Place: New Delhi

Date: May 18, 2010

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE : 1 SHARE CAPITAL

Authorised :

10,000 Equity Share of Rs.10/- each

23,000 Preference shares of Rs 100/- each

TOTAL

Issued, Subscribed & Paid-up ;

10,000 Equity Share of Rs.10/- each fully Paid-up

(Held by Wire and Wireless (India) Ltd., the Holding Company and it's Nominees)

22,275 0.00 % Fully Convertible Preference Shares of Rs. 100/- each Fully Paid-Up

Notes:

0.00% Fully Convertible Preference shares have been issued for a consideration other than cash and are convertible into Equity Shares of Rs. 10/- each fully paid-up after 180 months from 09.05.2001

TOTAL

SCHEDULE : 2 FIXED ASSETS (At Cost)

	As at March 31, 2010	(Amount in Rs.) As at March 31, 2009
	100,000	100,000
	2,300,000	2,300,000
	<u>2,400,000</u>	<u>2,400,000</u>
	100,000	100,000
	2,227,500	2,227,500
	<u>2,327,500</u>	<u>2,327,500</u>

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Addition	Deductions	As at April 1, 2010	Up to April 1, 2009	For the year	Deductions	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
Plant & Machinery	652,184	-	-	652,184	174,002	45,768	-	219,770	432,414	478,182
CURRENT PERIOD TOTAL	652,184	-	-	652,184	174,002	45,768	-	219,770	432,414	478,182
PREVIOUS YEAR TOTAL	652,184			652,184	82,462	45,770		174,002	478,182	

SCHEDULE : 3

CURRENT ASSETS, LOANS & ADVANCES

A) CURRENT ASSETS

(a) SUNDRY DEBTORS

(Unsecured; Considered good)

More than Six Months

Others

Less: Provision for Doubtful Debts

TOTAL (a)

(b) CASH & BANK BALANCES

Cash in hand

Balance with Scheduled Banks

In Current accounts

TOTAL (b)

TOTAL [A = (a+b)]

B) LOANS & ADVANCES

(Unsecured; Considered good)

(a) Security Deposits

(b) Advances (Recoverable in cash or in kind or for value to be received)

TOTAL (B)

TOTAL (A+B)

	As at March 31, 2010	(Amount in Rs.) As at March 31, 2009
	1,379,998	465,770
	168,355	556,193
	1,548,353	1,021,963
	724,858	-
	<u>823,495</u>	<u>1,021,963</u>
	380,643	242,010
	332,390	287,940
	713,033	529,950
	<u>1,536,528</u>	<u>1,551,913</u>
	250,000	250,000
	160,066	108,183
	410,066	358,183
	<u>1,946,594</u>	<u>1,910,096</u>

SCHEDULE : 4

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

PROVISIONS

Fringe Benefit Tax (Net of Advance Tax)

TOTAL

	5,617,417	4,694,498
	-	51
	<u>5,617,417</u>	<u>4,694,549</u>

SCHEDULE : 5

OPERATIONAL EXPENSES

Subscription Charges

Repairs & Maintenance - Others

Lease Rent

Power & Fuel

TOTAL

	461,448	732,888
	14,000	-
	485,950	809,600
	18,993	35,123
	<u>980,391</u>	<u>1,577,611</u>

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE : 6

ADMINISTRATIVE & OTHER EXPENSES

Licence & Permission
Rent
Communication Expenses
Office Expenses
Postage & Telegrams
Provision for doubtful debts
Legal & Professional Charges
Preliminary Expenses Written off
Bank Charges
Sundry Expenses
TOTAL

	As at March 31, 2010	(Amount in Rs.) As at March 31, 2009
	-	500
	3,000	18,000
	500	3,000
	10,000	-
	500	-
	724,858	-
	79,000	246,200
	6,202	6,202
	-	1,783
	2,551	32,412
	826,611	308,097

SCHEDULES TO THE BALANCE SHEET AS AT 31 MARCH, 2010

SCHEDULE : 7 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Background

The Company is a wholly owned subsidiary of Wire and Wireless (India) Ltd. The Company is in the business of providing cable TV services to the end consumers.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

- The financial statements are prepared on historical cost convention and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

2. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost comprises of the acquisition price, installation and all attributable costs of bringing the asset to its working condition for its intended use.

3. Depreciation

- Depreciation on Fixed Assets is provided at rates prescribed in Schedule XIV of The Companies Act, 1956 (except otherwise stated below) on straight-line method.
- The cable network (other than cable cost) has been considered as continuous process plant.
- Assets other than cable network equipment costing below Rs. 5,000/- are depreciated at 100%.
- Plant & Machinery (cost of cable) is depreciated equally over a period of 10 years.

4. Revenue Recognition

Subscription Income is recognized when the service is rendered.

5. Miscellaneous Expenditure

Preliminary Expenses are written off over a period of ten accounting years.

6. Operating Leases

Lease of assets under which all the risks & rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with respective lease agreements.

7. Taxation on Income:

Income Taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for taxes on Income", (AS 22) issued by the Institute of Chartered Accountants of India. Tax expense comprises current, fringe benefit and deferred. Current tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities, using the applicable tax rate. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent period and are measured using relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealized deferred tax assets to the extent they become reasonably certain or virtually certain of realization, as the case may be.

8. Earning Per Share

Basic earning per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the results would be anti dilutive.

B. NOTES ON ACCOUNTS

1. Going Concern :

The financial statements have been prepared assuming that the Company will continue as a going concern despite erosion of its net-worth. The financial statements do not include any adjustments that might result from the outcome of the uncertainty. The management believes that it is appropriate to prepare these financial statements on the basis of going concern based on financial support assured by the holding Company.

- In the opinion of the Board of Directors the current assets, loans & advances shown in the Balance Sheet as at 31.03.2010 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities is made in the accounts.

- The Company's significant lease arrangements are in respect of operating leases taken for network and equipments. These leases are cancellable/non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease generally is for 1 to 60 months.

Particulars	Year ended March 31, 2010 Amount (Rs.)	Year ended March 31, 2009 Amount (Rs.)
Lease rental charges for the year	4,85,950	8,09,000
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	4,34,100	4,13,352
Later than one year but not later than five years	72,930	5,07,030
Later than five years	-	-

4. Income Tax

- In view of current year loss and brought forward losses and allowances under the Income Tax Act, 1961, no provision for current taxation is considered necessary.
- In accordance with the Accounting Standard 22 on "Accounting for taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position and requirement of the Accounting Standard regarding certainty / virtual certainty, the deferred tax assets and liabilities as on 31.03.2010 have not been recognized. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid Accounting Standard.

5. Micro, Small and Medium Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are nil, based on the information available with the Company.

6. Additional information required to be given pursuant to Part II of Schedule VI to the Companies Act, 1956 are nil or not applicable.

7. Retirement benefits to the employees:

Since there was no employee during end of the year, no provision for the retirement benefits has been considered.

8. Auditors Remuneration (Including in Legal & Professional Charges)

Particulars (Excluding Service Tax)	Year ended March 31, 2010 Amount (Rs.)	Year ended March 31, 2009 Amount (Rs.)
Audit Fee	15,000	15,000
Tax Matters	4,000	2,500
Others For Certification work	25,000	25,000

9. Related Party Disclosures:

- List of Parties where control exists
 - Holding Company
 - Wire and Wireless (India) Limited (Extent of holding-100%)
 - Fellow Subsidiary Companies
 - Central Bombay Cable Network Ltd.
 - Wire and Wireless Tisai Satellite Ltd.
 - Indian Cable Net Company Ltd.
 - Master Channel Community Network Private Limited
 - Key Managerial Personnel
 - Mr. B. K. Singh Deo Director
 - Mr. R. K. Singh Director
 - Mr. Sandeep Kumar Jain Director
- Transactions with Related Parties – Holding Company

Particulars	Year ended March 31, 2010 Amount (Rs.)	Year ended March 31, 2009 Amount (Rs.)
Advances Received from	3,29,730	7,49,579
Repayment of Advances Received	-	2,53,000
Balance Outstanding as on 31.03.2010		
Sundry Creditors	4,00,949	36,71,219

10. Earning per share (EPS)

Particulars	Year ended March 31, 2010 Amount (Rs.)	Year ended March 31, 2009 Amount (Rs.)
Profit/(Loss) after Tax	(9,38,340)	(1,92,191)
Number of Equity Shares	10,000	10,000
Nominal Value of equity shares	10	10
Basic/Diluted Earning Per Share	(93.83)	(19.22)

11. Segmental Reporting

The Company is in the business of providing Cable Television Services to the end consumers, which as per Accounting Standard -17 is considered the only reportable business segment.

Signature to Schedule
As per our attached report of even date

For **MGB & Co.**
Chartered Accountants

L. K. Shrishimal
M. No.: 72664
Partner
Firm Regn. No. 101169W
Place: New Delhi
Dated: May 18, 2010

For and on behalf of the Board

R. K. Singh
Director

Sandeep Kumar Jain
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Year ended March 31, 2010	(Amount in Rs.) Year ended March 31, 2009
Cash Flow from Operating Activities		
Net Income / (Loss) before Tax	(938,340)	(191,987)
Adjustments for:		
Depreciation	45,768	45,770
Provision for Doubtful Debts	724,858	-
Amortisation of Preliminary Expenses	6,202	6,202
Operating Profit before working capital changes	(161,512)	(140,015)
Adjustments for :		
(Increase)/decrease in accounts receivable	(526,390)	(770,804)
(Increase)/decrease in prepaid and other current assets	(51,883)	(47,241)
Increase/(decrease) in accounts payable	593,189	751,267
Cash Flow from Operating Activities before Taxes	(146,596)	(206,793)
Taxes Paid	(51)	(487)
Net Cash Flow from Operating Activities	(146,647)	(207,280)
Cash Flow from Investing Activities	-	-
Net Cash utilised in Investing Activities	-	-
Cash Flow from Financing Activities		
Loan/advance from Holding Company	329,730	749,579
Loan/advance repaid to Holding Company	-	(253,000)
Net Cash provided by Financing Activities	329,730	496,579
Net increase in Cash and Cash Equivalents	183,083	289,299
Cash and Cash Equivalents at the beginning of the year	529,950	240,651
Cash and Cash Equivalents at the end of the year	713,033	529,950
Notes:	-	-
1. Previous year figures have been regrouped/rearranged wherever necessary.		
2. Components of Cash and Cash equivalents at the end of the year:		
Cash in hand	380,643	242,010
Balances with Scheduled Banks in Current Accounts	332,390	287,940
	713,033	529,950

As per our attached Report of even date

For **MGB & Co.**

Chartered Accountants

For and on behalf of the Board

L. K. Shrishrimal

Partner

Membership No. 72664

Firm Regd. No. 101169W

R. K. Singh

Director

Sandeep Kumar Jain

Director

Place: New Delhi

Date: May 18, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration Number	28870
State Code	08
Balance Sheet Date	31.03.2010

II. Capital raised during the year (Amount in Rupees)

Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placements	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rupees)

Total Liabilities	2327500	Total Assets	2327500
Sources of funds			
Paid up capital	2327500	Reserves and Surplus	Nil
Share Application Money	Nil	Secured Loans	Nil
UnSecured Loans	Nil		

Application of funds

Net Fixed Assets	432414	Investments	Nil
Net Current Assets	-3670823	Miscellaneous Expenditure	Nil
Accumulated Losses	5559708		

IV. Performance of the Company (Amount in Rupees)

Turnover (Including other Income)	914430	Total Expenditures	1852770
Profit/(Loss) before Tax	-938340	Profit/(Loss) after Tax	-938340
Earning per Share in Rs.	Nil	Dividend Rate	Nil

V. Generic Names of Three Principal Products/Services of the Company

(As per Monetary Terms)			
Item Code No. (ITC Code)	NA	Product Description	NA

For and on Behalf of the Board

Place: New Delhi
Date: 18th May, 2010

R. K. Singh
Director

Sandeep Kumar Jain
Director

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Third Annual Report and the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS:

The financial performance of the Company for the financial year ended March 31, 2010 is summarized below:

(Rs. '000)

Particulars	2009-2010	2008-2009
Gross Profit / (Loss) before taxation	(42575)	6938
Less: Provision for taxation		
Current and Deferred Tax	171	2290
Profit/ (Loss) after tax	(42746)	4648
Add: Balance in Profit and Loss account	8252	3604
Amount available for appropriations	(34494)	8252
Appropriations:		
Capital Redemption Reserve	0	0
Proposed dividend on Preference Shares	0	0
Tax on Dividend	0	0
Balance carried forward to Balance Sheet	(34494)	8252

OPERATIONAL AND FINANCIAL REVIEW:

The turnover of the Company for the year is Rs. 11,39,33,000 and net loss Rs. 4,27,46,000.

DIVIDEND:

Your Directors have not recommended any dividend on Equity Shares for the period under review.

DIRECTOR:

Mrs. Sulbha Gaikwad retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed and there is no material departure from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period under review;
- the Directors have taken proper and sufficient care 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;

- the Directors have prepared the accounts for the year ended 31st March, 2010 on a 'going concern' basis.

AUDITORS:

Messrs Avinash Raorane & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

PUBLIC DEPOSITS:

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned - Nil

Foreign Exchange Used - Nil

ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for assistance and cooperation received from Banks, Government Authorities and Members during the year under review.

For and on behalf of the Board of Directors

Atul D. Jayavant
Director

Rakesh Kumar Singh
Director

Place: Mumbai
Date: May 7, 2010

AUDITORS' REPORT

To,
THE MEMBERS OF WIRE AND WIRELESS TISAI SATELLITE LIMITED

We have audited the attached Balance Sheet of WIRE AND WIRELESS TISAI SATELLITE LIMITED as at March 31, 2010 and also annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on March 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standard auditing practices 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report)(Amendment) Order, 2004 issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (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 explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the statement referred to in paragraph (1) above, in accordance with provision of Section 227 of the Companies Act, 1956, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) 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 those books and records.

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in Section 211(3C) of the Act.
- e) On the basis of written representation received from directors as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2010 from being appointed as director under Section 274(1)(g) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with Significant accounting policies and 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.
 - i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - ii. In so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date.
 - iii. In so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For A. R. Raorane & Co.
Chartered Accountants

A. R. Raorane
(Proprietor)

Place : Mumbai
Date : May 7, 2010

(Membership No. 40595)

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF WIRE AND WIRELESS TISAI SATELLITE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As per information and explanations given to us the Management has conducted physical verification of fixed assets during the period and no material discrepancies have been noticed on such physical verification. The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. The Company is providing rendering services as multi system operator in cable television network. The inventory in its possession has been physically verified by the management. In our opinion the frequency of the verification is reasonable. The procedure as explained to us and followed by the management for physical verification of inventories is reasonable and adequate in relation to the size of the Company and the nature of its business. According to the information and explanations giving to us, no material discrepancies were noticed on physical verification as compared to book records.
3. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms and other parties covered in the register maintained under Section 301 of the Act. Accordingly paragraph 4(iii) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of components, fixed assets and for sale of goods and services. During the course of audit, we have not observed any continuing major weaknesses in the aforesaid internal controls.
5.
 - a) According to the information and explanations given to us, the particulars of contract or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding a value of Rs. 5,00,000/- with any party during the year, have been made at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. As the Company has not accepted any deposits from the public within the provisions of Section 58A and 58AA of the Act, and rules made thereunder, Clause 4 (vi) of the order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Act, for any services rendered by the Company.
9.
 - a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of provident fund, employees state insurance, service tax, professional tax and entertainment tax.
 - b) According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid statutory dues were payable and outstanding as at March 31, 2010 for the period of more than six months from the date they became payable.
- c) As per the information and explanations given to us the Company does not have any disputed amounts payable in respect of income tax, wealth tax, service tax, professional tax and entertainment tax/cess outstanding for a period of more than six months from the date they became payable.
10. The accumulated losses of the Company exceed fifty percent of its net worth as at the end of the financial year. The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. The Company did not have any outstanding dues to any financial institutions, banks or debenture holders during the year.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
14. In our opinion and according to the information and explanations given to us, Clause (xv) of the order is not applicable as the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and according to information and explanations given to us the Company has not availed any term loans during the year.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of Balance Sheet of the company, we report that the Company has not made any long-term Investments out of funds raised on short-term basis or vice versa.
18. During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **A. R. Raorane & Co.**
Chartered Accountants

A. R. Raorane
(Proprietor)
(Membership No. 40595)

Place : Mumbai
Date : May 7, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	500	500
Reserves and Surplus	2	-	8,252
		<u>500</u>	<u>8,752</u>
Deferred Tax Liability (Net)		<u>416</u>	<u>245</u>
TOTAL		<u><u>916</u></u>	<u><u>8,997</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	16,909	14,260
Less: Accumulated Depreciation/Amortization		<u>2,613</u>	<u>1,158</u>
Net Block		<u>14,296</u>	<u>13,102</u>
Capital Work-in-Progress		-	350
		<u>14,296</u>	<u>13,452</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	4	143	-
Sundry Debtors	5	46,790	47,926
Cash and Bank Balances	6	4,902	9,772
Loans and Advances	7	5,990	5,848
		<u>57,825</u>	<u>63,546</u>
Less:			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	105,163	65,622
Provisions	9	<u>543</u>	<u>2,390</u>
		<u>105,706</u>	<u>68,012</u>
NET CURRENT ASSETS		<u><u>(47,881)</u></u>	<u><u>(4,466)</u></u>
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)	10	7	11
Profit and Loss Account		<u>34,494</u>	<u>-</u>
TOTAL		<u><u>916</u></u>	<u><u>8,997</u></u>
Significant Accounting Policies and Notes to Accounts	17		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our attached report of even date

For **A. R. Raorane & Co.**

Chartered Accountants

For and on behalf of the Board

Avinash Raorane

Proprietor

Membership No. 40595

Atul D. Jayavant

Director

Sulbha Gaikwad

Director

Place: Mumbai

Date : May 7, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year ended March 31, 2010	(Rs. in '000) Year ended March 31, 2009
INCOME			
Income from Operations		113,933	168,948
Other Income	11	7	7
		113,940	168,955
EXPENDITURE			
Operational Cost	12	132,983	144,081
Personnel Cost	13	6,602	6,671
Administrative Expenses	14	3,429	4,058
Selling and Distribution Expenses	15	11,996	6,162
		155,010	160,972
OPERATING PROFIT/(LOSS)		(41,070)	7,983
Interest and Finance Charges	16	4	9
Depreciation		1,501	1,036
		1,505	1,045
Profit/(Loss) Before Tax		(42,575)	6,938
Less: Provision for Tax			
- Current Tax		-	1,977
- Deferred Tax		171	168
- Fringe Benefit Tax		-	145
Net Profit/(Loss) after Tax for the Year		(42,746)	4,648
Add: Balance c/f from previous year		8,252	3,604
Balance carried to Balance Sheet		(34,494)	8,252
Earning/(Loss) Per Share: (Rs.)		(855)	161
Basic/Diluted (Nominal value of shares Rs. 10 each)			
Basic & Diluted earnings/(loss) per share			
(Refer Note 2 D of Schedule 16)			
Significant Accounting Policies and Notes to Accounts	17		

The schedules referred to above and notes to account form an integral part of the Profit and Loss Account.

As per our attached report of even date

For **A. R. Raorane & Co.**

Chartered Accountants

For and on behalf of the Board

Avinash Raorane

Proprietor

Membership No. 40595

Atul D. Jayavant

Director

Sulbha Gaikwad

Director

Place : Mumbai

Date : May 7, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
50,000 equity shares of Rs. 10/- each	500	500
	500	500
Issued, Subscribed and Paid-up		
50,000 equity shares of Rs. 10/- each	500	500
Total	500	500
SCHEDULE 2 : RESERVES AND SURPLUS		
Profit and Loss Account		
Total	-	8,252
	-	8,252

SCHEDULE 3 : FIXED ASSETS (at Cost)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
Description	At April 1, 2009	Additions	Deductions	At March 31, 2010	At April 1, 2009	For the Year	Deductions	At March 31, 2010	At March 31, 2010	At March 31, 2009
(A) Tangible Assets										
Plant & Machinery	12,455	3,129	523	15,061	972	1,384	46	2,310	12,751	11,482
Furniture & Fixtures	327	3	-	330	31	21	-	52	278	295
Air Conditioner	334	-	-	334	17	16	-	33	301	317
Computers	173	15	-	188	37	28	-	65	123	136
Vehicles	44	-	-	44	2	4	-	6	38	42
Office Equipment	894	25	-	919	94	43	-	137	782	801
Total - (A)	14,227	3,172	523	16,876	1,153	1,496	46	2,603	14,273	13,073
(B) Intangible Assets										
Software	33	-	-	33	5	5	-	10	23	29
Total - (B)	33	-	-	33	5	5	-	10	23	29
Total (A+B)	14,260	3,172	523	16,909	1,158	1,501	46	2,613	14,296	13,102
Previous Year	3,998	10,262	-	14,260	122	1,036	-	1,158	13,102	

	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
CURRENT ASSETS, LOANS AND ADVANCES		
A) CURRENT ASSETS		
SCHEDULE 4 : INVENTORIES		
Stores and Spares	143	-
Total	143	-
SCHEDULE 5 : SUNDRY DEBTORS		
More than Six Months - Unsecured Considered Good	24,946	15,934
Others - Unsecured Considered good	17,844	31,992
Total	42,790	47,926
SCHEDULE 6 : CASH AND BANK BALANCES		
Cash on hand	243	514
Balance with Scheduled Banks on Current Accounts	4,659	9,258
Total	4,902	9,772
SCHEDULE 7 : LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances Recoverable in cash or in kind or for value to be received	4,727	3,450
Deposit - Other	331	269
Tax Advances	932	2,129
Total	5,990	5,848
SCHEDULE 8 : CURRENT LIABILITIES		
Sundry Creditors : For Expenses and Other Liabilities	105,163	65,622
Total	105,163	65,622

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
SCHEDULE 9 : PROVISIONS		
Provision for Fringe Benefit Tax	-	30
Provision for Gratuity	281	208
Provision for Leave Encashment	262	175
Provision for Taxation	-	1,977
Total	543	2,390
SCHEDULE 10 : MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	7	11
Total	7	11

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

	Year ended March 31, 2010	(Rs. in '000) Year ended March 31, 2009
SCHEDULE 11 : OTHER INCOME		
Other Income	7	7
Total	7	7
SCHEDULE 12 : OPERATIONAL COST / COST OF GOODS		
Pay Channel Subscription	52,366	66,639
Movie Copy Rights	738	792
Other Operational Cost	13,218	10,692
Network Operational Cost	7,861	7,158
Management Fees	58,800	58,800
Total	132,983	144,081
SCHEDULE 13 : PERSONNEL COST		
Salaries, Allowances and Bonus	5,385	5,635
Contribution to Provident and Other Funds	815	880
Staff Welfare Expenses	402	156
Total	6,602	6,671
SCHEDULE 14 : ADMINISTRATIVE EXPENSES		
Rent	693	641
Communication Expenses	595	716
Repairs and Maintenance	141	223
Electricity Expenses and Water Charges	1,130	569
Legal, Professional and Consultancy Charges	201	317
Printing and Stationery	64	67
Security Charges	148	161
Sundry Expenses	258	1,032
Travelling and Conveyance Expenses	195	328
Miscellaneous Expenditure	4	4
Total	3,429	4,058
SCHEDULE 15 : SELLING AND DISTRIBUTION EXPENSES		
Advertisement	71	-
Business Promotion	583	573
Bad Debts written off	11,342	5,589
Total	11,996	6,162
SCHEDULE 16 : INTEREST AND FINANCE CHARGES		
Financing Expenses	4	9
Total	4	9

SCHEDULE 17

(All amounts in thousands of Indian Rupees)

Background:

Wire and Wireless Tisai Satellite Limited (hereinafter referred to as 'the Company' or 'WWTSL') was incorporated on June 1, 2007 to carry on the business of Cable Television Networking business pertaining to distribution/re-transmission of cable Television Signals, Internet, for own business or rent, lease, and/or allow others to use it in part or full. The Company is a Joint venture between Wire and Wireless (India) Limited and Shree Tisai Satellite Services.

1. Statement of Significant Accounting Policies:

A) Basis of preparation:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

B) Use of Estimates:

The preparation of the financial statements in accordance with the generally accepted accounting principles requires that the management 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 the reported amount of revenue and expenses of the period. Actual results could differ from these estimates. Any revision in accounting estimates is recognized prospectively in current and future periods.

C) Fixed Assets:

- (i) Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (ii) Software is capitalized as an intangible asset on meeting recognition criteria.

D) Depreciation/Amortization:

- (i) Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher

	<u>% per annum</u>
Plant and Machinery	10.00
Furniture & Fixtures	06.33
Computers	16.21
Air conditioner	04.75
Office Equipments	04.75
Vehicles	09.50
Software	16.21

E) Impairment:

The Company has assessed at balance sheet date whether there is an indication that an asset has impaired. No such indication existed during the period, and are relied by auditors.

F) Leases:

The Company has not taken any assets on finance/operating lease. Accordingly, Accounting Standard AS 19 on leases is not applicable. The Company has taken various office premises on leases on cancelable leases which are renewable on expiry of lease period.

G) Inventories:

Rs. 143 (Previous Year Rs. NIL) consisting of stores and spares of cable networking materials and are valued at cost. Cost is determined on FIFO basis.

H) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services:

Subscription Revenue and other Services Revenue are recognized on completion of services.

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

Advertisement revenue is recognized when the related advertisement appears before the public. Other advertisement Revenue for slot sale is recognized on period basis.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

I) Miscellaneous Expenditure:

Preliminary Expenditure represents cost incurred in formation of the Company and are amortized equally over a period of 5 years.

J) Retirement and other Employee Benefits:

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are accounted on accrual basis and are charged to the Profit and Loss Account of the period.

Gratuity liability and leave encashment are defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of each financial year.

Actuarial gains/losses are immediately charged to the profit and loss account and are not deferred.

K) Income Tax:

Tax expense comprises of deferred tax. In absence of Income no provision for current income tax has been made.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

L) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

M) Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

2. Notes to Accounts:

A) Capital Work-in-Progress includes:

	2010 (Rs.)	2009 (Rs.)
Material in networking	NIL	350

B) Taxation:

In accordance with the Accounting Standard 22 on "Accounting for taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability are recognized for all timing differences in accordance with the said standard.

Particulars	2010 (Rs.)	2009 (Rs.)
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities/(Assets)		
Differences in depreciation as per tax books and financial books	417	246
Difference of expenditure debited to profit and loss account as per tax books and financial books	(1)	(1)
Closing Net Deferred Tax Liability	416	245

C) Related Party Disclosure:

i) Names of Related Parties where control exists:

Promoter Group

Wire and Wireless (India) Limited
Shree Tisai Satellite Services

ii) Names of Other Related Parties with whom transactions have taken place during the year:

Key Management Personnel

Mrs. Sulbha Gaikwad Director

iii) Enterprises owned or controlled by the Promoter Group:

Shree Tisai Satellite Services
Shree Jarimari Satellite Services

Sr. No.	Particulars Nature of Expenses/Names of the Parties	2010 (Rs.)	2009 (Rs.)
1.	Purchase Services & Expenses		
	Wire and Wireless (India) Limited	30,000	30,000
	Shree Tisai Satellite Service	28,800	28,800
	Mrs. Sulbha Gaikwad	693	641
2.	Balances Outstanding as on March 31, 2010		
a.	Sundry Debtors		
	Shree Jarimari Satellite Services	1,603	1,603
b.	Sundry Creditors		
	Shree Tisai Satellite Services	35,719	2,781
	Wire and Wireless (India) Limited	29,336	16,631
	Mrs. Sulbha Gaikwad	NIL	33

D) Earning Per Share:

In accordance with AS-20 "Earnings Per Share" issued by ICAI, basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the number of shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of share split.

Particulars	2010 (Rs.)	2009 (Rs.)
Number of equity shares (no.)	50,000	50,000
Nominal Value of equity shares (Rs.)	10	10
Profit/(Loss) after Tax	(42,746)	4,648
Basic/Diluted earnings/(loss) per share (Rs.)	(855)	161

There are no potential equity shares as on March 31, 2010 and accordingly the diluted earnings per share is the same as basic earnings per share.

E) Segment Reporting Policies:

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.

- F) The total amount due to small scale industrial undertakings is NIL. There is no amount due to Micro, Small and Medium Enterprises beyond agreed period as per the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding small scale industrial undertakings and Micro, Small and Medium Enterprises have been determined to the extent to which parties have been identified on the basis of information available with the Company.

G) **Employee Benefits**

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	2010 (Rs.)	2009 (Rs.)
Employer's Contribution to Provident Fund	432	417

Defined Benefit Plan

The Company operates the following unfunded post retirement benefit plans:

Gratuity

Leave Encashment

Reconciliation of opening and closing balances of Defined Benefit obligation

	Gratuity		Leave Encashment	
	2010 (Rs.)	2009 (Rs.)	2010 (Rs.)	2009 (Rs.)
Defined Benefit Obligation at the beginning of the year	208	67	175	53
Current service cost	120	67	87	122
Interest cost	25	11	-	-
Contribution by the plan participants	-	-	-	-
Actuarial loss/(gain)	(72)	63	-	-
Benefits paid	-	-	-	-
Defined Benefit Obligation at the end of the year	281	208	262	175

Actuarial assumptions

	Gratuity		Leave Encashment	
	2010	2009	2010	2009
Discount Rate (per annum)	8.30%	7.75%	8.30%	7.75%
Expected rate of return on assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

- H) **Supplementary Statutory Information required to be given pursuant to Part I & II of Schedule VI to the Companies Act, 1956 is as follows:**

Due from the Companies under the same management.

Debtors

Name of the Enterprise	2010 (Rs.)	2009 (Rs.)
Shree Jarimari Satellite Services	1,603	1,603

Auditors Remuneration:

Particulars	2010 (Rs.)	2009 (Rs.)
Audit fees	50	50
Tax Audit fees	20	20
Other Services	25	25

(Amounts are exclusive of service tax)

- I) The Company has taken over networks on Right to Use basis from Shree Jarimari Star Vision, the partnership concern where one of the Directors of the Company is a partner, Shree Tisai Satellite Service, proprietary concern of Mrs. Sulbha Gaikwad, Shree Jarimari Satellite Services, proprietary concern of Mr. Ganpat Gaikwad, and Shree Tisai Star Vision. The Company is in the process of transferring registrations to itself. Pending the same, the Company has paid Entertainment tax to Statutory Authorities.
- J) Sundry Debtors/Creditors, Loans and advances are subject to confirmation/reconciliation.
- K) **Previous year Comparatives:**

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our attached report of even date

For **A. R. Raorane & Co.**
Chartered Accountants

Avinash Raorane
Proprietor
Membership No.: 40595

Place: Mumbai
Date : May 7, 2010

For and on behalf of the Board

Atul D. Jayavant
Director

Sulbha Gaikwad
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Year ended March 31, 2010	(Rs. In '000) Year ended March 31, 2009
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation, after exceptional items	(42,575)	6,938
Adjustments for:		
Depreciation/Amortization	1,501	1,036
Interest and Finance Expenses	4	9
Provision For Gratuity	73	141
Provision for Leave Encashment	87	122
Preliminary Expenses Written Off	4	4
Operating profit before working capital changes	(40,906)	8,250
Decrease/(Increase) in Inventories	(143)	-
Decrease/(Increase) in Sundry Debtors	1,136	(26,858)
Decrease/(Increase) in Loans and Advances	(1,340)	230
Decrease/(Increase) in Current Liabilities	39,541	38,593
Cash Flow From Operating Activities Before Tax	(1,712)	20,215
Taxes paid	(501)	(1,723)
Net Cash Flow From Operating Activities	(2,213)	18,492
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in Fixed Assets/Capital Work-in-Progress	(2,649)	(10,612)
Net Cash Flow from Investing Activities	(2,649)	(10,612)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest and Finance Expenses Paid	(4)	(9)
Miscellaneous Expenditure	(4)	(15)
Receipts- Shareholders Fund	-	400
Net Cash Flow From Financing Activities	(8)	376
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(4,870)	8,256
Opening Cash and Cash Equivalents	9,772	1,516
CLOSING CASH AND CASH EQUIVALENTS	4,902	9,772
Cash and Cash Equivalents at the end of the year		
Cash on Hand	243	514
Balances with Scheduled Banks on Current Accounts	4,659	9,258
TOTAL	4,902	9,772

As per our attached report of even date

For **A. R. Raorane & Co.**

Chartered Accountants

For and on behalf of the Board

Avinash Raorane

Proprietor

Membership No. 40595

Atul D. Jayavant

Director

Sulbha Gaikwad

Director

Place: Mumbai

Date : May 7, 2010

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. **Registration No.:** 171233 **State Code:** 11
Balance Sheet Date : March 31, 2010

II. Capital Raised during the year (Amount in Rs.'000)

Public Issue : NIL **Rights Issue :** NIL
 Bonus Issue : NIL **Private Placement :** NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	916	Total Assets	916
Sources of Funds		Application of Funds	
Paid-up Capital	500	Fixed Assets	14,296
Reserves and Surplus	-	Investments	-
Share Application Money	-	Net Current Assets	(47,881)
Secured Loans		Miscellaneous Expenditure	7
Unsecured Loans		Accumulated Losses	34,494
Deferred Tax Liability	416		

IV. Performance of Company (Amount in Rs. '000)

Turnover	113,940	Total Expenditure	155,010
Profit /(Loss) Before Tax	(42,575)	Profit/(Loss) After Tax	(42,746)
Earning per share in Rs.	(855)	Dividend Rate	
		Equity Share :	
		- Interim	NIL
		- Final	NIL
		Preference Shares :	
		- Interim	Not Applicable
		- Final	Not Applicable

V. Generic names of Principal Products of the Company (as per Monetary Terms)

Item Code No. (ITC Code) N.A.
 Product Description RECEPTION & TRANSMISSION/DISTRIBUTION OF TELEVISION
 SIGNALS IN ANY FORM

For and on behalf of the Board

Atul D. Jayavant
 Director

Sulbha Gaikwad
 Director

Place : Mumbai
 Date : May 7, 2010

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report along with the Audited Financial Statement for the year ending on March 31, 2010.

Financial Results:

(Amount in Rs.)

PARTICULARS	March 31, 2010	March 31, 2009
Income	71,520,896	65,988,781
Expenditure (Including Depreciation)	60,336,233	62,033,515
Profit/(Loss) after Depreciation but before Tax	11,184,663	3,955,266
Provision for Taxation		
Current Tax	16,22,275	252,000
Deferred Tax	(260,830)	NIL
Fringe Benefit Tax	NIL	48,248
MAT Credit Entitlement	(27,150)	NIL
Income Tax Paid	NIL	31,720
Profit/(Loss) after Tax	98,50,368	36,23,298
Prior Period Income	1,00,000	21,219
Net Profit/(Loss)	99,50,368	36,02,079
Previous Years Profit/(Loss)	6,611,418	10,213,497
Balance Carried to Balance Sheet	3,338,950	6,611,418

Financial Review:

During the financial year ended on March 31, 2010 the gross income of the Company has increased to Rs.715.21 lakhs as compared to Rs. 659.89 lakhs during the last preceding financial year ended on March 31, 2009 and the profit (after depreciation but before tax) has increased to Rs.111.84 lakhs as compared to profit (after depreciation but before tax) of Rs.39.55 lakhs in the last preceding financial year ended on March 31, 2009. Your Directors are hopeful that the Company will continue to perform well in the current financial year.

Subsidiary Company:

During the year under review, your Company continued to be subsidiary of Central Bombay Cable Network Limited.

Dividend:

Your Directors do not recommend payment of any dividend for the year under review.

Director:

During the year under review, Mr. S.K. Gupta will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for re-appointment. Your Board of Directors has recommended his re-appointment. During the period under review, your Board of Directors has re-appointed Mr. Sai Babu Potluri and Mrs. Potluri Kiranmayee as Whole-time Director of the Company, subject to the approval of the Company in General Meeting.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, the Board hereby confirms that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the annual accounts on a 'going concern' basis.

Auditors:

M/s. Subhash C. Gupta & Co., Chartered Accountants, New Delhi, statutory auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the said Auditors to the effect that their re-appointment, if made, shall be within the prescribed limit in terms of Section 224(1B) of the Companies Act, 1956.

Auditors Report:

The observations made by the auditors in their report have been duly explained by way of appropriate notes to the accounts.

Deposit(s):

During the year under review, the Company had neither invited nor accepted any deposits within the meaning of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

Personnel:

Employee information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employee) rules, 1975, as amended. During the year under review there was no employee receiving remuneration during the year in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

The disclosures as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given below:

- Conservation of energy:** Your Company's business operation do not involves high level energy consumption. Efforts to conserve and optimise the use of energy through improved operational methods, is always being made.
- Technology absorption:** Not Applicable. The Company is providing services only.
- Foreign exchange earnings and outgo:** During the year under review, there were no Foreign Exchange Earnings and outgo.

Acknowledgement:

Your Directors place on record their sincere thanks to the Central Government, Bankers and other concerned agencies for their continued co-operation extended to the Company.

Your Directors also wish to place on records their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

For and on behalf of the Board

Place: New Delhi
Date: 19th May, 2010

(S.K. Gupta) (S.K. JAIN)
Director Director

AUDITORS' REPORT

To,
The Shareholders,
M/s. Master Channel Community Network Pvt. Ltd.

We have audited the attached Balance Sheet of M/s. Master Channel Community Network Pvt. Ltd. as at March 31, 2010 together with annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 managements, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 as amended, issued by the Central Government of India in terms of sub-section (4 A) of Section 227 of the Companies Act, 1956, we enclose in the annexure – a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments, we report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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 those books.

3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. The said Profit and Loss Account, Cash Flow Statement and the Balance Sheet dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Company Act, 1956 to the extent applicable except AS- 15.
5. On the basis of written representation receipt from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a directors in terms of Section 274 (1)(g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to explanations given to us, the said statement of accounts, read with the notes thereon gives the information required by the Companies Act, 1956 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 Balance Sheet, of the State of affairs of the Company as at March 31, 2010.
 - (b) In the case of Profit and Loss Account, of the Profit of company for the year ended on that date.
 - (c) In case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For **Subhash C. Gupta & Co.**
Chartered Accountants

Manoj Kumar
Partner

Membership No. 504435

Place: New Delhi
Date: May 19, 2010

ANNEXURE

STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records in respect of its fixed assets showing full particular, including quantitative details and situation of fixed assets.

According to the information and explanations given to us the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.

As per the records and information and explanations given to us, no substantial part of fixed assets has been disposed off during the year.

2. The Company did not have any inventory at the end of the financial year. Therefore, the provisions of Clause 4 (ii) of the said order is not – applicable to the Company.
3.
 - a) The Company has granted unsecured loan of Rs. 10,00,000/- (previous year- Nil) to one Party listed in register maintained U/S 301 of the Companies Act, 1956.
 - b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
 - c) In respect of loan granted, repayment of the principal amounts is as stipulated and payment of interest has been regular.
 - d) There is no amount overdue in respect of loans granted to the parties listed in the register maintained U/S 301 of the Act.
 - e) The Company has not taken any Secured/Unsecured loan (Previous Year Rs. 2432363) from the parties listed in the register maintained U/S 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5.
 - a) A register in pursuance of Section 301 of the Companies Act, 1956, has not been produced before us, therefore we are unable to comment on Clause 4 (v) (a) of the said order.
 - b) In view of the foregoing, we are unable to comment on Clause 4 (v) (b) of the said order.
6. The Company has not accepted any deposits from the public to which the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 would apply.
7. The Company is still in the process of setting up an Internal Audit System commensurate with its size and nature of its business.
8. Maintenance of Cost Records under Section 209 (I) (d) of the Companies Act, 1956 has not been prescribed by the – Central Government for this Company.
9.
 - a) To the best of our knowledge and according to the information and explanations given to us, the Company is regular in depositing - undisputed - statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty etc. with the appropriate authorities which was outstanding for a period of more than six months from the date they became payable.

- b) According to the information provided to us there are no dues of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate authority on account of any dispute.
10. The Company does not have accumulated losses and has not incurred cash losses during the year and in the immediately preceding financial year.
11. Based on the examination of the books of account and related records and according to the information and explanations provided to us the Company has not defaulted in repayment of dues to the banks. The Company has not taken any loans from any of the Financial Institutions.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4 (xiii) of the said order are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the said order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
16. The Company has not obtained any term loan. Accordingly, the question of reporting on its application does not arise.
17. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not utilized funds-raised on short-term basis for long-term investment.
18. The Company has not made any preferential – allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the Company does not arise.
19. The Company has not issued any debentures. Accordingly the question of creating security for debentures does not arise.
20. The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
21. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For **Subhash C. Gupta & Co.**
Chartered Accountants

Manoj Kumar
Partner

Membership No. 504435

Place: New Delhi
Date: May 19, 2010

BALANCE SHEET AS AT 31 MARCH , 2010

	Schedule	As at March 31, 2010	(Figures in Rs.) As at March 31, 2009
SOURCE OF FUNDS			
Shareholders' Funds			
Share Capital	A	300,000	300,000
Reserve and Surplus		3,338,950	-
Loan Funds:			
Unsecured Loans	B	55,172	3,157,870
Total		<u>3,694,122</u>	<u>3,457,870</u>
APPLICATION OF FUNDS			
Fixed Assets	C		
Gross Block		24,748,418	23,360,135
Less: Depreciation		12,978,037	11,806,326
Net Block		11,770,381	11,553,809
INVESTMENTS	D	200	200
Deferred Tax Assets		260,830	-
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	E	11,778,692	13,126,243
Cash and Bank Balances	F	2,689,017	1,047,669
Advances and Deposits	G	3,116,331	2,765,024
		17,584,039	16,938,936
Less: Current Liabilities and Provisions	H	25,921,327	31,646,492
Net Current Assets		(8,337,288)	(14,707,558)
Profit and Loss Account		-	6,611,418
Total		<u>3,694,122</u>	<u>3,457,870</u>

As per our report of even date
For **Subhash C. Gupta & Co.**
Chartered Accountants

Manoj Kumar
Partner
Membership No. 504435

Place: New Delhi
Date: May 19, 2010

For and on behalf of the Board

P. Sai Babu
Director

Sandeep Kumar Jain
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year ended March 31, 2010	(Figures in Rs.) Year ended March 31, 2009
INCOME:			
Advertisement Income		2,590,199	2,476,940
Subscription Income		52,839,919	51,454,111
Carriage Income		15,960,903	11,944,261
Other Income		129,876	113,468
Total		71,520,896	65,988,781
EXPENDITURE:			
Operational Expenses	I	48,719,828	52,001,570
Administrative Expenses	J	3,685,554	2,817,862
Personnel Expenses	K	2,846,215	2,914,011
Financial Expenses	L	5,337	157,896
Selling & Distribution Expenses	M	3,907,589	3,016,752
Depreciation		1,171,711	1,125,424
Total		60,336,233	62,033,515
Profit/(Loss) for the year before tax and Exceptional items		11,184,663	3,955,266
Provision for Taxation			
Current Tax		1,622,275	252,000
Deferred Tax		(260,830)	-
Fringe Benefit Tax		-	48,248
MAT Credit Entitlement		(27,150)	-
Income Tax Paid		-	31,720
Prior Period Income		100,000	21,219
Profit/(Loss) for the year after tax		9,950,368	3,602,079
Previous years Profit/(Loss)		(6,611,418)	(10,213,497)
Balance Carried to Balance Sheet		3,338,950	(6,611,418)
Earning per share			
- Basic		3,316.79	1,200.69
- Diluted		3,316.79	1,200.69

As per our report of even date
For **Subhash C. Gupta & Co.**
Chartered Accountants

Manoj Kumar
Partner
Membership No. 504435

Place: New Delhi
Date: May 19, 2010

For and on behalf of the Board

P. Sai Babu
Director

Sandeep Kumar Jain
Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE - A : SHARE CAPITAL

Authorised :

(5000(3000) Equity Shares of Rs.100/- each)

Issued, Subscribed and paid-up Capital:

(3000 (3000) Equity Shares of Rs.100/- each)

Total

(Figures in Rs.)

As at
March 31, 2009

As at March 31, 2010	As at March 31, 2009
500,000	300,000
500,000	300,000
300,000	300,000
300,000	300,000
-	397,330
55,172	2,760,540
55,172	3,157,870

SCHEDULE - B : UNSECURED LOANS

From Directors & Relatives

Others

SCHEDULE - C : STATEMENT OF FIXED ASSETS

(Figure in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2009	Additions during the year	Deduction during the year	As at March 31, 2010	As at April 1, 2009	For the year	Deduction during the year	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Office Equipment	890,070	51,384	-	941,454	402,625	43,093		445,718	495,736	487,445
Computer & Accessories	1,194,892	33,000	-	1,227,892	1,161,939	8,640		1,170,579	57,313	32,953
Plant & Machinery	12,026,244	137,756	-	12,164,000	4,503,270	573,359		5,076,629	7,087,371	7,522,974
Furniture & Fixtures	902,066	32,513	-	934,579	721,563	58,560		780,123	154,456	180,503
Vehicles	153,693	976,630		1,130,323	115,761	91,366	-	207,127	923,196	37,932
Electrical Equipment	164,813	-	-	164,813	87,345	7,829		95,174	69,639	77,468
Studio Equipment	7,548,457	157,000	-	7,705,457	4,565,743	364,869		4,930,612	2,774,845	2,982,714
Buildings	479,900	-	-	479,900	248,080	23,995		272,075	207,825	231,820
Total	23,360,135	1,388,283	-	24,748,418	11,806,326	1,171,711	-	12,978,037	11,770,381	11,553,809

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	As at 31-03-2010	(Figures in Rs.) As at 31-03-2009
SCHEDULE - D : INVESTMENTS:		
Investments in Shares	200	200
	<u>200</u>	<u>200</u>
SCHEDULE - E : SUNDRY DEBTORS:		
Amount receivable for service rendered:		
More than Six Months	6,628,241	4,865,822
Others	5,655,169	10,496,928
	<u>12,283,410</u>	<u>15,362,750</u>
Less: Provision for Doubtful Debts	504,718	2,236,507
	<u>11,778,692</u>	<u>13,126,243</u>
SCHEDULE - F : CASH AND BANK BALANCES:		
Cheque in Hand	455,650	-
Cash in Hand	40,306	290,737
Balances with Scheduled Banks		
SBI Vijayawada	1,206,187	233,399
HDFC Bank	986,873	523,533
	<u>2,689,017</u>	<u>1,047,669</u>
SCHEDULE - G : LOANS & ADVANCES AND DEPOSITS		
Securities Deposit	374,678	374,678
Trade advances	1,964,607	1,931,684
Tax advances	777,046	458,663
	<u>3,116,331</u>	<u>2,765,024</u>
SCHEDULE - H : CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors - For Programmes & Goods	12,149,897	12,341,195
- For Expenses	1,283,953	5,496,568
- Other Liabilities	1,604,858	2,173,784
Trade Advances/Deposits received	2,839,368	1,315,185
Wire and Wireless (India) Ltd.	5,783,362	9,710,941
Provision for		
Income Tax	1,847,125	252,000
Fringe Benefit Tax	-	16,585
Gratuity	412,764	340,235
	<u>25,921,327</u>	<u>31,646,492</u>

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

	Year ended March 31, 2010	(Figures in Rs.) Year ended March 31, 2009
SCHEDULE - I : OPERATIONAL EXPENSES		
Programming Production Expenses	295,954	317,306
Other Operational Expenses	250,034	363,911
Subscription Pay Channel	48,173,840	51,320,353
Lease Rent	-	-
	<u>48,719,828</u>	<u>52,001,570</u>
SCHEDULE - J : ADMINISTRATIVE EXPENSES		
Printing & Stationery Expenses	35,647	43,381
Audit Fee	30,000	25,000
Conveyance Expenses	336,166	448,072
Balances Written off	1,055,043	25,183
Insurance	28,914	14,760
Legal and Professional Charges	156,427	26,852
Licences and Taxes	10,650	220,350
Interest on T.D.S. and Service Tax	105,289	386,962
Loss on sale of Investment/Assets	-	218,687
Filing Fees	8,555	-
Office Expenses	245,376	331,886
Postage and Telegram	569	1,803
Rates and taxes	220,011	21,094
Rent	253,800	256,800
Service Charges	22,500	42,000
Telephone Expenses	80,317	117,244
Travelling Expenses	77,533	102,372
Water and Electricity charges	514,039	535,417
Provision for doubtful debts	504,718	-
	<u>3,685,554</u>	<u>2,817,862</u>
SCHEDULE - K : PERSONNEL EXPENSES		
Salaries	1,987,919	2,032,604
Bonus/Exgratia	128,460	122,300
Remuneration to Managing Director	480,000	480,000
Remuneration to Director	180,000	180,000
Staff Welfare Expenses	69,836	99,107
	<u>2,846,215</u>	<u>2,914,011</u>
SCHEDULE - L : FINANCIAL EXPENSES		
Bank Charges	5,337	23,455
Interest on Unsecured Loans	-	134,441
	<u>5,337</u>	<u>157,896</u>
SCHEDULE - M : SELLING AND DISTRIBUTION EXPENSES		
Commission	2,352,755	1,642,426
Rebates and Discounts	1,420,425	1,282,675
Business Promotion Expenses	134,409	91,651
	<u>3,907,589</u>	<u>3,016,752</u>

SCHEDULE - N : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES
a) Accounting Convention

The financial statements are prepared on historical cost convention and in accordance with the generally accepted accounting principles. The accounting is on the basis of going concern concept. Revenues, Costs, Assets and Liabilities are accounted for on accrual basis.

b) Fixed Assets

Fixed Assets are stated at cost of acquisitions less depreciation and impairment losses if any. Cost of acquisitions comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The depreciation on Fixed Assets are provided at the rates specified in Schedule XIV of the Companies Act, 1956 under straight-line method on Pro-rata basis.

c) Taxation on Income

Income Tax expenses comprises of current tax expense and deferred tax expense or credit Provision for current tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognised for timing differences between taxable income and accounting Income that originate in one period and capable of reversal in one or more subsequent period.

d) Revenue recognition

- a) Subscription revenue and other service revenue are recognised on completion of services.
- b) Advertisement revenue is recognised when the related advertisement appears before the public. Other Advertisement revenue for slot sale is recognised on period basis.
- c) Carriage fees are recognised on accrual basis over the terms of related agreements.

e) Retirement Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Profit and Loss Account of the year when the contributions to the respective funds are due.

Provision for gratuity is made in the accounts calculated on the basis of last salary drawn and completed year of service.

f) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date. Impairment of Assets is recognised when there is an indication of Impairment and on such indication the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

g) Earning Per Share:

The Basic earning per share is computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earning per share comprises the weighted average number of shares considered for deriving basic earning share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

h) Provisions:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2. NOTES ON ACCOUNTS
a) Pursuant to the Accounting Standard for ' Taxes on Income' (AS-22), deferred tax liability/assets at the balance sheet date is:

Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax

Deferred tax assets on account of disallowance under Section 43 B

Net Deferred Tax Assets

In previous years, Deferred tax assets has not been recognised by the Company because there was no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

March 31, 2010
(35,042.00)
225,788.00
260,830.00

b) Earning per share:

	March 31, 2010	March 31, 2009
a) Profit after Tax	9,950,368.00	3,602,079.00
b) Weighted average No. of Ordinary Shares		
Basic	3,000	3,000
Diluted	3,000	3,000
c) Nominal Value of Ordinary Share	100.00	100.00
d) Earning per Ordinary share considering:		
Basic	3,316.79	1,200.69
Diluted	3,316.79	1,200.69

c. Auditor's Remuneration (Including Legal & professional Charges)
Particulars

	2009-2010	2008-2009
Audit fees Rs.	25,000.00	20,000.00
Tax Audit Fees	5,000.00	5,000.00
Other Matter	50,000.00	0.00

(Amount are exclusive of Service Tax)

d) Segment Reporting:

Segment Reporting as required by Accounting Standard -17 issued by the Institute of Chartered Accountant of India is not applicable since the Company is in the business of providing Cable TV Services in one segment and there is no Geographical Segment.

e) Related Parties Disclosure:

List of Parties where control exists

- i) Ultimate Holding Company
Wire and Wireless (India) Limited (WWIL)
- ii) Holding Company
Central Bombay Cable Network Ltd. (Extent of holding - 66 %)
- iii) Fellow Subsidiary Companies
Siticable Broadband South Ltd.
Wire and Wireless Tisai Satellite Ltd.
Indian Cable Net Company Ltd.
- iv) Key Managerial Personnel
Mr. P. Sai Babu
Smt. P. Kiranmayee
Mr. Shio Kumar Gupta
Mr. V.K. Gupta
Mr. Jain Kumar
Mr. Sandeep Kumar Jain
- v) Associate Person
Mr. P. Kasi Viswanadha Rao
Mrs. P. Damyanthi Rao
Mrs. Bharti P.

Transactions with:

Ultimate Holding Company

Advances received from WWIL

Repayment of loan to WWIL

Advertisement Income from WWIL

Expenses reimbursed to WWIL

With Key Managerial Personnel

Salary

Interest paid on Unsecured Loan

Car purchased

Incentive on Collection

Interest received on advances

With Associate Persons

Rent

Incentive on Collection

Balance Outstanding:

Sundry Creditors

Wire and Wireless (India) Limited (Net)

Incentive Payable:

Mr. P. Kasi Viswanadha Rao

Mrs. P. Damyanthi Rao

Mrs. Bharti P.

Mr. P. Sai Babu

Remuneration Payable

Mr. P. Sai Babu

Interest Payable

Mrs. Bharti P.

Unsecured Loan

Mr. P. Sai Babu

f) Other Particulars

Earnings in Foreign Exchange

CIF Value of Imports

Expenditure in Foreign Currency

- g) Figures for the previous year have been regrouped/ rearranged/ recast whenever necessary to confirm for comparison purpose.
- h) In the opinion of the Board of Directors the current assets , loan & advances shown in the Balance Sheet as at 31.03.2010 are considered good and fully recoverable, except other wise stated and provision for all known liabilities is made in the accounts.
- i) Sundry Creditors, Sundry Debtors, Unsecured Loans, Expenses Recoverable/payable and other loans & Advances are subject to confirmation and reconciliation from parties.
- j) Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 Small Scale Industries.
The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2010 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.
- k) Provision for Gratuity has not been made on actuarial valuation basis. Further no provision for leave encashment has been made.
- l) Figures have been rounded off to the nearest rupee.
- m) Schedule A to N form an integral part of the accounts and have been duly authenticated.

	2010	2009
Advances received from WWIL	-	2,200,000.00
Repayment of loan to WWIL	1,400,000.00	-
Advertisement Income from WWIL	2,590,199.18	2,476,940.00
Expenses reimbursed to WWIL	62,621.00	11,324.00
With Key Managerial Personnel		
Salary	660,000.00	660,000.00
Interest paid on Unsecured Loan	-	134,441.00
Car purchased	850,000.00	-
Incentive on Collection	783,166.00	-
Interest received on advances	105,650.00	-
With Associate Persons		
Rent	120,000.00	120,000.00
Incentive on Collection	1,569,589.00	1,642,426.00
Balance Outstanding:		
Sundry Creditors		
Wire and Wireless (India) Limited (Net)	5,783,362.00	9,710,941.00
Incentive Payable:		
Mr. P. Kasi Viswanadha Rao	98,935.00	527,318.00
Mrs. P. Damyanthi Rao	99,181.00	498,881.00
Mrs. Bharti P.	232,799.00	447,057.00
Mr. P. Sai Babu	196,362.00	-
Remuneration Payable		
Mr. P. Sai Babu	59,430.00	4,217.00
Interest Payable		
Mrs. Bharti P.	8,174.00	8,174.00
Unsecured Loan		
Mr. P. Sai Babu	-	342,158.00
f) Other Particulars	2009-10	2008-09
Earnings in Foreign Exchange	Nil	Nil
CIF Value of Imports	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

As per our report of even date

For **Subhash C. Gupta & Co.**

Chartered Accountants

Manoj Kumar

Partner

Membership No. 504435

Place: New Delhi

Date: May 19, 2010

For and on behalf of the Board

P. Sai Babu

Director

Sandeep Kumar Jain

Director

CASH FLOW STATEMENT

	Year ended March 31, 2010	(Amount in Rs.) Year ended March 31, 2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income/(Loss) before Tax	11,184,663	3,955,266
Adjustments for:		
Depreciation	1,171,711	1,125,424
Loss (profit) on sale /disposal of assets	-	218,687
Provision for Doubtful Debts	-	-
Interest Expense	-	134,441
Sundry Balance Expense W/back	-	(113,468)
Income Tax paid	-	(31,720)
Prior period Adjustment	100,000.00	(21,219)
Taxes Paid	-	(48,248)
Operating Profit before working capital changes	12,456,374	5,219,163
Increase Inventories	-	-
Decrease in Sundry Debtors	1,347,551	2,808,769
Decrease (increase) in Loans and Advances	(351,307)	(1,269,643)
Current Liabilities and Provisions	(7,320,290)	(6,832,473)
Net Cash Flow from Operating Activities	6,132,328	(74,184)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,388,283)	(621,282)
Sale of Fixed Assets	-	399,854
Net Cash utilised in Investing Activities	(1,388,283)	(221,428)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	-	(134,441)
Proceeds from Secured Loans	-	-
Proceeds from Unsecured Loans	(3,102,698)	886,676
Proceeds from Issue of Share Capital	-	-
Net Cash provided by Financing Activities	(3,102,698)	752,235
Net Increase in cash and cash equivalents during the year	1,641,348	456,623
Cash and cash equivalents at beginning of year	1,047,669	591,046
Cash and Cash Equivalents at end of the Year	2,689,016	1,047,669
Note:		
1. Previous year figures have been regrouped/rearranged wherever necessary		
2. Component of Cash and Cash Equivalents at the end of year		
Cash in hand	40,306	290,737
Cheques in Hand	455,650	-
Balances with Scheduled Banks in Current Accounts	2,193,060	756,932
	2,689,016	1,047,669

As per our report of even date

For **Subhash C. Gupta & Co.**

Chartered Accountants

For and on behalf of the Board

Manoj Kumar

Partner

Membership No. 504435

P. Sai Babu

Director

Sandeep Kumar Jain

Director

Place: New Delhi

Date: May 19, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Statement Pursuant to Part- IV of Schedule VI to the Companies Act, 1956.

i. Registration No. 01-17527 State Code : 01 Balance Sheet Date : 31.03.2010

ii. **Capital Raised during the year (Amount in Rs. Thousands)**

Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private Placement	Nil

iii. **Position of mobilisation and deployment of funds (Amount in Rs. Thousands)**

Total Liabilities	29,615.449	Total Assets	29,615.449
Sources of Funds			
Paid up Capital	300.000	Reserve and Surplus	3,338.950
Secured Loans	Nil	Unsecured Loans	55.172
Application of Funds			
Net Fixed Assets	11,770.381	Investment	0.200
Deferred Tax Assets	260.830	Net Current Assets	(8,337.288)
Miscellaneous Expenditure	Nil	Accumulated Losses	Nil

iv. **Performance of Company (Amount in Rs. thousands)**

Turnover	71,620.896	Total Expenditure	60,336.233
Profit /Loss before tax	11,284.663	Profit /Loss after tax	9,950.368
Earning Per Share	3,316.789	Dividend Rate %	Nil

v. **Generic Names of three Principal Products/ Services of Co.**

Item Code No. (ITC Code)	N.A.
Product description	N.A.

As per our report of even date

For **Subhash C. Gupta & Co.**

Chartered Accountants

For and on behalf of the Board

Manoj Kumar

Partner

Membership No. 504435

P. Sai Babu

Director

Sandeep Kumar Jain

Director

Place: New Delhi

Date: May 19, 2010



WIRE AND WIRELESS (INDIA) LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

PROXY FORM

I/We of
..... being a member/members of

WIRE AND WIRELESS (INDIA) LIMITED hereby appoint.....

..... of.....

or failing him/her of

as my/our proxy to attend and vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held on Tuesday, August 31, 2010 at 3.30 p.m. at 'Hall of Culture', Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment(s) thereof.

Signed this..... day of, 2010.

Signature of Shareholder

Reg. Folio No.

DP ID No.

Client ID No.

No. of Shares

Affix
Re. 1/-
Revenue
Stamp

NOTE: The Proxy completed in all respects must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.



WIRE AND WIRELESS (INDIA) LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

ATTENDANCE SLIP

(To be presented at the entrance)

I hereby record my presence at the Fourth Annual General Meeting of the Company held on Tuesday, August 31, 2010 at 3.30 p.m. at 'Hall of Culture', Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

.....
Name of the Shareholder/Proxy (IN BLOCK LETTERS)

.....
Signature of Shareholder/Proxy

Reg. Folio No.

DP ID No.

Client ID / Demat A/c No.

No. of Shares

NOTE: Please carry your copy of Annual Report at the Annual General Meeting.

OUR OFFICES

REGISTERED OFFICE

135, Continental Building
Dr. Annie Besant Road, Worli
Mumbai - 400 018
Phone No: (022) 6697 1234, 2483 1234
Fax No: (022) 2490 0302

CORPORATE OFFICE

Building No: FC 9, Gate No -3
Sector 16 A, First Floor
Film City, Noida (UP) - 201301
Phone No: (0120) 4526700
Fax No: (0120) 4526777

REGIONAL OFFICES

Bengaluru

United Mansions, 3rd Floor
39, Mahatma Gandhi Road
Bengaluru - 560 001
Phone No: (080) 25581234
Fax No: (080) 25580099

Delhi

ESSEL House, B-10, Lawrence Road
Industrial Area
New Delhi - 110 035
Phone No: (011) 27101145 -54
(011) 47502600
Fax No: (011) 27186561

Lucknow

3rd Floor, Raja Ram Kumar Plaza
75, Hazratganj
Lucknow - 226 001
Phone No: (0522) 4072601

Chandigarh

SCO 173-174, Ground Floor
Sector 17C
Chandigarh - 160 017
Phone No: (0172) 4620425
Fax No: (0172) 5018260

Hyderabad

6-2-929 D.B. Enclave, Behind BPCL Petrol Pump
Raj Bhavan Road, Khairatabad
Hyderabad - 500 004
Phone No: (040) 23372823/24
Fax No: (040) 23372822

Mumbai

4TH Floor, 'A' Wing
Madhu Industrial Estate
Pandurang Budhkar Marg
Worli, Mumbai - 400 013
Phone No: (022) 2499 2020/21/4360 5555
Fax No: (022) 2499 2000

Cochin

Vijay Tower, Second Floor
Salim Rajan Road, Gandhinagar
Cochin - 682 017
Phone No: (0484) 3937681/82/83
Fax No: (0484) 2207114

Kolkata

Power Grid Building, 4th Floor
Plot No.J-1/15, Block- EP, Sector V
Salt Lake Electronics Complex, Kolkata - 700 091
Phone No: (033) 4002 5020/4002 5100
Fax No: (033) 2357 7640

Thiruvananthapuram

TC/27/1263, TC 27/1264
Convent Road, Vanchiyoore PO
Thiruvananthapuram - 695 035
Phone No: (0471) 3063697/ 3064581
Fax No: (0471) 2572738

SUBSIDIARY COMPANIES

Indian Cable Net Company Limited (ICNCL)

J-1/15, Block EP, 4th Floor, Sector V
Saltlake Electronics Complex
Kolkata - 700 091
Telephone : +91 33 40025020
Fax : +91 33 23577640

Wire and Wireless Tisai Satellite Limited (WWTSL)

3rd Floor, TISAI House
OPP. Ashirwad Hospital
Poona Link Road
Kalyan (East) - 421 306
Phone No: (0251) 2356255

Central Bombay Cable Net Work Ltd (CBCNL)

Essel House, B-10 Lawrence Road
Industrial Area, New Delhi - 110 035
Phone No: 011-27101145-54
Fax No: 011-2786561

Master Channel Community Network Private Limited (MCCNPL)

T-4 Vijaya Apartments, Jammichettu Centre
Mogalrajapuram, Vijayawada - 520 010
Phone No: (0866) 2491955
Fax No: (0866) 2496767

Siticable Broadband South Limited (SBSL)

United Mansions, 3rd Floor
39, Mahatma Gandhi Road
Bengaluru - 560 001
Phone No: (080) 25581234
Fax No: (080) 25580099



WIRE AND WIRELESS

Corporate Office:

Wire and Wireless (India) Limited
Building No: FC 9, Gate No -3, Sector 16 A
First Floor, Film City, Noida (UP) -201301
Phone No (0120) 4526700
Fax No (0120) 4526777