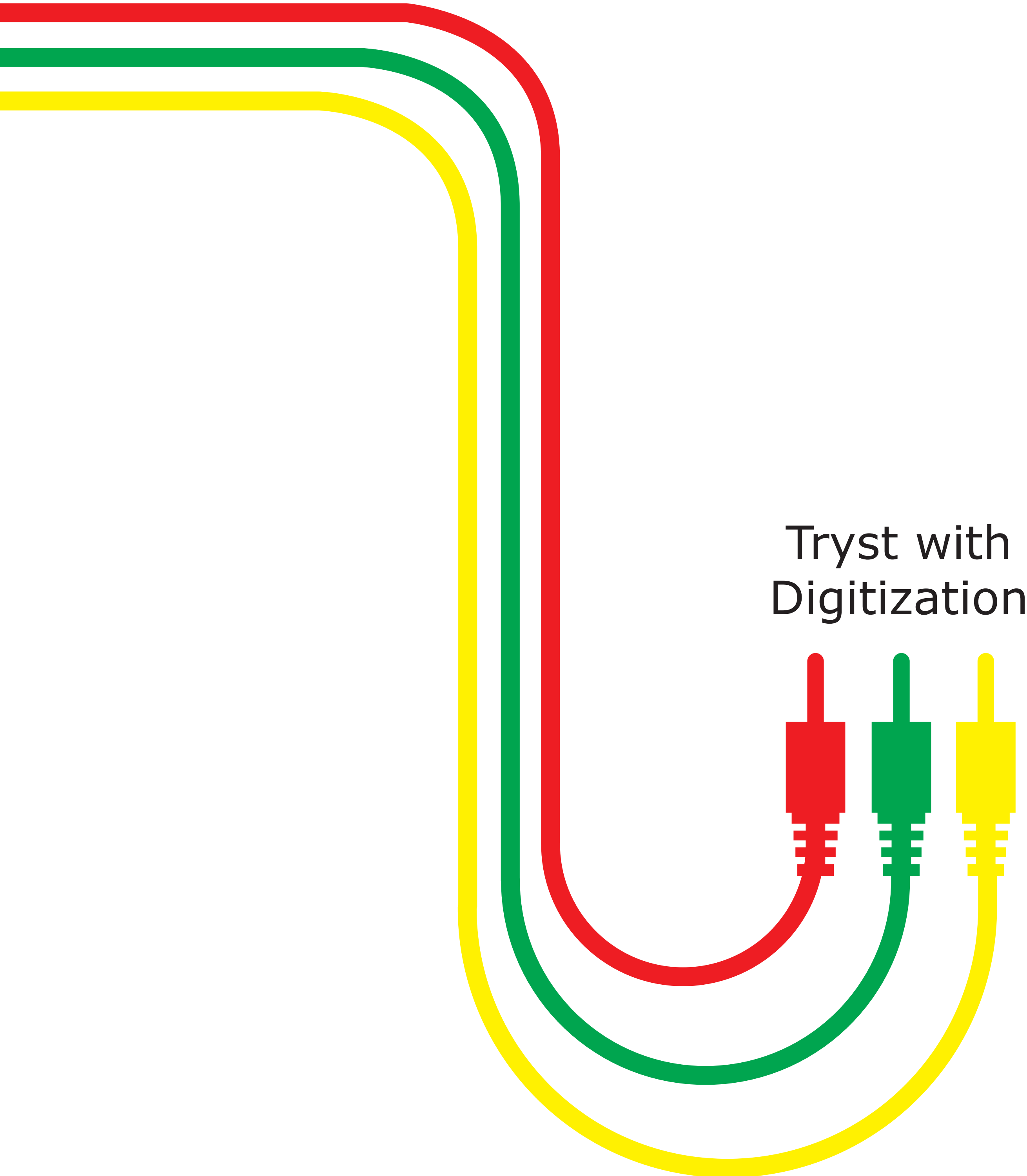
WIRE AND WIRELESS

ANNUAL REPORT 2011-12



Tryst with Digitization

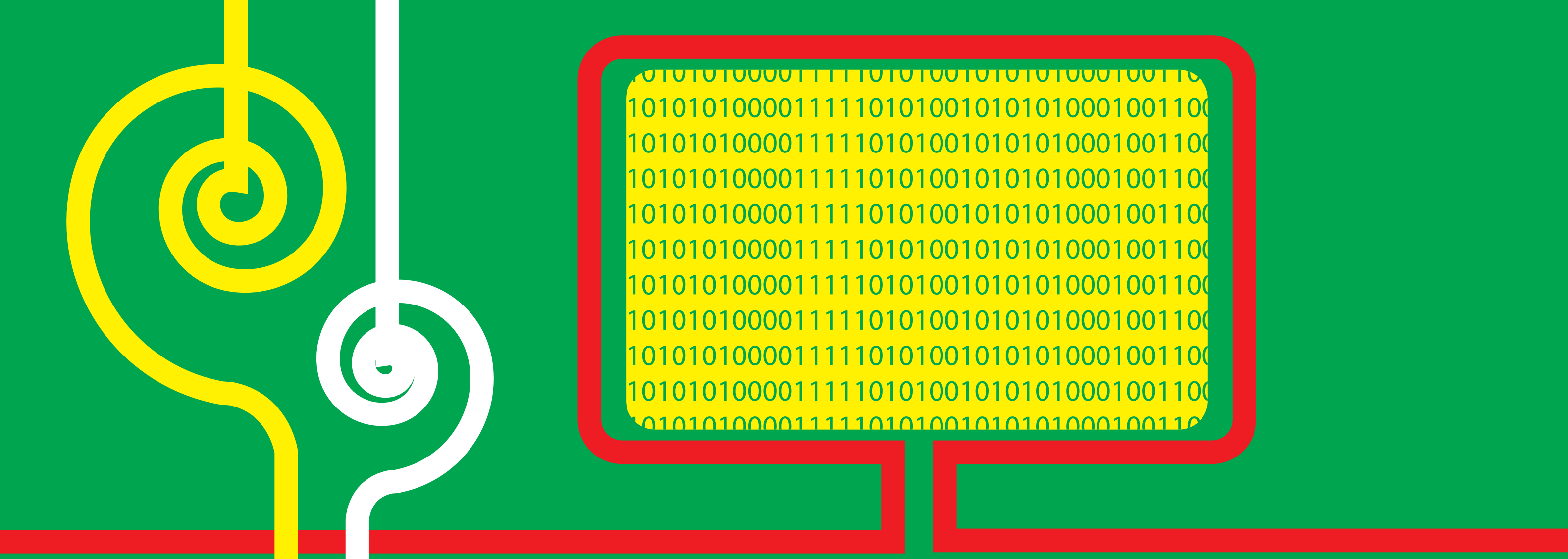
Contents

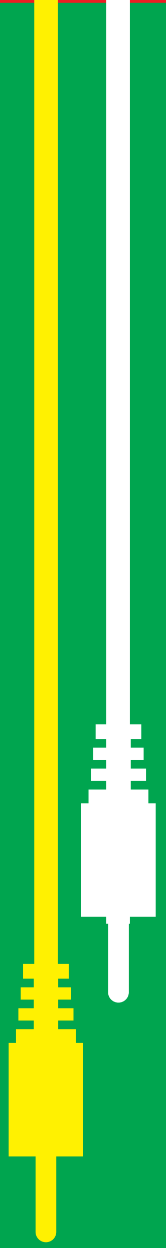
Small screen heads for big revolution

The Indian television industry is entering into a defining stage. Phase wise implementation of absolute digitization, with nationwide completion target of 2014, is a game changing initiative. Digitization is set to transform the way television is served, consumed, assessed and monetized in India.

For consumers, digitization brings an enhanced viewing experience, expanded channel pool, power to choose and pay only for the chosen channels. For broadcasters, it provides a fair pricing regime, enhances subscription earnings and fuels the content enhancement drive. For the exchequer, it opens up a significant income stream by inducing addressability. For content distributors, it marks the beginning of an organized and professional way of conducting business and opens up possibilities of multiplier revenues from television and numerous value added services (VAS).

In a nutshell, digitization will put in place a sustainable television ecosystem that thrives on a well defined, fair and transparent equation between its various stake holders. It will also provide an addressable growth platform for a fairly long-term period and empower the Indian television industry to match global standards.





Digital Cable is all set to lead and facilitate digitization

Strengths of Digital Cable

- Capacity to carry higher number of channels
- Efficient carrying capacity of voice and data
- Better picture quality
- Possibility of interactivity
- Minimal additional cost for customer to get digital
- Quality signal transmission in all weather conditions
- Ease of installation and usage
- Quick grievance redressal, due to the presence of LCOs

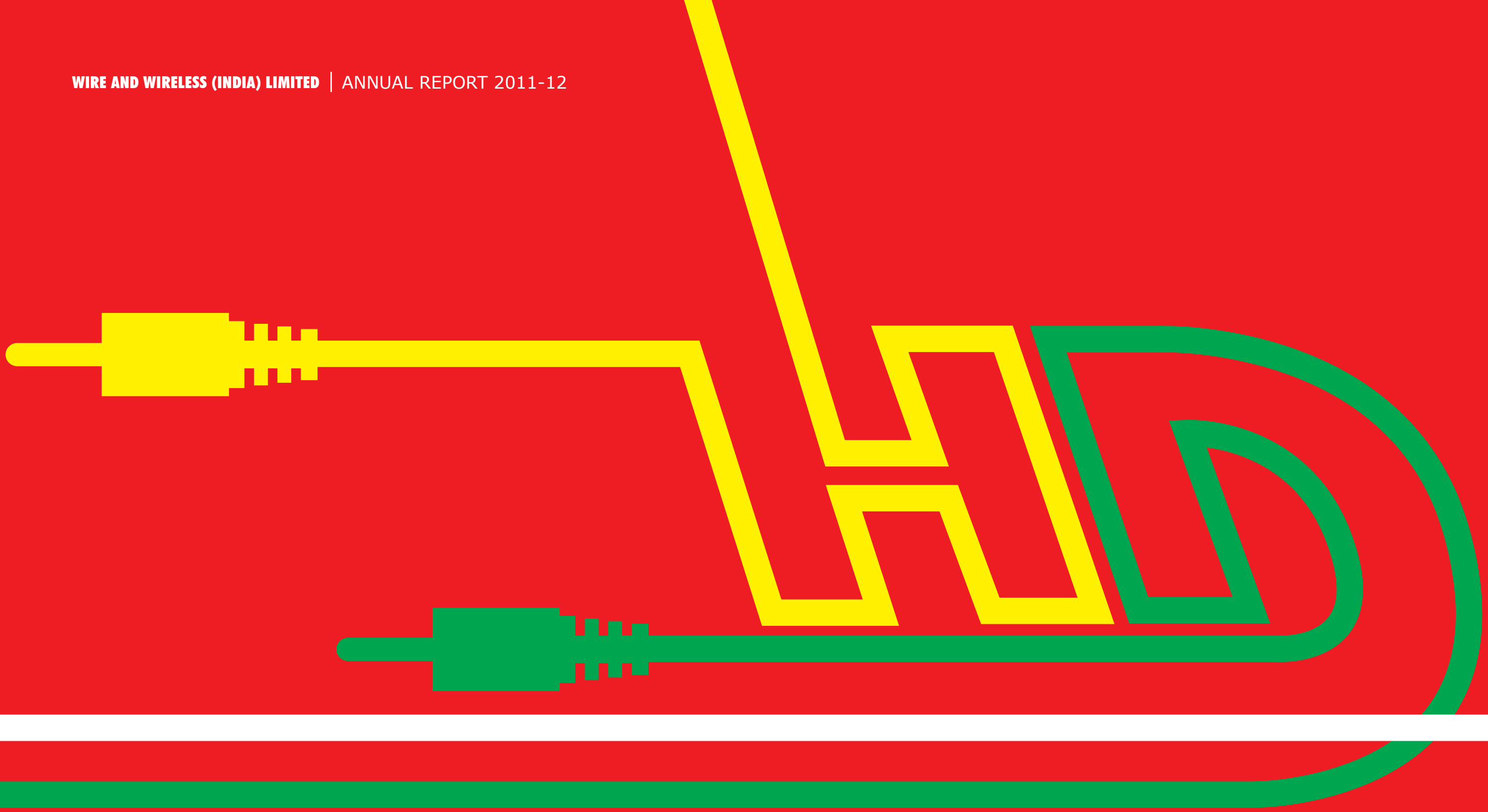
Digital revolution will transform the Cable TV landscape

Digitization, with an edge of technology and addressability in distribution, will play a major role in fuelling growth of the distribution industry and bring about transformational changes.

Digitized Cable Distribution and DTH, with their own unique propositions, have both coexisted to play their respective parts. Digital Cable has displayed superior service capabilities and dependability, while DTH has been reaching in remote areas lacking cable infrastructure. First amongst many is the Digital Cable's capability to carry a higher number of channels in both SD and HD formats. Then there is Digital Cable's in-built advantage of triple play, which enables delivery of broadband internet as well as landline telephony to connected homes.

Third decisive strength of Digital Cable is its durability and dependability in all weather conditions. Wired distribution with modern infrastructure and last-mile service capabilities not only makes the signal delivery dependable but also expedites complaint resolutions. Last but not the least is the inherent ease of payments at the consumers' end. Local Cable Operators (LCOs) serve as the face of Multi System Operators (MSOs). Personal connect with the consumer that the LCO personnel bring to cable TV distribution serves as a big facilitator.

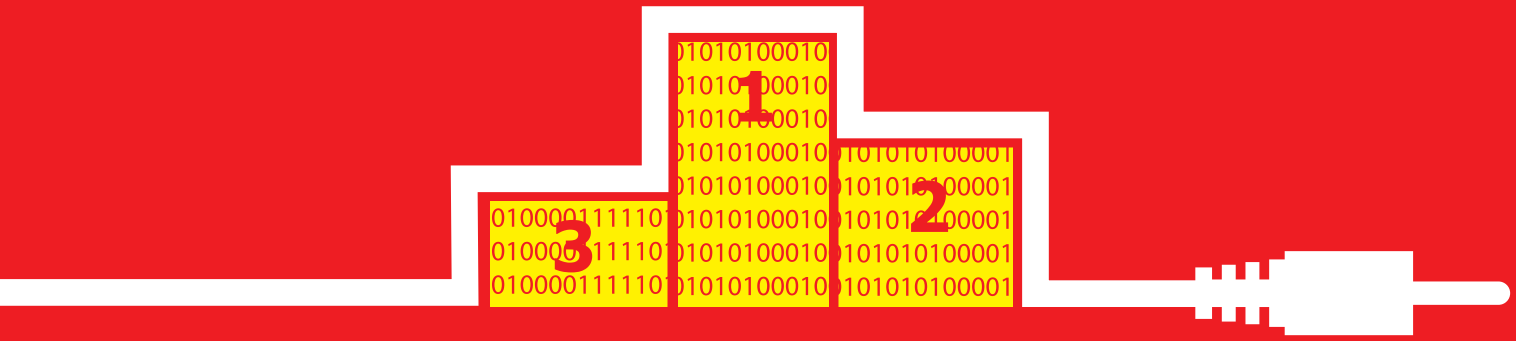
Empowered to carry broadband internet, the cable TV distributors additionally operate as Internet Service Providers (ISPs) in India. With possible legislative changes, the country can leverage the invested infrastructure of cable TV distributors for basic telephony at any time in the distant future.



Since its advent in early eighties as an unregulated small scale initiative, the cable TV distribution industry has made massive contribution in growing India's TV households to 146 million today. While the distribution industry focused on expanding its reach, there was significant progress in broadcasting, television device, HD content and consumer expectations all these years.

The broadcasting industry has grown to over more than 800 channels across multiple genres including niche ones. Majority of broadcasters are migrating to High Definition (HD) format in order to deliver an enhanced viewing experience. In light of all these advancements, the Indian cable TV distribution industry still is at a very nascent stage. It is an unorganized industry with thousands of LCOs and hundreds of MSOs, both varying in size from very small to reasonably big. Being unregulated and marred with lack of addressability, the industry stands highly fragmented with a significant distribution control resting with last-mile connector, the Local Cable Operator.

Digitization defines leadership benchmarks

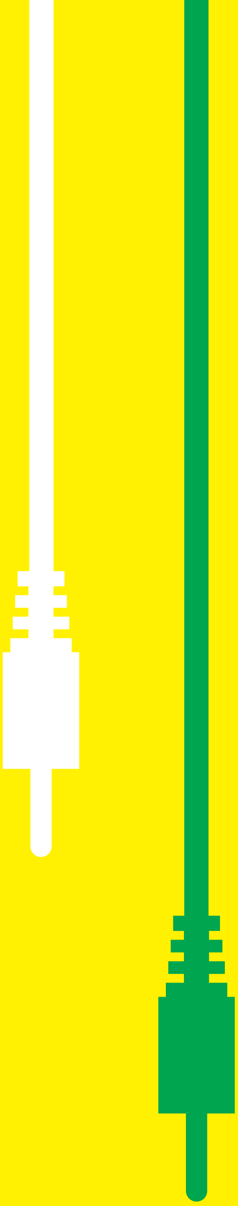


While consolidation of the vast pool of these smaller distributors (MSOs & LCOs) has been taking place over recent 4-5 years, there are no clear leaders in the Indian cable TV distribution industry as of today. Digitization is all set to define new benchmarks of leadership. Future leaders of this segment will need to demonstrate many traits and capabilities. They will be required to upgrade their physical and human infrastructure heavily. Leveraging best-in-class technology, aligning the interest of LCOs and partnering them, nullifying prevalent redundancies in the existing systems and maximizing efficiencies will hold the key. Credibility amongst broadcasters, consumers, investors, employees, distributors, and existing as well as potential LCOs will be a big enabler.

DIGITIZATION TIMELINES

Phases	Geographies Covered	Timeframe
Ph - I	Four Metros	31-Oct-12
Ph - II	Cities with over one million population	31-Mar-13
Ph - III	Rest of urban areas	30-Sep-13
Ph -IV	Rest of India	31-Dec-14

Source: Ministry of Information & Broadcasting (MIB)



"WWIL, being the pioneer cable TV distribution company in India, and also the first listed company from the industry, is ready to spearhead digitization in content distribution."

WWIL is ready to pursue leadership

In order to digitize entire TV content distribution spectrum of India, a massive transformation of the age-old ecosystem is required. MSOs will have to be the driving force if the country has to meet this aspiration as well as timelines, on both the crucial aspects of digital distribution. On one hand, massive investment in up-gradation of network infrastructure and procurement of hundreds of millions of set-top box devices will need to be made. On the other hand, one must succeed in aligning the interest of LCOs, content aggregators, broadcasters and consumers in a fairer manner while complying with stipulated regulations.

WWIL has the wherewithal to achieve greater success out of digitization. It has taken a leadership stance at the stage of consultation itself and has voluntarily announced to offer 400 Standard Definition (SD) channels and 30 High Definition (HD) channels. WWIL's channel offering is highest in the industry today.

WWIL, being the pioneer cable TV distribution company in India, and also the first listed company from the industry, is ready to spearhead digitization in content distribution. Being part of USD 3.5 billion Essel Group which has a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education; WWIL draws additional strengths from the reputation and financial position of the Group's strong parentage. Secondly, the fact that Zee Network is the country's largest broadcaster, it gives WWIL a deeper understanding of the broadcasting side of the business. The Group's stakes in the largest content aggregator of India, Mediapro, brings another competitive strength to WWIL. Its relationship with LCOs is also the most experienced, giving it better understanding of how to integrate additional LCOs with it as it begins its accelerated march towards attaining leadership in Digital Cable Industry of India.

WWIL has an indispensable base of over 10 million customers spread across the country

Edge of Technology

Our cutting-edge technology enables us to provide superior quality services to our customers. With continuous technical up-gradations, WWIL has set a benchmark for the industry. WWIL deploys modern analogue and digital headends that are capable of carrying upto 106 channels on analogue and 400 channels on digital platforms. WWIL's digital platform is capable to offer 1000 channels in future. The up-gradations will help improve the quality of existing services and also help bring the infrastructure upto a world class level. The latest STM4 technology is being used for boosting the existing channel carrying capacity and scalability.

Edge of Reach

Continuous expansion of footprints is one of the key business strategies at WWIL. The Company today, is present in 58 cities and their adjoining areas across the country.

WWIL is consolidating its presence through strategic expansion in states like Uttar Pradesh and towns of Indore, Jaipur, Bhopal and Jabalpur in the central India region. The Company has 8 regional offices and 4000+ franchisee operators called LCOs. Apart from extensive geographical edge of reach the Company has its deep-rooted reach amongst it's investors as well.

WWIL's Facts

- Spread across 58 key cities and their adjoining areas
- 54 analogue and 13 digital headends
- Huge network of 12000kms of optical and coaxial fiber spread across the country
- Carrying digital signals on STM4 technology provides robust, redundant and scalable distribution network
- All products marketed under SITI brand
- Tie-ups with global technological giants:
  - Set Top Box Vendors – Changhong, Arion Technology Inc. and Handan
  - Digital Headends – Tandberg and Harmonics
  - Encryption Systems – Conax
  - Headend Equipments – CISCO

Edge of Consumers

WWIL has an indispensable base of over 10 million customers spread across the country. WWIL provides its customers with an enhanced television viewing experience. Business at WWIL is customer centric and thus provides them with top quality services. Together with LCOs providing last-mile customer touch points at their doorsteps, Centralized Customer Care Centers at Kolkata for eastern region and Noida for rest of India, ensure deep customer connect. Keeping in mind the varied needs of the customers, WWIL offers services like broadband and local cable TV channels along with the basic entertaining TV channels. WWIL has also made investments to present its customers with set top boxes to address the upcoming digitization.

Edge of People

Employees are the most valuable asset of WWIL and hence form an integral part of the organization. Our team of over 350 employees is significantly responsible for raising the Company's position in the industry. WWIL's work philosophy is directly related with consistency, transparency and trust. To keep our employees motivated we have "Samwad" program aimed at an inclusive growth of WWIL's family. To encourage team work and bond of togetherness, we have programs like Open House and Konnect. To make work life enjoyable, WWIL provides dynamic yet fast paced challenges, opportunities and stimulating working environment to its employees. WWIL has also been conferred "Amity HR Excellence Award for Leadership Development".

At WWIL, a supportive learning environment, concrete learning processes and practices enable people to excel in their current roles and prepare them for future roles & challenges. LAKSHYA – a three tier ambassador program, aims at developing and strengthening managerial & leadership skills in the human capital. Regular training activities support and develop building blocks of the organization.

Another valued set of people is our LCOs who are an important part of our value chain. The Company has been organizing meets with LCOs that involve training on modern process & technologies and social events that work as ice-breaker between LCOs, MSOs and higher authorities.

WWIL has stayed focused on investment in it's human capital with 'People First' approach.

Chairman's Message

Dear Shareholders,

The year gone by proved to be a testing year for economies across the globe including India. Despite a number of global challenges and high inflation in domestic economy, India did well in recording a GDP growth of 6.5% in fiscal year 2011-12 (FY 12). In an adverse year that witnessed continued tightening of liquidity, increase in interest rates and sharp depreciation of Indian Rupee against US Dollar, this growth, though the lowest for our economy in past 9 years, is a clear reflection of the sound inherent fundamentals in our economy.

Media & Entertainment Sector

Indian Media and Entertainment (M&E) sector has made rapid strides over the recent years. Traditional mediums of television and print have continued to strengthen their reach and revenue. All along, new mediums like online, mobile and gaming have continued to accelerate their expansion in terms of revenues and reach. As a result, Indian M&E sector rose to ₹728 billion in 2011 from ₹514 billion in 2007. Going forward, it is estimated to grow at a CAGR of 14.9% between 2011 and 2016 according to FICCI Frames, the joint study of FICCI and KPMG. The study estimates Indian television industry to have grown to ₹329 billion in 2011, registering an increase of 10.77% over ₹297 billion recorded in 2010. Cable & Satellite (C&S) penetration on paid basis is estimated to have reached 81% of total TV households of 146 million. Going forward, the potential is immense with estimates of TV households growing to 188 million and paid C&S penetration reaching 89% by 2016.

Digitization in Television

Indian television industry appears to head towards absolute digitization soon. This much awaited step has potential to transform the entire television landscape completely. Better viewing experience, making choice of channels one subscribes, transmission of more channels to households etc., are going to benefit the consumers immensely.

What is of greater significance is the addressability that digitization will induce in television ecosystem. Addressability will bring about significant results for the MSO like WWIL. Digitization would contribute towards plugging the leakages that occur.

WWIL in FY 12

As a leading Multi System Operator (MSO) in India, Wire and Wireless (India) Limited is geared up to lead the digitization campaign from the front. It has shown the character of a true leader by being the first MSO to offer a minimum of 400 Standard Definition and 30 High Definition channels on its digital cable network. The channels offered by WWIL, being the highest in the industry, is a step towards creating industry benchmark.

Being present in three out of four metros to undergo absolute digitization in the first phase, WWIL has fast mobilized necessary resources in terms of finances and requisite number of set top boxes. It has set an ambitious target to acquire 2.5 million customers on its digital platform in the whole of FY 13.

WWIL's operating revenues reached ₹3428.2 million in FY 12 recording a growth of 12% compared to FY 11. The operating profit (EBITDA) of WWIL stood at ₹192.0 million in FY 12 compared to ₹163.6 million in the previous year recording a 17.3% growth, year-on-year basis. The year gone by also witnessed the adoption of latest technologies and association with world-class technology partners.

Staying Together

Business ethics and transparency, a culture of collaborative growth and meritocracy, a 'People First' approach at workplace, and a goodwill pool that can never be compromised for anything; these form pillars of our citadel. I acknowledge the continued trust and patronage of all our customers, channel partners, broadcasters, investors and shareholders. I thank and congratulate all the management and staff members for their valuable contribution.

As the Indian television industry steps into an era of phased digitization, I beckon each one of our stakeholders for continuance of their trust and patronage. Together we have grown so far, together we will grow much bigger!

Sincerely

Subhash Chandra

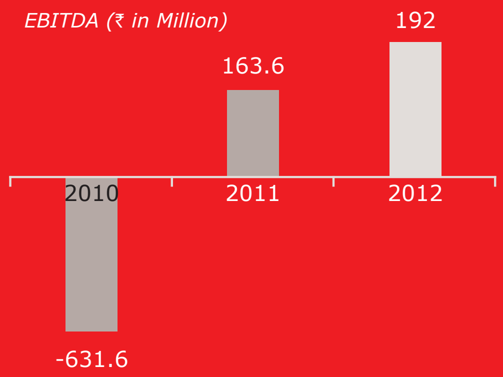
CHAIRMAN

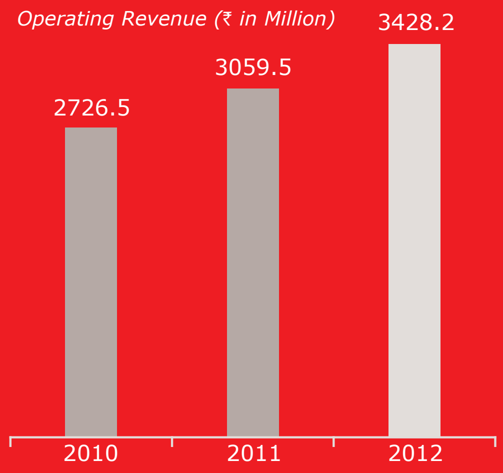
Highlights

Operational

- Indian Cable Net Company Limited, a subsidiary of WWIL, has been honored with the Certificate of Excellence by Inc. India 500 for the second consecutive year
- WWIL conferred "Amity HR Excellence Award for Leadership Development"
- WWIL consolidated its Pan India presence through strategic expansions in Uttar Pradesh and Central India Region
- Technological tie ups with globally best partners like Changhong, Arion Technology, Tandberg, Harmonics, Conax, CISCO for Digital Headends, Set Top Boxes, Encryption Systems and more

Financial





Corporate Information

BOARD OF DIRECTORS

Subhash Chandra
Chairman

B.K. Syngal
Independent Director

Sureshkumar Agarwal
Independent Director

Amit Goenka
Whole-time Director

Vinod Kumar Bakshi
Independent Director

SENIOR MANAGEMENT

Anil Malhotra
Chief Operating Officer

Mahipal Singh Rawat
Chief Operating Officer - Sales & Operations

Sanjay Goyal
Chief Financial Officer

Sanjay Jindal
Vice President - Technical

Colonel Pankaj Dhingra
Vice President – Human Resources

COMPANY SECRETARY
Suresh Kumar

AUDITORS
S.R. Batliboi & Associates
Chartered Accountants

BANKERS
IDBI Bank Limited
Axis Bank Limited
ICICI Bank Limited

REGISTRAR & SHARE TRANSFER AGENT
Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex
2nd Floor, Sakinaka
Andheri (East)
Mumbai - 400072
Ph.: 022 67720400
Fax: 022 28591568
Email: sharepro@shareproservices.com

REGISTERED OFFICE
Continental Building
135, Dr. Annie Besant Road
Worli, Mumbai - 400018
Ph: (022) 66971234
Fax: (022) 24900302

CORPORATE OFFICE
FC 09, Gate No. 3
Sector 16A, Film City
Noida (UP) - 201301
Ph: 0120 4526700
Fax: 0120 4526777

WEBSITE
www.wwil.net

Business Locations

REGIONAL OFFICES

BENGALURU
United Mansions, 39, 4th Floor
M. G. Road, Bengaluru - 560001
Ph.: 080 25581234, Fax: 080 25580099

CHANDIGARH
SCO -230/231, Ist Floor, Sector 34 A
Chandigarh - 160022
Ph.: 0172 4620425, Fax: 0172 5018260

DELHI
Essel House, B-10 Lawrence Road
Industrial Area, Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

LUCKNOW
III Floor, Raja Ramkumar Plaza Building
75, Hazrat Nagar, Lucknow - 226010
Ph.: 0522 4072601

HYDERABAD
6-2-929, D.B. Enclave, Khairatabad
Raj Bhavan Road, Hyderabad-500004
Ph.: 040 23372158, Fax: 040 23372822

KOLKATA
P G Bldg., 4th Floor, #J-1/15, Electronics Complex
Block - EP, Sec -V, Salt Lake, Kolkata - 700091
Ph.: 033 40025020, Fax: 033 23577640

MUMBAI
4th Floor, A Wing, Madhu Industrial Estate
P B Marg, Worli, Mumbai - 400013
Ph. No.: 022 43605555, Fax: 022 24992000

INDORE
201-203, "Gravity Tower", 2nd Floor, Dr. R S Bhandari Marg
Janjeerwala Square, Indore
Madhya Pradesh – 452001
Ph.: 0731 4095555

SUBSIDIARY COMPANIES ADDRESSES

Wire and Wireless Tisai Satellite Limited
Madhu Industrial Estate, 4th Floor
Pandurang Budhkar Marg
Worli, Mumbai - 400013
Ph.: 022 43605555, Fax: 022 24992000

Indian Cable Net Company Limited
J-1/15, Block EP, 4th Floor, Sector-V
Salt Lake, Kolkata, West Bengal - 700091
Ph. : 033 40025020, Fax: 033 23577640

Central Bombay Cable Network Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

Siticable Broadband South Limited
United Mansions, 3rd Floor, No. 39
M.G. Road, Bengaluru, Karnataka - 560001
Ph.: 080 25581234, Fax: 080 25580099

Master Channel Community Network Pvt Ltd
Flat No: T4&T5, 3rd Floor Vijaya Apartments
Mogulrajpuram, Vijayawada
Andhra Pradesh - 520010
Ph.: 0866 2491955, Fax: 0866 2575236

SITI Vision Digital Media Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Jind Digital Media Communications Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Jai Maa Durgee Communications Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Bhatia Network Entertainment Private Limited
Near Bank Of India, Dayalband, Bilaspur
Chhattisgarh - 495001
Ph.: 0775 2417770 - 71
Fax: 0775 2417770 - 71

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of Wire and Wireless (India) Limited will be held on Thursday, the 30th day of August, 2012 at 3:30 p.m.,at "Hall of Culture", Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit & Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr.Sureshkumar Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint Statutory Auditors of the Company and in this connection, if thought fit, to pass the following resolution, as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Walker Chandiok & Co., Chartered Accountants, New Delhi, having Firm Registration No. 001076N ,be and are hereby appointed as Statutory Auditors of the Company in place of M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, the retiring auditors, to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors."

SPECIAL BUSINESS:

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

   "RESOLVED THAT subject to the approval of the Central Government and pursuant to the provisions of Section 21 of the Companies Act, 1956 and/or any other approval as may be necessary, the name of the Company be changed from "WIRE AND WIRELESS (INDIA) LIMITED" to "SITI CABLE NETWORK LIMITED" or any other name approved by the Central Government.

   RESOLVED FURTHER THAT the name 'Wire and Wireless (India) Limited' wherever it appears in the Memorandum and Articles of Association of the Company, be substituted by the new name 'Siti Cable Network Limited' with effect from the date of issue of the Fresh Certificate of Incorporation consequent upon change of name by the Registrar of Companies, Maharashtra, Mumbai."

By order of the Board

Place: Delhi
Date: 26.07.2012

Suresh Kumar
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 IS ENTITLED TO 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. Corporate Members are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution/Power of Attorney/other valid authority, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.

3. Members / Proxies should fill in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of Annual Report to the Meeting, as no copies will be made available at the meeting.

4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name and attending the meeting, will be entitled to vote.

5. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

6. 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.

7. The Register of Members and Share Transfer Books of the Company will remain closed from August 24, 2012 to August 30, 2012 (both days inclusive) for purpose of the Annual General Meeting.

8. 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.

9. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.

10. 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.

11. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participation in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

12. Recognizing the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company proposes to send Annual report and other documents/notices to shareholders to the email address provided by Depositories. Shareholders are requested to register and /or update email address with the respective Depository Participant or the Company, to ensure that documents from the Company reach their preferred email address.

13. All documents referred to, in the accompanying notice and explanatory statement, are open for inspection at the registered office of the Company on all working days, during regular business hours and up to date of this meeting.

EXPLANATORY STATEMENT WITH RESPECT TO SPECIAL BUSINESS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 3

M/s S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, the Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company. In view of the same, based on the recommendation of the Audit Committee, the Board at its meeting held on July 26, 2012 proposed the appointment of M/s Walker Chandiok & Co., Chartered Accountants, New Delhi, having Firm Registration number 001076N which holds Peer Review certification from the Institute of Chartered Accountants of India, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting. The Company has received confirmation from M/s Walker Chandiok & Co., Chartered Accountants, New Delhi, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Accordingly, the appointment of M/s Walker Chandiok & Co., Chartered Accountants, New Delhi, is being proposed and recommended as an Ordinary Resolution. None of the Directors of the Company are interested in this resolution.

Your Directors recommend the Ordinary Resolution for the approval of the members.

Item No. 4

The Company is *inter alia* engaged in the business of Multi System Operator (MSO) by receiving the television channels of various broadcasters and distribution of the same through its Cable Networks to the Cable Operators and/or subscribers. The said business has been carried on by the Company under the brand name of "SITI CABLE" which is a well-known Brand in the industry, operating for about seventeen (17) years.

In 2006, the Cable Business Undertaking of Zee Entertainment Enterprises Limited (erstwhile Zee Telefilms Ltd) and its wholly owned subsidiary Siti Cable Network Limited was transferred to and vested in the Company, pursuant to a Scheme of Arrangement, *inter alia* for Demerger of Cable Business Undertaking, approved by Hon'ble Bombay High Court vide order dated 17.11.2006. As per the said Scheme entire Cable Business Undertaking of Zee Entertainment Enterprises Limited and Siti Cable Network Limited along with all the assets and liabilities including all the Trade Marks pertaining to the said undertaking was vested to the Company. Consequently, the trade mark "SITI CABLE", was transferred to and vested with the Company.

In view of the foregoing and considering the brand recall and value of brand "Siti Cable", it is proposed to change the name of the Company from 'Wire and Wireless (India) Limited' to 'Siti Cable Network Limited'.

The Company has received confirmation of availability of the new proposed name from the Registrar of Companies, Maharashtra.

As per provisions of Section 21 of the Companies Act, 1956, the proposed change of name of the Company shall be subject to approval of the Central Government and also of the Members by way of Special Resolution.

Your Board recommends the resolution for approval of members by passing a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the proposed Special Resolution.

By order of the Board

Place: Delhi
Date:26.07.2012

Suresh Kumar
Company Secretary

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

DIRECTORS' REPORT

To,
The Members of
Wire and Wireless (India) Limited

Your Directors take pleasure in presenting the Sixth Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL PERFORMANCE

(₹ In Millions)

Particulars	For the year ended	
	March 31, 2012	March 31, 2011
Sales & Services	**2,457.8**	**2,177.5**
Other Income	**206.7**	**94.88**
Total Income	**2,664.5**	**2,272.44**
Total Expenses	**2,440.0**	**2,093.76**
Operating Profit/ (Loss)	**224.5**	**178.7**
Less: Finance Cost	**565.2**	**566.4**
Less: Depreciation	**236.8**	**173.0**
Profit/ (Loss) before Tax & Exceptional Item	**(577.5)**	**(560.7)**
Provision for Taxation (Net)	**12.4**	**6.4**
Profit/ (Loss) after Tax before Exceptional Item	**(589.9)**	**(567.1)**
Less: Exceptional Item	**231.5**	**-**
Profit / (Loss) after Tax	**(821.4)**	**(567.1)**
Add: Balance Brought Forward from Previous Year	**(4,610.1)**	**(4,043.0)**
Balance Carried To Balance Sheet	**(5,431.4)**	**(4,610.1)**

BUSINESS OVERVIEW

Wire and Wireless (India) Limited is one of India's largest Multi System Operator (MSO), with 54 analogue and 13 digital head ends and a network of more than 12000 Kms of optical fiber and coaxial cable, it provides its cable services in India's 58 key cities and the adjoining areas, reaching out to over 10 million viewers.

Your Company deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience through multiple products ranging from Analogue Cable Television, Digital Cable Television, Broadband and Local Television Channels. Your Company has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Electronic Programming Guide (EPG) and gaming through a Set Top Box (STB). All products are marketed under SITI brand name.

During the year, your Company has maintained strong momentum and strengthened the operations. Majority of Company's Analog Business units are operationally self-sustainable, resulting in operational profits. While on one hand, your Company expanded its business and ground presence by starting operations in newer areas, on the other hand, it undertook strategic cost reduction initiatives to enhance efficiencies and optimize resources.

Every opportunity has been exploited to streamline operations, realign corporate and regional functions, reducing overhead costs, increase focus and accountability of the Company's leadership team and improve performance of our core service lines.

From almost every perspective FY 2011-12 was an impressive year for your Company:

- The Consolidated operating revenues grew by 15% to ₹ 3,643 million from ₹ 3,167 million during the last fiscal.
- The Company posted a consolidated operating profit (EBITDA) of ₹ 192 million, which was a significant achievement as compared to operational profit of ₹ 164 million during the last fiscal.
- Indian Cable Net Company Limited, a subsidiary of WWIL, has been honored Certificate of Excellence by Inc. India 500 for the second consecutive year.
- WWIL was conferred with "Amity HR Excellence Award for Leadership Development".

Media & Entertainment Industry

According to FICCI-KPMG Indian Media & Entertainment Industry Report, 2011 has been a dynamic year for the Indian Media & Entertainment Industry – A year in which the transformation of the industry began to take hold.

The Indian Media & Entertainment (M&E) industry has registered a growth of 12 percent over 2010 to reach INR 728 billion. This double digit growth was backed by strong media consumption in Tier 2 & Tier 3 cities, continued growth of regional media and fast increasing new media businesses. As the industry braces for exciting times ahead, the sector is projected to grow at a Compounded Annual Growth Rate (CAGR) of 14.9 percent to touch INR 1,457 billion by 2016. The potential for increase in media penetration, growing importance of regional markets, increasing consumption in tier 2 and 3 cities, impact of regulatory changes, more focused consumer research, innovation in content, marketing and delivery platforms to serve different niches, increasing device penetration like mobiles, tablets, PCs etc., all point towards a very positive future for the industry.

Cable TV Industry

In sync with overall growth scenario cable television has also registered an impressive escalation over last year. The total number of TV households grew from 138 million in 2010 to 146 million by the end of 2011, showing an increase of 5.8 percent. The penetration of Cable & Satellite (C&S) households increased from 78 percent of total TV households in 2010 to 81 percent in 2011. The overall number of C&S households increased by 11 million during 2011 to reach 119 million, registering a growth of 10 percent over last year.

The cable television industry in India is poised for one of its most significant developments in the last decade – a transformation to the Digital Addressable System (DAS) for television distribution.

The Cable Television Networks (Regulation) Amendment Act, 2011 has made it mandatory for switch-over of the existing analogue Cable TV networks to Digital Addressable System (DAS) by December 2014 in a phased manner. As per the mandate four metros viz. Delhi, Mumbai, Kolkata and Chennai have to shift to digital cable by October 2012. The next phase will include cities with population greater than one million to make the transition by March 2013. All urban areas are expected to shift from analogue to digital cable by September 2014 and the rest of the country by December 2014.

Digitization is being seen as the game changer for the entire Indian TV industry, as it will reduce under reporting, brings in transparency and boost in subscription revenue in the industry and it will be win-win situation for all stakeholders. The Consumers will benefit the most with more channels of their choice besides sharper pictures and better sound quality. And further scope of receiving host of Value Added Services (VAS) like MOD, Broadband etc.

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.

CHANGE IN SUBSCRIBED & PAID UP EQUITY CAPITAL CONSEQUENT UPON FORFEITURE

During the year under review, due to non-payment of first and final call money, the Board had in accordance with the terms of Rights issue and in accordance with Articles of Association of the Company, forfeited 12,27,123 partly paid-up equity shares, resulting in reduction of paid-up share capital of the Company from ₹ 452.83 million comprising of 45,22,12,915 fully paid equity share of ₹ 1 each and 12,27,123 partly paid equity shares of ₹ 1 each (paid up to ₹ 0.50 per share) to ₹ 452.21 million comprising of 45,22,12,915 equity shares of ₹ 1 each.

RIGHTS ISSUE OF SHARES – RECEIPTS AND UTILISATION

During the financial year 2009-10, your Company had come with Rights Issue of 23,67,67,351 equity shares of ₹ 1/- each issued at a price of ₹ 19/- per share (including premium of ₹ 18/- per share) aggregating ₹ 4,498.5 million to the equity shareholders in the ratio of 109 equity shares for every 100 equity shares held by them. The amount of ₹ 19/- was payable in two installments i.e. ₹ 9/- per share on application (including ₹ 0.50 towards capital) and the balance ₹ 10/- per share (including ₹ 0.50 towards capital) was payable after six months at the option of the Company but within twelve months from the date of allotment.

Out of such 23,62,22,285 equity allotted on October 29, 2009, against rights issue, the Company had received first and final call money in respect of 23,49,95,162 equity shares. However, 12,27,123 equity shareholders had failed to make payment of first and final call money despite of sending first & final call money notice dated April 23, 2010; and various reminder notices including final reminder notice dated April 28, 2011. Consequently these partly paid-up shares were forfeited by the Board of Directors on October 19, 2011, resulting in reduction of paid-up share capital of the Company from ₹ 452.83 million comprising of 45,22,12,915 fully paid equity share of ₹ 1 each and 12,27,123 partly paid equity shares of ₹ 1 each (paid up to ₹ 0.50 per share) to ₹ 452.21 million comprising of 45,22,12,915 equity shares of ₹ 1 each.

Your Company has so far received a sum of ₹ 4,488.27 million towards the rights issue of equity shares. The utilization of proceeds of the money received through rights issue by the Company, as on March 31, 2012 are as under:

(₹ In Millions)

Objects of the Rights Issue*		Right Issue - Utilization of Total Receipts
Repayment of certain of our existing unsecured loans	2,733.38	2,733.38
Funding our working capital requirements	275.97	265.90
Acquisition of MSOs and LCOs	186.70	21.80
Information technology infrastructure and ERP	0.30	0.30
General corporate purposes	1,252.20	781.27
Issue expenses	39.72	39.70
Total	**4,488.27**	**3,842.35**

(*)Pursuant to the approval of the Audit Committee and also of the Board of Directors in their respective meetings both held on October 19, 2011, the proceeds of rights issue had been revised by utilizing the additional amount of ₹ 733.80 million for repayment of unsecured loan and ₹ 450 million for general corporate purposes, which were envisaged for utilization towards working capital purposes (₹ 1,023.38 million) and MSO Acquisition (₹160 million).

EMPLOYEES STOCK OPTION SCHEME

Pursuant to approval from Members obtained 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. Applicable disclosures pursuant to Clause 12 – 'Disclosure in the Directors' Report' of the SEBI (Employees Stock Option Scheme) Guidelines, 1999, as amended, relating to Employees Stock Options as at March 31, 2012, are given in 'Annexure A' to 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., up to the date of Annual General Meeting.

DIRECTORS

Mr. Arun Kumar Kapoor resigned as Director of the Company with effect from the close of July 12, 2011. Your Board places on record its appreciation for the contributions made by Mr. Arun Kumar Kapoor during his tenure as Director of the Company.

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

Brief Profile of Mr. Sureshkumar Agarwal, Director proposed to be re-appointed has been included in the Report on the Corporate Governance forming part of the Annual Report.

REDEMPTION OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

During the financial year 2009-10, your Company had issued on private placement basis 1920 number of 9.95% Secured Redeemable Non-Convertible Debentures (SRNCDs) aggregating to ₹ 1,920 million. These SRNCDs were listed on Wholesale Debt Market Segment of National Stock Exchange of India Limited.

Upto March 31, 2011, the Company had repaid 20% of the aggregate value of SRNCDs, constituting an amount of ₹ 384 million. During the year under review and thereafter till this report, as per the terms of issuance, the Company had repaid 80% of the value of SRNCDs constituting an amount of ₹ 1,536 million in three installments comprising of 20% of the aggregate value of the SRNCDs (i.e. ₹ 384 million) on or before 10th June, 2011; 30% of the aggregate value of the SRNCDs (i.e. ₹ 576 million) on or before 10th December, 2011 and balance 30% of the aggregate value of the SRNCDs (i.e. ₹ 576 million) on or before 10th June, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirement of Clause 49 of the Listing Agreement with the Stock Exchange(s) Management Discussion and Analysis Report, disclosing the operations of the Company, in detail, is separately provided as a part of Directors' 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 Ms. Balika Sharma & Associates, Practicing Company Secretary, confirming compliance with the requirements of Clause 49 of the Listing Agreement(s) with the Stock Exchanges, as also the Management Discussion and Analysis Statement, forms part of the Annual Report.

SUBSIDIARIES COMPANIES

During the year under review the Company has acquired 51% equity stake in Siti Bhatia Network Entertainment Private Limited, Siti Jind Digital Media Communications Private Limited and Siti Jai Maa Durgee Communications Private Limited. Accordingly, during the year under review the number of subsidiary companies of the Company has increased to 9, as compared to 6 during the financial year 2010-11.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiaries is annexed to this Report as 'Annexure – B'.

The Ministry of Corporate Affairs, Government of India vide General Circular No.2/2011 dated February 8, 2011, has granted general exemption from the provisions of Section 212, subject to compliance of certain conditions as stipulated in the said General Circular, which *inter alia* include disclosures of specified financial highlights in consolidated balance sheet pertaining to each subsidiary. Your Board has decided to avail the said general exemption from applicability of provisions of Section 212 of the Companies Act, 1956, and accordingly, the Annual Accounts of all nine (9) Subsidiary of the Company for the financial year ended March 31, 2012 are not being attached with the Annual Report of the Company. However, as per the requirement of para (iv) of the Direction issued under Section 212(8) of the Companies Act, 1956, by the Ministry of Corporate Affairs vide General Circular No.2/2011 dated 08/02/2011, the disclosures of specified financial highlights in consolidated balance sheet pertaining to each subsidiary have been made. The annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders at the Registered Office of the Company.

HOLDING COMPANY

During the year under consideration, due to inter se transfer of equity shares amongst group company of the Company, M/s. Bioscope Cinemas Private Limited has become the holding company of Wire and Wireless (India) Limited. M/s. Bioscope Cinemas Private Limited, a Company incorporated in India and being a part of promoter group of the Company, has acquired 26,20,40,427 fully paid up equity shares constituting 57.95% of the paid up equity share capital of the Company through inter se transfer of shares amongst promoters.

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 and forms part of the Annual Report.

AUDITORS AND AUDITORS' REPORT

The Statutory Auditors M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, hold office until the conclusion of the ensuing Annual General Meeting. M/s. S. R. Batliboi & Associates, Gurgaon, has expressed unwillingness to continue to hold the office of Statutory Auditor after the conclusion of the ensuing Annual General Meeting. The Directors place on record deep appreciation for the assistance and guidance extended by M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, during their tenure as Statutory Auditors of the Company. On recommendation of the Audit Committee, the Board at its meeting held on July 26, 2012 proposed the name of M/s. Walker Chandiok & Co., Chartered Accountants, New Delhi for appointment as the Statutory Auditor of the Company at the ensuing Annual General Meeting. The Company has received the confirmation from M/s. Walker Chandiok & Co., Chartered Accountants, New Delhi to the effect that appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. You are requested to consider their appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self –explanatory and do not call for any further comments.

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

Your Company is into the business of *inter alia,* reception of signals of channels of various Broadcasters and distribution of same through cable networks. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

However the information as applicable is given hereunder:

1. **Conservation of Energy:**

   Your Company, being a service provider, requires minimal energy consumption and every endeavor has been made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

2. **Technology Absorption:**

   In its endeavor to deliver the best to its viewers and business partners, your Company has been constantly active in harnessing and tapping the latest and best technology in the industry.

3. **Foreign Exchange Earnings and Outgo:**

   Particulars of foreign exchange earnings and outgo during the year are given in Note Nos. 38 & 39 of the Financial Statements of the Company.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 ('Act') read with the Companies (Particulars of Employees) Rules, 1975 is required to be set out in an annexure to this Directors' Report. However, in terms of Section 219(1)(b) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Corporate Office. None of the employees listed in the said annexure are related to any Director of the Company.

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 financial statements for the year ended March 31, 2012, 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 judgements 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, 2012 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 wishes to convey its appreciation to all the Company's employees for their enormous personal efforts as well as their collective contribution towards 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, Viewers, Broadcasters, Vendors and Service Providers.

Place : Delhi

Date : 26.07.2012

For and on behalf of the Board

Amit Goenka **Whole-time Director**	**Sureshkumar Agarwal** **Director**

Annexure –A to Directors' Report

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, 2012.

	Particulars		**Grant of Options**
a	Options Granted (Nos.)		
	Till April 1, 2011	19,90,900	
	During the financial year 2011-12	Nil	19,90,900

b	Exercise Price (₹) Options Granted(nos.) — Exercise Price(₹) 1,72,600 — 39.75* 6,86,600 — 17.45 *Re-priced at ₹ 20 on October 22,2009	
c	Options Vested	3,64,240
d	Options Exercised	NIL
e	Total number of Shares arising as a result of Exercise of option	NIL
f	Options Lapsed (Nos.)	11,31,700
g	Variation in terms of Options	6,09,000
h	Money realized by exercise of Options	NIL
i	Total Number of Options in force	8,59,200
j	Employee wise details of Options granted to:	
	(i) Senior Management Personnel Sudhir Agarwal* 8,11,000 Raj Kumar Agarwal 1,43,700 A Mohan* 1,40,700 Neeraj Soni 63,600 Sanjay Jindal 64,300 Sanjay Goyal 97,300 *subsequently lapsed due to resignation(s)	13,20,600
	(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 Accounting Standard (AS) 20. 'Earning Per Share'.	(1.82)
l	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	The issuance of the equity shares upon exercise of option shall not affect the Profit & Loss Account of the Company, as the pricing formula as approved by the shareholders of the Company is the market price as per the SEBI Guidelines i.e. latest available closing price prior to the date of grant of options at the Stock Exchange where there is highest trading volume.
m	Weighted-average exercise prices and weighted-average fair values of options, separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable
n	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information.	

	(i)	Risk-free interest rate		8.54%
	(ii)	Expected life		4.30 years
	(iii)	Expected volatility		48.65%
	(iv)	Expected dividends		Nil
	(v)	The closing price as on date of grant	Date of Options Granted	
			27/10/2007 (₹)	16/07/2009 (₹)
			41.10	16.95

Annexure – B of Directors Report

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, 2012.

Name of the Subsidiary Companies		Indian Cable Net Company Limited	Central Bombay Cable Network Limited	Siticable Broad-band South Limited	Wire and Wireless Tisai Satellite Limited	Master Channel Community Network Private Limited	Siti Vision Digital Media Private Limited	Siti Bhatia Network Enter-tainment Private Limited	Siti Jind Digital Media Com-mun-ications Private Limited	Siti Jai Maa Durgee Commu-nications Private Limited
Extent of holding company's interest %		67.69%	100.00%	100.00%	51.00%	66.00%	51.00%	51.00%	51.00%	51.00%
Face Value of equity share (per share)		₹10/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 100/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
No. of equity shares held by the holding company and / or its subsidiaries		6,831,000	50,000	10,000	25,500	3,300	753,587	10,409	102,000	5,100
Net aggregate amount of profits/ (losses) of the subsid-iary so far as it concerns the members of the holding company and is dealt with in accounts of holding com-pany:	*For the financial year ended on March 31, 2012 (Amount ₹ In Millions)*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	For the previous financial year of the subsidiary since it became a subsidiary (Amount ₹ In Millions)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net aggregate amount of profits/ (losses) of the subsid-iary so far as it concerns the members of the holding company and is not dealt with in accounts of holding com-pany:	*For the financial year ended on March 31, 2012 (Amount ₹ In Millions)*	11.50	(0.12)	(0.17)	(2.21)	2.20	(68.51)	(9.36)	0.60	(0.23)
	For the previous financial year of the subsidiary since it became a subsidiary (Amount ₹ In Millions)	9.99	(0.12)	(0.63)	(13.50)	2.26	(41.54)	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Corporate Governance is "the system by which companies are directed and controlled" (Cadbury Committee, 1992).

Corporate Governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined.

Your Company believes that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, your Company always seeks to ensure that we attain our performance goals with integrity. Your Company is committed to uphold the core values of transparency, integrity, honesty and accountability across all its business activities. The Company's focus on adopting the highest standards of Corporate Governance and ethical business process is fundamental to this commitment. Your Company is of the view that good governance goes beyond good working results and is a pre-requisite to attainment of excellent performance in terms of stakeholder value creation.

The Board of Directors of your Company play a proactive role in fulfilling its fiduciary obligations by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value. This belief is reflected in our governance practices, under which we strive to maintain an effective informed and independent Board.

During the year under review, your Company has complied with the standards of Corporate Governance envisaged as under:

BOARD OF DIRECTORS

a) Composition & Category of Directors

The Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors, who have in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management.

The Company has been in strict compliance of Board composition requirement of the Listing Agreement. Composition of Board of Directors as on March 31, 2012 is as follows:-

Category of Directors	No. of Directors	% of total No. of Directors
Executive Director	1	20
Non-Executive Independent Directors	3	60
Other Non-Executive Director	1	20
Total	**5**	**100**

b) Board Meetings & Procedures

During the financial year under review, five (5) meetings of the Board were held on May 19, 2011, July 26, 2011, October 19, 2011, January 20, 2012 and March 28, 2012. The intervening period between any two Board Meetings were well within the maximum time gap of 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 Board meets at least once a quarter to review the quarterly performance and financial results of the Company.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings mentioned hereinabove held during the Financial year 2011-12 and also their other Directorships in Public Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) and membership of other Board Committees as at March 31, 2012 are as under:

Sr. No.	Name of Director	Category	Attendance at		No. of Directorships of other Public Companies*	No. of memberships /Chairmanships of Board Committees#	
			Board Meetings (Total 5 Meetings)	5th AGM held on July 26, 2011		Memberships	Chairmanships
1.	Subhash Chandra	Non Executive Chairman	3	Yes	5	-	-
2.	B. K. Syngal	Independent – Non-Executive	5	Yes	2	2	2
3.	Sureshkumar Agarwal	Independent-Non -Executive	3	Yes	0	2	0
4.	Amit Goenka	Executive	3	Yes	6	1	0
5.	Vinod Kumar Bakshi	Independent - Non-Executive	5	Yes	3	2	0
6.	Arun Kumar Kapoor@	Non Independent - Non - Executive	Nil	No	-	-	-

@ Resigned as a Director with effect from July 12, 2011.

\# As required by Clause 49 of Listing Agreement, for reckoning the limit of Committee Chairmanship/Membership, Audit Committee and Share Transfer & Investors Grievance Committee alone has been considered.
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.

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

c) Brief profile of the Director to be Re-appointed at the Annual General Meeting

Mr. Sureshkumar Agarwal, Non-Executive Independent Director of the Company, is a Commerce Graduate from Haryana University, with Entrepreneurial background. He is Managing Director and major shareholder of Super Dynic Clothing Pvt. Ltd., a Company engaged in the business of Home Textile, with an annual turnover of ₹ 360 millions.

Apart from textile business, he also has keen interest in Steel business. He is an active member of renowned charitable institute Lions Club of Millennium. He is a Director at Super Dynic Clothing Pvt. Ltd., Jay Properties Pvt. Ltd. & Swals Steel Pvt. Ltd.

Mr. Sureshkumar Agarwal does not hold any shares in the Company.

d) Code of Conduct

The Company has instituted a Code of Conduct for Members of the Board and Senior Management of the Company and the compliance of the same is affirmed by the Board and Senior Management personnel annually. The Code has also been posted on Company's corporate 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, 2012.

Amit Goenka
Whole-time Director
April 2, 2012

BOARD COMMITTEES

a) Audit Committee

The Board has constituted an Audit Committee, comprising of Three (3) members, all 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.Vinod Kumar Bakshi	Non Executive – Independent

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;
- Material related party transactions; 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, four (4) meetings of Audit Committee were held. The details of the meetings are as under:

Sr. No.	Date	Committee Strength	No. of members present
1.	May 19, 2011	3	3
2.	July 25, 2011	3	2

3.	October 19, 2011	3	3
4.	January 19, 2012	3	2

Statutory Auditors, Internal Auditors, Whole-time Director, Chief Operating Officer and 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. Internal Auditors have attended Meetings wherein Internal Audit Reports were considered by 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, and Mr. Sureshkumar Agarwal, Non-Executive Independent Director as member.

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) and also administers grant of stock options to the employees under Company's ESOP scheme. The remuneration, if any, 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. The members of remuneration committee did not meet during the year under review.

Remuneration to Executive Director

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

Remuneration payable to Non-Executive Directors

Non-Executive Directors are entitled to sitting fees of ₹ 20,000/- per meeting for attending the meetings of the Board and Committees thereof, other than Share Transfer & Investors Grievances Committee.

Particulars of Sitting Fees paid to Non-Executive Directors of the Company for Financial Year 2011-12 are as under:

Sr. No.	Director	Total Fees (₹)
1.	Mr. Subhash Chandra	60,000
2.	Mr. B. K. Syngal	180,000
3.	Mr. Vinod Kumar Bakshi	160,000
4.	Mr. Sureshkumar Agarwal	120,000

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 and Mr. Sureshkumar Agarwal as members.

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, rematerialization, dematerialization, etc. of shareholders to the officials of the Secretarial Department.

Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer of the Company.

During the year under review, Share Transfer and Investors Grievance Committee met Nine (9) times. The details of the meetings are as under:

Sr. No.	Date	Committee Strength	No. of members present
1.	July 26, 2011	3	3
2.	August 16, 2011	3	2
3.	September 12, 2011	3	2
4.	October 19, 2011	3	3
5.	November 21, 2011	3	2
6.	November 30, 2011	3	2
7.	December 7, 2011	3	2
8.	December 29, 2011	3	2
9.	March 22, 2012	3	2

Details of number of requests/complaints received and resolved during the year ended March 31, 2012 are as under:

Nature of Correspondence	Received	Resolved/ Replied	Pending
Non-receipt of Annual Report	2	2	NIL
Non-receipt of Dividend Payment	5	5	NIL
Non-receipt of Refund Amount of excess call money paid	1	1	NIL
Non-receipt of Fully Paid-up Shares/ Certificates	22	22	NIL
Letter from SEBI	4	4	NIL
Letter from BSE	2	2	NIL
Total	**36**	**36**	**NIL**

GENERAL MEETINGS

The Sixth Annual General Meeting of the Company for the financial year 2011-12 will be held on Thursday, August 30, 2012 at 3:30 p.m. at the 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.

Details of Annual General Meeting of the Company held during last three financial years along with particulars of Special Resolutions passed at this meetings are as detailed herein:

Meeting	Day, Date and Time of the Meeting	Special Resolutions passed	Venue
3rd AGM	Monday, August 17, 2009 2.30 p.m.	(i) For maintaining and keeping the registers, documents and papers relating to Equity Shares and/or Debentures issued by the Company, as are required to be kept at the Registered Office of the Company, at the offices of the Company's Registrar and Share Transfer agents M/s. Sharepro Services (India) Private Limited.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.

		(ii) For Alteration of Articles of Association of the Company by:- (a) Substituting the existing Article 121 with the New Article 121. (b) Inserting new Article 4A after existing Article 4. (iii) For according approval to the Board of Directors of the Company to re-price the Stock options already granted by the Company under Employees Stock Option Scheme - 2007.	
4th AGM	Tuesday, August 31, 2010, 3:30 p.m.	None	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.
5th AGM	Tuesday, July 26, 2011, 3:30 p.m.	None	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.

All these Special Resolution were passed with requisite majority.

No Ordinary or Special resolutions were passed through Postal Ballot during Financial Year 2011-12. 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, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of an advertisement in 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

This annual report has a detailed section on Management Discussion and Analysis.

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, 2012, 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.

Balika Sharma & Associates
Company Secretaries
Balika Sharma, Proprietor

Membership No.
FCS 4816
CP 3222
Place: Delhi
Dated: 23.07.2012

GENERAL SHAREHOLDERS INFORMATION

The required information is provided in Shareholders Information Section.

1.	**Annual General Meeting**		
	❖ Day	:	Thursday
	❖ Date	:	August 30, 2012
	❖ Time	:	3:30 p.m.
	❖ Venue	:	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –400018.
2.	**Financial year**	:	2011-12
3.	**Book Closure Date**	:	August 24, 2012 to August 30, 2012 (both days inclusive)
4.	**Dividend Payment Date**	:	The Board has not recommended any dividend for the Financial Year 2011-12.
5.	**Address of Correspondence**	:	**Registered Office** 135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018. Phone No.:+91- (022) 24831234 Fax No.: +91 -(022) 24900302 Website : www.wwil.net. **Corporate Office** Building No. FC 19, Gate No. -3 Sector 16 A, First Floor, Film City Noida (UP) – 201301 Phone No.: +91-(0120) 4526700 Fax No.: +91- (0120) 4265232
6.	**Listing on Stock Exchange**	:	Bombay Stock Exchange Limited (BSE) The National Stock Exchange of India Limited (NSE)
7.	**ROC Registration No./ Company Identification Number**	:	**L64200MH2006PLC160733**
8.	**Scrip Code**	:	BSE : 532795 NSE : WWIL EQ
9.	**ISIN No.**	:	INE965H01011
10.	**Registrar & Share Transfer Agent**	:	**Sharepro Services (India) Private Limited** 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane,Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072. Tel: +91-22-67720400, Fax: +91-22-28591568 Email: sharepro@shareproservices.com
11.	**Investor Relation Officer**	:	Mr. Laxman Singh Kaira Assistant Manager Company Affairs Wire and Wireless (India) Limited Madhu Industrial Estate, "A" Wing, 4th Floor, Pandurang Budhkar Marg, Worli, Mumbai -400013. Tel : +91-22-24992020. Fax: +91-22-24992000. Email : csandlegal@wwil.net

12. Change of Address

Members holding Equity shares in physical forms are requested to notify the change of address/ dividend mandate, if any, to the Company's Registrar and Share Transfer Agents, at the address mentioned above.

Members holding equity shares in Dematerialized form are requested to notify the change of address/ dividend mandate, if any, to their respective Depository Participants (DP).

13. Share Transfer System

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

14. Dematerialisation of Equity Shares and Liquidity

To facilitate trading in demat form, the Company has made arrangement with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may open account with any of the Depository Participants registered with any of these two depositories.

15. Shareholder's Correspondence

The Company has attended to all the investor's grievances/ queries/ information requested and every endeavour is made to reply all letters received from the shareholders within a period of 5 Working days.

All the correspondence may please be addressed to the Registrar and 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.

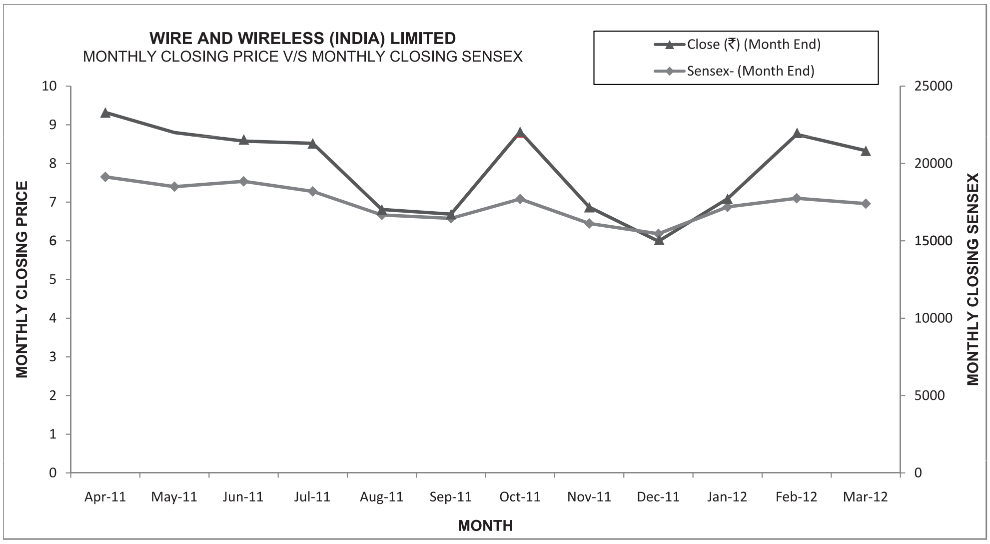
16. Stock Market Data relating to shares Listed in India

Monthly high and Low quotation and volume of Equity shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the Financial year 2011-12 are given as under:-

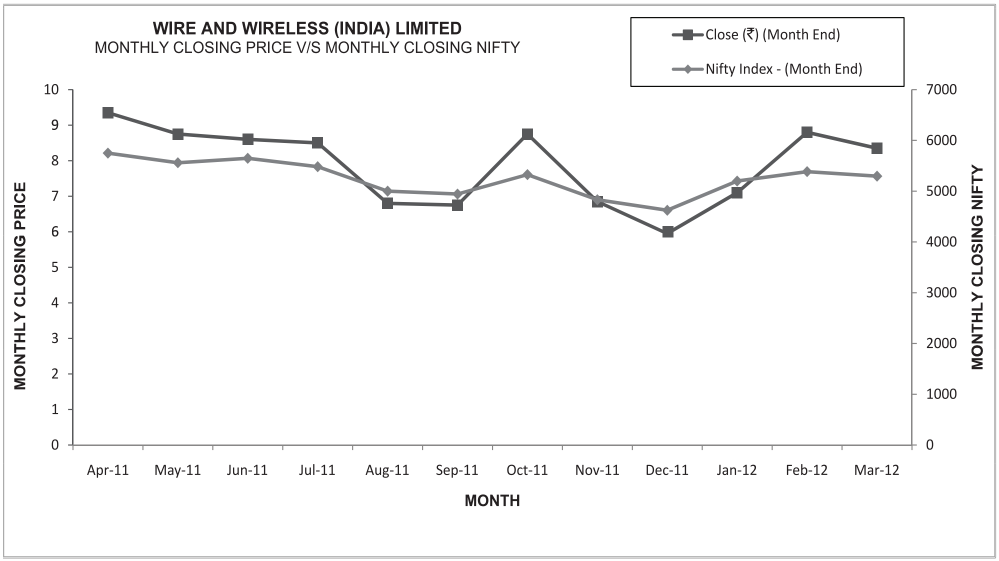
Month	NSE			BSE		
	High (in ₹)	Low (in ₹)	Traded Quantity	High (in ₹)	Low (in ₹)	Traded Quantity
April 2011	10.5	8.85	3,12,32,834	10.5	8.91	1,66,74,826
May 2011	9.5	8.25	1,70,60,207	9.48	8.25	72,46,369
June 2011	9.7	7.15	2,31,97,419	9.7	8.1	88,81,784
July 2011	9.25	8.4	1,55,84,916	9.25	8.46	66,73,414
August 2011	8.65	6.25	1,51,73,773	8.65	6.32	57,05,532
September 2011	7.85	6.6	1,34,80,073	7.85	6.61	49,61,090
October 2011	9.7	6.5	4,50,68,415	9.7	6.52	1,90,82,027
November 2011	8.85	6.45	53,06,461	8.99	6.5	37,96,901
December 2011	7.25	5.9	67,96,668	7.45	5.93	34,42,621
January 2012	7.6	5.65	1,32,52,874	7.95	5.7	57,10,462
February 2012	8.8	7.1	2,35,14,225	8.8	7.1	98,96,245
March 2012	9.5	7.65	1,83,61,164	9.7	7.65	63,90,575

17. Relative performance of the shares of Wire and Wireless (India) Limted Vs. BSE Sensex and Nifty Index:

a. Share Price of Wire and Wireless (India) Limted Vs. BSE Sensex



b. Share Price of Wire and Wireless (India) Limted Vs Nifty Index



18. **Distribution of Shareholding as on March 31, 2012.**

Description	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Upto 5000	1,80,132	98.18	7,19,83,809	15.92
5001-10000	1,893	1.03	1,40,07,106	3.10
10001-20000	789	0.43	1,12,95,615	2.50
20001-30000	252	0.14	62,55,641	1.38
30001-40000	104	0.06	36,18,180	0.80
40000-50001	72	0.04	34,04,760	0.75
50001-100000	115	0.06	83,42,047	1.84
100000 and above	117	0.06	33,33,05,757	73.71
TOTAL	**1,83,474**	**100.00**	**45,22,12,915**	**100.00**

19. **Categories of Equity Shareholder as on March 31, 2012.**

Particulars	Shares	% age
Promoter	28,68,38,172	63.43
Individual	11,96,58,787	26.46
Financial Institutions/Mutual Fund/Banks/ Insurance Companies	3,98,525	0.09
Indian companies	2,59,55,398	5.74
Trust	13,502	0.00
FII/NRI/OCBs	1,93,48,531	4.28
TOTAL	**45,22,12,915**	**100.00**

20. **Particulars of Shareholding**

a) **Promoters Shareholding as on March 31, 2012.**

Sr. No.	Name of the shareholder	Number of shares	% of shareholding
1.	Bioscope Cinemas Private Limited	26,20,40,427	57.95
2.	Essel Media Ventures Limited (Formerly Known as Delgrada Limited)	1,64,31,000	3.63
3.	Essel International Limited(Formerly Known as Lazarus Investments Limited)	57,50,000	1.27
4.	Ashok Mathai Kurien	10,21,000	0.23
5.	Laxmi Narain Goel	8,75,000	0.19
6.	Briggs Trading Co. Private Limited	7,20,745	0.16
TOTAL		**28,68,38,172**	**63.43**

b) Top Ten (10) Public Shareholding as on March 31, 2012

Sr. No.	Name of the shareholder	No. of Shares held	% of shareholding
1.	Oppenheimer Global Fund	90,72,951	2.01
2.	Dilipkumar Lakhi	32,00,000	0.71
3.	Aadi Financial Advisors LLP	25,25,000	0.56
4.	Oppenheimer Variable Account Funds for the A/c of Oppenheimer Global Securities Fund V/A	22,81,600	0.50
5.	Manish Lakhi	22,00,000	0.49
6.	ING Oppenheimer Global Portfolio	15,76,003	0.35
7.	Globe Capital Market Limited	13,68,046	0.30
8.	Goldman Sachs Investments (Mauritius) I Ltd	10,52,590	0.23
9.	Sal Real Estates Pvt. Ltd.	10,00,000	0.22
10.	Bishwa Nath Poddar	9,07,050	0.20

21. Disclosure pursuant to Clause 5A of the Listing Agreement

As per Clause 5A of the Listing Agreement inserted as per SEBI notification no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009, the details in respect of the shares, which were issued from time to time and lying in the suspense account, are as under:-

Description	No. of shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares as on April 1, 2011	96	56,667
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2012	Nil	Nil
Number of shareholders to whom shares were transferred from the suspense account till March 31, 2012	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	96	56,667

The voting rights on the shares outstanding in suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into a single folio in the name of 'Unclaimed Suspense Account' in due course.

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC REVIEW

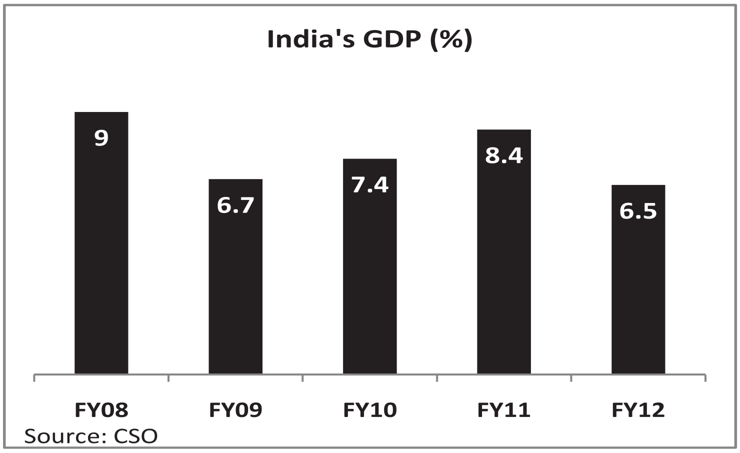
GLOBAL ECONOMY

The year 2011 turned out to be a year of subdued growth for the world economy. International Monetary Fund has estimated the global GDP to have grown by 3.9% in 2011. Faced with daunting challenges in their respective domestic and regional spheres, advanced economies' GDP growth slowed down to 1.6%. Sovereign debt crisis in the euro zone deepened and the US's sovereign rating got downgraded. The US economy is estimated to have recorded a GDP growth of 1.7% according to US Bureau of Economic Affairs. Leading the global economic growth once again were the emerging economies. Emerging economies showed tremendous resilience in arresting any major slowdown in their growth momentum and recorded a GDP growth of 5.7% in 2011.

INDIAN ECONOMY

The upheaval in global economy had a trickle-down effect on Indian Economy too. Financial Year 2011-12 (FY 12) for India was characterised by 4 critical issues namely higher commodity prices in the global markets leading to sustained higher levels of inflation in domestic markets; a regime of sustained increase in an already higher level of interest rates in order to control inflation; an atmosphere of policy paralysis with regard to implement reforms on key sectors; and a sharp appreciation of US Dollar against Indian Rupee. Consequently, investment and business sentiments of the corporate sector stood dampened with the focus shifting on managing efficiencies and protecting margins. Growth in consumer demands slowed down with a sharp impact on borrowing-linked products like automobile and real estate. With divestment plans of the central government getting deferred owing to weak sentiments in the stock markets, India's fiscal deficit reached a high level of 5.9% of GDP for FY 12.

Thanks to the much talked about strong fundamentals of Indian economy and resilience of Indian corporate, Indian economy managed to post a reasonable GDP growth of 6.5% in FY 12 as indicated in the Revised Estimates of Central Statistical Office (CSO).



INDUSTRY OVERVIEW

INDIAN TELEVISION INDUSTRY

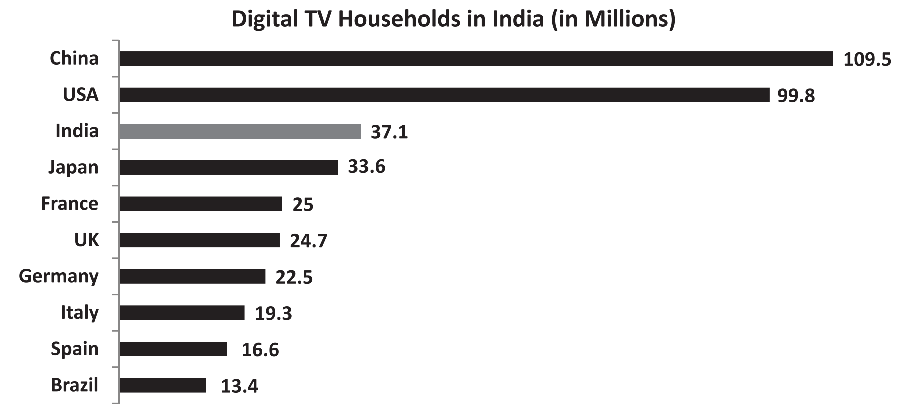
Television is the largest medium for media & entertainment delivery in India in terms of revenue, representing around 45 % of the total media & entertainment industry. The TV industry continues to have more scope for further growth over the coming years, as television penetration in India is still at approximately 60% of total households, according to FICCI-KPMG report 2012.

TELEVISION CONTENT DISTRIBUTION

The Cable & Satellite (C&S) TV distribution industry has reached an estimated 119 million cable TV homes in 2011. From 20 pay channels in 1995, there are more than 800 channels registered with Ministry of Information & Broadcasting (I&B), out of which around 167 are pay channels. The conventional analogue cable system under which there are more than 60,000 local cable operators (LCOs) in the country, still holds the leadership in the value chain, with over 65% market share.

FY 12 was a period in which the transformation of Cable & Satellite (C&S) began to take shape. The digitization of cable TV distribution got underway with the Telecom Regulatory Authority of India (TRAI) mapping out the guidelines for complete roll out of digitization across the country in another two years, in phases. The industry is now just a step away from digitization, as the industry undergoes landmark regulatory changes, from November this year in four cosmopolitan cities. The potential for increase in media penetration, growing importance of regional markets and increasing consumption in tier 2 and 3 cities apart from impact of regulatory changes are likely to play a key role in the same.

The television is expected to have higher consumer research, more innovation in content, better quality to serve different niches, raising scope towards a bright future for the C&S distribution industry. The quality of reception on television has gradually improved with the evolution of DTH and subsequently the IPTV, beamed in digital mode. The exceptional growth in number of TV channels, combined with some limitations of the analogue cable TV systems has posed several challenges and concerns for the C&S distribution industry sector, coming from analogue cable distribution system.

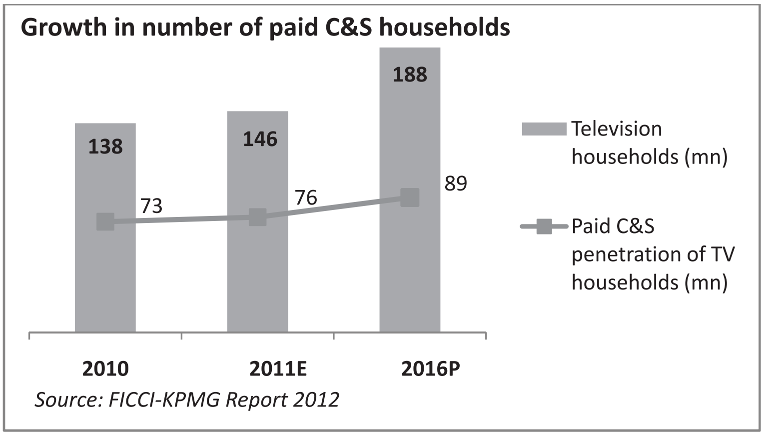


Source: FICCI-KPMG Report 2012

Cable operators in a Digital Access System (DAS) regime would be legally bound to transmit only digital signals, which would replace analogue cable system presently used by Local Cable Operators (LCOs). Each user in the network would be uniquely identifiable to the service provider, leaving no scope for avoiding service tax and making the TAM and TRP system more acceptable in television broadcast. Digital television is expected to provide the consumer the access to higher number of TV channels, customized tariffs, availability of broadband and other value-added-services. All of these would provide enhanced user experience through better viewing quality and consumer service. The advantages of digitization over conventionally used analogue signals by LCOs would include:

- High capacity to carry more number of channels
- Efficient carrying capability of voice and data
- Possibility of interactivity
- Enhanced picture and sound quality
- Accountability
- Last mile and satellite based connectivity (in case of DTH)
- Bypass the constraints of terrestrial transmission (in case of DTH)

With the consumers realizing the potential advantages of digital TV distribution, a large scale voluntary shift in priorities of consumers ahead of the mandatory digitization in cosmopolitan and urban areas has already taken place over the past two to three years. The same is visible, considering the DTH households had increased to 26 million in the country in 2010, from 14 million in 2009, recording an exponential growth of 86% . On the other hand, the compounded average growth rate of cable households using the conventional analogue system through LCOs remained limited to just 2% till 2010.



The entire changeover to digitization would eliminate the pilferage, presently very common at LCOs level, to avoid proper reporting of number of subscribers and avoiding the servicer tax mopped up government from C&S industry. The new Digital Addressable System (DAS) has the support of key stake holders including the government, the broadcasters and the Multi-System Operators (MSOs). The Local Cable Operator (LCO) is likely to be most affected by digitization and may hence resist this move. However given the mandatory shift to digitization and inherent difficulty in managing the large investments required to fund this move, the LCOs appear to have limited options, apart from aligning with the MSOs.

However, according to a projections from Media Partners Asia (MPA), the transition of country from a more popular and cheaper analogue system of cable TV distribution to complete digitization would remain a highly capital intensive proposition. The same would involve laying up of more optical fibre cables by MSOs and Internet Service Providers (ISPs) across the country and extending them to rural areas in the last phase.

The benefits of this infrastructure up-grade would reap in through the opening up of new revenue models and value added services for digital service providers by offering high definition quality picture, gaming opportunities, broadband and also the internet telephony.

FICCI-KPMG report 2012 suggests that the LCOs may get marginalised in the process of transition and more consolidation may follow in this segment, which is now generating 65-70% in an era of pre-digitization. The revenue share of entire value chain involved in distribution of C&S TV in an era of complete digitization after stabilization will get completely overhauled. The same is projected to become as under by year 2016:

Stakeholder Revenue (%)	**Pre Digitization**	**Post 2016**
LCO	65-70%	35-50%
Distributor	5%	5%
MSO	15-20%	25-30%
Broadcaster	10-15%	30-35%

Source: FICCI-KPMG 2012

The transition in revenue mix post phase of investments in different regions through laying optical fibre cables would translate in reaping benefits for the MSOs. To sum up, the consumers, the MSOs, the DTH service providers and the government will be set to gain following the next three years of transition. This will be the case once the entire transformation takes place, and consolidation takes shape.

COMPANY OVERVIEW

Wire & Wireless (India) Ltd is a leading Multi System Operator (MSO) engaged in distribution of TV content, broadband internet and various Value Added Services (VAS) across 58 prospering cities in India. With a network infrastructure of 13 digital head ends, 54 analogue head ends, 12,000 kms of optical fibre and affiliation of over 4000+ LCOs; WWIL serves 10 million customers. It belongs to Essel Group, India's leading business conglomerate with strong business presence across media and entertainment broadcasting, TV content distribution, print media, infrastructure development and packaging among others.

WWIL's consumer offerings include digital and analogue cable TV content, broadband internet, local TV channels, Video on Demand, Electronic Programming Guide and Gaming. All its services are offered under 'SITI' brand. As a professionally managed organisation, its senior management team is assisted by a strong employee pool of 350 people.

WWIL IN FY 12

OPERATIONS OVERVIEW

WWIL continued to expand its operations through a judicious mix of consolidation and strategic expansions across the country in FY 12. The company strengthened its base across UP, Delhi, Jharkhand, Bihar, Assam, Madhya Pradesh and West Bengal during the year under review. We added cities like Indore, Bhopal, Jaipur and Jabalpur also in our country wide network.

During the year under review, WWIL continued to make process and technological advancements in its operations which were aimed at checking pilferage in the distribution value chain and enhancing the service experience and variety to the end consumer. It has leveraged IP based delivery platform for centralized distribution of encrypted signals on its digital networks. It has also centralized its customer care function with a dedicated 24x7 Customer Care Centre. Besides enhancing service quality to consumers, centralized customer care also brings in better efficiency and cost management. The company has also started increasing the mbps capacity of its digital network from STM 4 (600 mbps) to STM 16 (2500 mbps) towards scaling up its channel transmission capabilities from existing 400 channels to 1000 channels in future.

RAPID DIGITIZATION

WWIL is present in 3 of the four metros notified to undergo digitization under Phase I namely Delhi, Kolkata and Mumbai. During the year under review, the company arranged all the necessary resources – funds, hardware and trained man-power – towards rapid switchover of its entire customer base from analogue to digital cable in the said metro cities. It has strengthened its backend infrastructure to transmit a significantly higher number of channels on its digital network. During the consultation phase where the regulator was exploring possible channel carrying capacity with various MSOs, WWIL displayed its leadership capabilities and stands by making a voluntary declaration to offer a minimum of 400 channels. This happened at a time when other MSOs were expressing inability to offer number of channels as high as 400. By making this confident move, WWIL, in its own little way, supported a more consumer friendly regulation that has mandated the number of channels offered on digital network to 500.

Towards the closure of FY 12, the company also arranged funds to support it's aim to have 2.5 million customers in the said 3 metro cities and placed orders for requisite quantity of Set Top Boxes (STB) with reputed global suppliers.

WWIL stands geared up to gradually shift to IP based delivery platform which is highly effective to carry VAS. STM4 – IP is a full duplex (two) way compliant platform expandable to transmit 1000+ channels on the pipe through this technology.

KEY STRATEGIES

WWIL is pursuing a three pronged strategy in order to realize its vision of business leadership.

- Its first focus remains on driving efficiencies out of its analogue networks. Having stabilized all its analogue networks, it stays focused on improving processes and people capabilities. By running these networks profitably till the last days of their analogue operations, WWIL will not only make the most of these age old investments but also prepare them for a smooth transition to digital network as and when they make this migration.

- Its second focus is on voluntary migration of its analogue networks to digital platforms in a phased and judicious manner. In the light of 4 metros being the chosen geographies for first phase of mandatory digitization, WWIL is fast transiting its analogue customers in the metropolitan cities of Delhi, Mumbai and Kolkata on the digital cable platform. It aims to fast achieve absolute phase out of analogue operations in these three metros first. At the same time, it continues to expand its digital cable footprints by not only converting its existing analogue networks to digital cable network in other major cities but also keep adding new customers on its digital networks.

- WWIL's third focus happens to be a gradual organizational transformation towards becoming a world class company. Digitization will change the cable distribution dynamics completely and the stage will be set for consolidation with non-aligned small and marginal players facing an absolute wipe out. WWIL is geared to emerge as a world class organization equipped with best in class talent and infrastructure pool, business ethics, consumer orientation and product & service innovations.

FINANCIAL REVIEW

RESULTS OF OPERATIONS
Consolidated Financial Information for the Year Ended March 31, 2012 compared to the period ended March 31, 2011.

Total Revenue
Total revenue increased by ₹ 480.57 million or 15% from ₹ 3,162.03 million to ₹ 3,642.60 million. The major focus during the year was on setting up relevant infrastructure, strategic expansions, increasing collections and as well as cost rationalizations.

Sales/Income from Operations
Revenue from Sales/Income from Operations increased by ₹ 367.60 million or 12% from ₹ 3,060.58 million to ₹ 3,428.17 million.

Other Income
Other income increased by ₹ 112.98 million or 111% from ₹ 101.45 million to ₹ 214.43 million.

Total Expenditure
Total expenditure increased by ₹ 452.25 million or 15% from ₹ 2,998.34 million to ₹ 3,450.60 million. It includes Operational Cost, Personnel cost, Administrative expenses and Selling and Distribution expenses.

Carriage sharing, pay channel and related costs and Cost of goods sold
Carriage sharing, pay channel and related costs and Cost of goods sold increased by ₹ 174.17 million or 9% from ₹ 2,000.85 million to ₹ 2,175.02 million.

Personnel Cost
Personnel Cost increased by ₹ 25.97 million or 11% from ₹ 245.1 million to ₹ 271.07 million on account of manpower rationalization and due to expansion of business operations to newer places in central India region, eastern region and UP.

Other Expenses
Other Expenses increased by ₹ 252.11 million or 34% from ₹ 752.40 million to ₹ 1,004.51 million.

Operating Profit/(Loss)
Our company registered Operating Profit of ₹ 192 million, which amounts to 5.6% of the sales during the year as against loss of ₹ 163.6 million last fiscal.

Interest and Finance Charges
Interest and Finance charges has come down by ₹ 2 million or 0.35% from ₹ 568.4 million to ₹ 566.4 million due to prudent fiscal management.

Depreciation and amortization expenses
Depreciation has increased by ₹ 86.07 million from ₹ 217.99 to ₹ 304.06 million.

Profit/(Loss) Before Exceptional Items and Tax
Profit/(Loss) before exceptional items and tax has come up to ₹ (678.48)million from ₹ (622.73) million.

Exceptional Items
Exceptional Item for the year ended March 31, 2012 is ₹ 240.27 million as compared to ₹ 22.5 million during the period ended March 31, 2011.

Profit/(Loss) Before Tax
Profit/(Loss) before tax for the year ended March 31, 2012 has come up to ₹ (918.74)million from ₹ (645.29)million.

Provision for Taxation
Provision for taxation for the year ended March 31, 2012 is ₹ 29.91 million as compared to ₹ 13.84 million for the period ended March 31, 2011.

Profit/(Loss) After Tax
Profit/(Loss) after tax for the year ended March 31, 2012 has come up to ₹ (948.64)million from ₹ (659.13)million.

FINANCIAL POSITION
Consolidated financial position as on March 31, 2012 as compared to March 31, 2011.

Sources of Funds

Share Capital, Reserves and Surplus
Equity Share Capital increased by ₹ 0.03 million from ₹ 452.82 million as on March 31, 2011 to ₹ 452.85 March 31, 2012 on account of Right issue. Reserves and Surplus as on March 31, 2012 is ₹ (1,282.09) million as compared to ₹ (369.26) as on March 31, 2011.

Loan Funds
Total loan funds as on March 31, 2012 stood at ₹ 4,480.50 million, up from ₹ 3,490.96 million as on March 31, 2011

Application of Funds

Fixed Assets
During the year the Company's Gross Fixed Assets Block increased by ₹ 545.50 million, from ₹ 3,479.6 million as on March 31, 2011 to ₹ 4,025.1 million as on March 31, 2012. The Net Block increased by ₹ 262.2 million from ₹ 1,580.4 million as on March 31, 2011 to ₹ 1,842.6 million as on March 31, 2012. Capital Work-in-Progress is ₹ 123.15 million as on March 31, 2012 as against ₹ 117.26 million as on March 31, 2011.

Current and Non Current Assets

Inventories
Inventories of the Company decreased from ₹ 401.85 million as on March 31, 2011 to ₹ 161.17 million as on March 31, 2012.

Sundry Debtors
Sundry Debtors have decreased from ₹ 958.96 million as on March 31, 2011 to ₹ 777.59 million as on March 31, 2012.

Cash and Bank Balances
Cash and Bank Balances lying with the Company were ₹1,482.83 million as on March 31, 2012 as against ₹ 995.73 million as on March 31, 2011.

Loans and Advances

Total Non Current Assets
Total Non Current Assets Loans and Advances increased to ₹ 833.93 million as on March 31, 2012 from ₹ 820.15 million as on March 31, 2011.

Total Current Assets
Total Current Assets Loans and Advances decreased to ₹ 399.52 million as on March 31, 2012 from ₹ 759.26 million as on March 31, 2011.

Current Liabilities and Provisions

Total Non Current Liabilities and Provision
Total Non Current liabilities and Provision stood at ₹ 28.21 million as on March 31, 2012 as against ₹ 20.89 million as on March 31, 2011.

Total Current Liabilities and Provision
Total Current liabilities and Provision stood at ₹ 1,854.78 million as on March 31, 2012 as against ₹ 1,915.58 million as on March 31, 2011.

INTERNAL CONTROL SYSTEMS

WWIL has a robust framework of internal control in place that provides proper safeguards to its assets, smoothness in its operations and compliance with necessary legislations and regulations. The framework is commensurate with its size and nature of business operations. Periodic internal audits strengthen company's control mechanism by providing necessary checks and controls. Internal audits ensure that the assets are properly accounted for and the business operations are conducted as per the laid down policies and procedures. The team keeps tracking regulatory updates and changes and appraises the management on them and thus enables an informed and quick response to such changes.

Company's Audit Committee of the Board of Directors meets periodically and reviews the adequacy of control mechanism.

HUMAN RESOURCE DEVELOPMENT

Employees are the true ambassadors of Company's ethos, values and brand. With a firm belief that the quality and intensity of its employees forms the backbone of its growth, WWIL provides an open and friendly work atmosphere that fosters innovation, collaboration and team play. In order to continuously enhance the skills of its employees, the company organizes various training programs from time to time.

Besides above 350 employees that were on the rolls of WWIL as on March 31, 2012, WWIL's business also integrates the HR pool of thousands of LCOs under its ambit. WWIL's LCO facing managers and staff undertake regular training and update programs for customer facing resources that are employed by our various LCOs. In order to strengthen bonding and acknowledge outstanding performances, the company organizes various meets and incentive programs from time to time. During the year under review, the company organized Lakshaya – as three tier managerial skill development program, Konnect Zone at Corporate & Zonal level to help keep a healthy working environment.

During the year WWIL was conferred upon "Amity HR Excellence Award for Leadership Development".

RISK MANAGEMENT

As a leading multi system operator of India, WWIL's business faces a set of risks that are similar to those of its peers including large LCOs. While many risks could emerge out of factors beyond the ambit and control of the Company, as a professionally managed organization WWIL keeps strengthening its risk management framework by developing mitigation mechanisms for all the key business risks.

REGULATORY CHANGES

Any change or revision in applicable regulations can impact Company's business prospects. The company monitors the relevant regulatory developments closely and remains proactive in introducing necessary alignments in its business in order to maximize the positive impact and minimize the adverse impact from such changes.

COMPETITION RISKS

Increase in the intensity and nature of competition can adversely impact company's business. Company stays focused on enhancing customer engagement with enhanced service delivery, enhanced brand salience and visibility.

HR RISKS

Company's inability to retain its management team and its talent pool can adversely impact its business prospects. The company provides a congenial work atmosphere to its people, promotes a culture of meritocracy and offers commensurate recognition and reward programs towards harnessing and retaining talent.

TECHNOLOGY RISKS

Company's inability to keep pace with technological evolution can adversely impact its business. WWIL tracks the technological evolution closely and keeps updating its business with technological up-gradations from time to time.

OUTLOOK

WWIL features amongst top MSOs in India with a strong pan-India presence, substantial subscriber base, well defined framework of LCO engagement, significant TV content and internet distribution infrastructure, and a formidable talent pool. Ensuing digitization presents a multiplier growth opportunity to WWIL and it is right positioned to make the most of unfolding opportunities while pursuing growth through organic and inorganic routes. It is making continuous investments in leveraging technology and IT as a business advantage. Its R&D focus on new product offerings as well as process integration is poised to further enhance its revenues and profitability.

Current phase of digitization will also help in driving consumer preferences for various Value Added Services (VAS) including broadband, IPTV, video on demand, gaming on demand and so on. With pioneering presence in all these segments, WWIL is well positioned to increase the share of VAS revenues in its overall revenues. Another facet of WWIL's operations has been its continuous focus on cost discipline at an operational level and investment in capacity enhancement and service improvement. Based on these factors, WWIL's business outlook appears immensely promising over the coming years

CERTIFICATION PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Amit Goenka, Whole-time Director and Sanjay Goyal, Chief Financial Officer of Wire and Wireless (India) Limited ('the Company') do hereby certify to the Board that :-

a. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2012 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 statements 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, 2012 are fraudulent, illegal or violative of 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 the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. During the year :-

➢ there has not been any significant change in internal control over financial reporting;

➢ there have not been any significant changes in accounting policies; and

➢ 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.

Amit Goenka	**Sanjay Goyal**
Whole-time Director	**Chief Financial Officer**

Place: Noida
Date: 17.05.2012

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, 2012 and also the Statement of profit and loss 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 and without considering the consequential effect of the matter stated in paragraph 5 and 6 below, we draw attention to Note 1 (b) of accompanying financial statements related to the conditions which indicate the existence of a material uncertainty on Company's ability to continue as a going concern. In view of the mitigating factors, which have been more fully discussed in Note 1 (b) of accompanying financial statements, these financial statements have been prepared under the going concern assumption.

5. *Attention is drawn to note no. 26 of accompanying financial statements in respect of advances of ₹ 1182.70 million (including ₹ 450 million given subsequent to the yearend) given to various companies viz ₹ 710.90 million to subsidiaries for meeting working capital requirements and ₹ 471.80 million to other Companies for technological upgradation and acquisition of MSOs / direct points etc. In view of the reasons stated in the said note, management of the Company is of the view that no provision is required there against. Having regard to the nature and size of operations of the recipients of said advances and in the absence of concrete plans for recovery / adjustments of these amounts / acquisition of MSO/ direct points, technological upgradation etc., we are unable to comment on their ability to repay / adjustments of these advances, and consequent adjustments, if any, that may be required to the carrying values of such advances. This had caused us to qualify our audit opinion on the financial statements relating to previous year and previous quarters also.*

6. *The Company has, during the year, given interest free advances/deposit of ₹ 746.00 million to various Companies for technological upgradation and acquisition of MSOs / direct points etc. These advances/deposits have been received back by the Company during the year (except for an amount of ₹ 21.80 million, which is still outstanding as at the year- end). Having regard to the nature and size of operations of the recipients of said advances/deposits and in view of the fact that these advances/deposits have been received back without receipt of any services by the Company and considering that the Company is incurring external borrowing costs at the same time, we are not in a position to comment on the nature of these advances/deposits.*

7. *Further to our comments in the Annexure referred to above, we report that:*
   i. *Except to the matters stated in paragraph 5 and 6 above,* 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. *Except to the matters stated in paragraph 5 and 6 above* , 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. *Except to the matters stated in paragraph 5 and 6 above,* the balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

iv. *Except to the matters stated in paragraph 5 and 6 above*, in our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi. *Except for the possible effect of the matter stated in paragraph 5 and 6 above*, 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, 2012;
   b) in the case of the statement of profit and loss, 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 number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.:94941

Place : Gurgaon
Date : 17.05.2012

Annexure reffered to the pharagraph (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. No material discrepancies were noticed on such verification. *However, 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 disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(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 has been maintaining inventory records; *however the same needs to be strengthened to make it commensurate with the size of the Company and nature of its business.* No material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) The Company had taken loan from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 35 million and the year-end balance of loans taken from such parties was ₹ Nil.

(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. In our opinion this is a continuing failure to correct major weakness in the internal control system.*

(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 Companies Act, 1956 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, employees' state insurance, sales-tax, wealth-tax, income tax, service tax, customs duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been slight delay in a few cases of tax deducted at source, provident fund. Excise duty is not applicable to the Company.*

(b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues were outstanding at the year-end for a period of more than six months from the date they become due. Excise duty is not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the 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 the information and explanations given to us by the management, and on an overall examination of the balance sheet of the Company, we report that 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 an 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, the Company has created security in respect of debentures issued.

(xx) The Company has not raised any money by public issues during the year.

(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 number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.:94941

Place : Gurgaon
Date : 17.05.2012

Balance Sheet As At March 31, 2012

	Notes	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Equity and liabilities			
Shareholders' funds			
Share capital	3	452.85	452.82
Reserves and surplus	4	(1,226.48)	(405.68)
		(773.63)	**47.14**
Non-current liabilities			
Long-term borrowings	5	2,983.15	2,126.49
Long -term provisions	6	16.30	12.62
		2,999.45	**2,139.11**
Current liabilities			
Short Term borrowings	7	503.70	178.93
Trade Payables	8	1,037.47	830.43
Other Current Liabilites	8	1,220.82	1,738.22
Short-term provisions	6	0.33	4.20
		2,762.32	2,751.78
TOTAL		**4,988.14**	**4,938.03**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,083.63	1,000.94
Intangible assets	9.1	67.29	32.98
Capital work-in-progress		31.84	53.52
Non-Current investments	10	230.24	194.33
Long term loans and advances	11	212.69	190.67
Other non-current assets	14.2	292.18	300.22
		1,917.87	**1,772.66**
Current assets			
Current investments	12	10.04	7.54
Inventories	13	126.49	373.57
Trade Receivables	14.1	720.28	771.48
Cash and bank balances	15	656.75	880.90
Short-term loans and advances	11	1,524.18	1,063.58
Other current assets	14.2	32.53	68.30
		3,070.27	**3,165.37**
TOTAL		**4,988.14**	**4,938.03**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Firm Registration no.: 101049W
CHARTERED ACCOUNTANTS

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2012

	Notes	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Income			
Revenue from operations (gross)	16	2,457.83	2,177.56
Other income	17	206.65	94.88
Total revenue (i)		**2,664.48**	**2,272.44**
Expenses			
Carriage sharing, Pay channel and related costs		1,468.68	1,314.10
Cost of goods sold		108.28	73.96
Employee benefits expense	18	196.16	195.45
Other Expenses	19	666.84	510.25
Exceptional items	20	231.50	-
Total (ii)		**2,671.46**	**2,093.76**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		**(6.98)**	**178.68**
Depreciation and amortization expense	21	236.78	172.96
Finance Cost	22	565.21	566.43
Loss before tax		**(808.97)**	**(560.71)**
Tax expenses			
Current tax (Income taxes for earlier years written off)		12.40	6.39
Loss for the year		**(821.37)**	**(567.10)**
Loss per equity share (nominal value of ₹ 1 (previous year ₹ 1))	23		
Basic/Diluted			
Computed on the basis of total loss for the year		(1.82)	(1.30)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Firm Registration no.: 101049W
CHARTERED ACCOUNTANTS

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2012

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Cash flow from operating activities		
Profit before tax	**(808.97)**	**(560.71)**
Depreciation/ amortization on continuing operation	236.78	172.97
Loss/ (profit) on sale of fixed assets	3.25	(5.88)
Employee stock compensation expense	-	(0.55)
Unrealized foreign exchange loss	-	(0.06)
Liability Written Abck	(167.86)	(74.88)
Preliminary Expenses Written Off	-	0.44
Finance Cost Amortised	71.71	55.40
Provision for Doubtful Debts	129.75	147.29
Provision for Doubtful Advances	34.97	21.02
Advance tax written off	12.40	6.39
Income from Investment	(0.20)	-
Dividend income on current investment	(0.21)	-
Interest expense	490.30	509.32
Interest (income)	(22.62)	(9.34)
Operating profit before working capital changes	**(20.70)**	**261.41**
Movements in working capital :		
Increase/ (decrease) in trade payables	207.04	24.78
Increase / (decrease) in long-term provisions	3.68	3.16
Increase / (decrease) in short-term provisions	(3.87)	(3.17)
Increase/ (decrease) in other current liabilities	(114.64)	(119.47)
Decrease / (increase) in trade receivables	(78.54)	(99.15)
Decrease / (increase) in inventories	69.73	37.06
Decrease / (increase) in short-term loans and advances	(21.04)	111.02
Decrease / (increase) in other non-current assets	(22.02)	-
Cash generated from /(used in) operations	**19.64**	**215.64**
Direct taxes paid (net of refunds)	(40.77)	(21.03)
Net cash flow from/ (used in) operating activities (A)	**(21.13)**	**194.61**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(159.79)	(29.75)
Proceeds from sale of fixed assets	1.78	94.04
Purchase of non-current investments	(35.91)	(82.33)
Purchase of current investments	(10.00)	(5.04)
Sold of current investments	7.70	-
Dividend income on current investment	0.21	-
Investments in bank deposits (having original maturity of more than three months)	37.84	(145.50)
Loans / Advances to Subsidiary Companies (Net)	(442.20)	45.64
Net cash flow from/ (used in) investing activities (B)	**(600.37)**	**(122.94)**
Cash flows from financing activities		
Proceeds from issuance of Right Issue Shares equity share capital	0.60	2,349.36
Proceeds from long-term borrowings	2,807.11	1,255.75
Repayment of long-term borrowings	(2,180.59)	(1,988.27)

Proceeds from short-term borrowings	725.77	403.93
Repayment of short-term borrowings	(401.01)	(762.28)
Interest and Finance Expenses paid	(554.54)	(669.32)
Net cash flow from/ (used in) in financing activities (C)	**397.34**	**589.17**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(224.16)**	**660.84**
Cash and cash equivalents at the beginning of the year	880.90	220.06
Cash and cash equivalents at the end of the year	**656.74**	**880.90**
Components of cash and cash equivalents		
Cash on hand	3.84	5.17
Cheques/ drafts on hand	52.29	90.91
With banks- on current account	600.61	784.82
Total cash and cash equivalents (note 18)	**656.74**	**880.90**
Summary of significant accounting policies		

Notes:

1. Figure in brackets indicates cash outgo.
2. Previous year figure have been regrouped and recast wherever necessary to confirm to the current year classification.
3. Cash and cash equivalents excludes ₹ 238.07 million (previous year ₹ 275.91 million) pledged with various authorities/ given as margin moneys, which are not available for use by the Company.

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretary

Sanjay Goyal
Chief Financial Officer

Notes to financial statements for the year ended March 31, 2012

1. a) **Corporate Information**
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 ₹ 5,431.40 million as at March 31, 2012 (₹ 4,610.03 million as at March 31, 2011) while the shareholders' funds are ₹ 4,657.77 million (₹ 4,657.17 million as at March 31, 2011). This has resulted in complete erosion of net worth of the Company.

In view of new Digitisation policy announced by TRAI, which requires all Multi System Operators (MSOs) to convert the entire Analogue universe into digital by March 31, 2014 in a phased manner; starting from four metros, which are to be converted into digital by June 30, 2012; the Company expects to increase / expand the subscriber base of its analogue business; which will yield higher subscription income and improve operational efficiency. Further, the Company has been focusing on increasing its presence in Central India. The approved business plan of which is under implementation by the Company, the benefit of which will accrue in future years. Based on the new business plan, the Company expects to have positive cash flows and earnings before interest, depreciation and tax (EBIDTA) from perations from year 2012-13.

Based on the above, management expects to earn higher revenues and improved profitability which will enable the Company to strengthen its financial position. Also the Parent Company (including the promoters and shareholders of parent company) 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. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except for the change in accounting policy explained below.

2.1 **Summary of Significant Accounting Policies**

a) **Change in accounting policy**

Presentation and disclosure of financial statements
During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) **Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible Fixed Assets

(i) Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) From accounting periods commencing on or after 7 December 2006, the company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

(iii) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(iv) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(v) Set top boxes intended to be provided on lease are treated as part of Capital work in progress. These gets capitalized at the end of the month of activation. Also, set top boxes intended to be sold are treated as part of inventory.

d) Depreciation on Tangible Fixed Assets

(i) Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies act, 1956 whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

	"Rates (SLM)"
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%
Air Conditioner	4.75%
Set-top Boxes	20%
IRD Boxes	10%

(ii) Leasehold improvements are amortized over the lease term or 10 years; which ever is less.

(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) Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

f) Amortization of Intangible Assets

(i) Goodwill on acquisition is amortized using the straight-line method over a period of five years
(ii) Computer Software are amortized over a period of six years on straight line basis.
(iii) Cost of news/ current affairs/ chat shows/ events including sports events etc. are fully expensed on first telecast.
(iv) 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.

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.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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

Where the Company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. 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 statement of profit and loss account.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

h) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible assets

(i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

(iii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(iv) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

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.

l) 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.

(i) Sale of Goods

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

(ii) 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.

The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

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.

(iii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

m) 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

n) Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no other obligation, other than the contribution payable to the provident fund.

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.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. Short term compensated absences are provided for based on estimates. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

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

o) Income Tax

Tax expense comprises of current and deferred tax. Current income 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 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 reporting 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 taxes relate to the same taxable entity and the same taxation authority. Deferred tax liabilities are recognized for all taxable timing differences. 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.

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) Segment Reporting

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

r) Earning Per Share

(i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

(ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

s) 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.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

u) 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.

v) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

w) Measurement of EBITDA

As permitted by *the Guidance Note on the Revised Schedule VI to the Companies Act, 1956,* the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

x) Miscellaneous Expenditure

Costs incurred in raising funds are amortized equally over the period for which the funds are raised. Preliminary Expenditure are amortized in the year when they are incurred.

3 Share capital

Particulars	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Authorized shares		
740,000,000 (Previous Year: 740,000,000) Equity Shares of ₹ 1 each	740.00	740.00
10,000,000 (Previous Year: 10,000,000) Preference Shares of ₹ 1 each	10.00	10.00
	750.00	**750.00**
Issued Capital		
453,440,038 (Previous year 453,440,038) Equity shares of ₹ 1 each	453.44	453.44
Less:- Forfeiture Shares 1,227,122 (Previous year nil) Equity shares of ₹ 1 each	1.23	-
23,436 (Previous Year: 23,436) 7.25% Non Cumulative Redeemable Preference shares of ₹ 1 fully paid up	0.02	0.02
Total Issued Capital	**452.23**	**453.46**
Subscribed and Paid up Capital		
Subscribed and fully paid		
452,212,916, (Previous Year: 452,153,300) Equity Shares of ₹ 1 each fully paid up	452.21	452.16
23,436 (Previous Year: 23,436) 7.25% Non Cumulative Redeemable Preference shares of ₹ 1 fully paid up	0.02	0.02
Subscribed but not fully paid		
1,286,738, (Previous Year: 1,286,738) equity shares of ₹ 1 each (₹ 0.50 paid up)	-	0.64
Total Paid up Capital	**452.23**	**452.82**
Shares Forfeiture Account	0.62	-
	452.85	**452.82**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	March 31, 2012 No of shares	March 31, 2012 ₹ millions	March 31, 2011 No of shares	March 31, 2011 ₹ millions
Outstanding at the beginning of the year	453.44	452.80	217.22	217.22
453,440,038 (Previous year: 217,217,753) Equity Shares of ₹ 1 each	-	-	-	-
Nil (Previous year 236,222,285) Equity shares of ₹ 1 each (₹ 0.50 paid up)	-	-	236.22	118.11
Issued during the year Nil (Previous year: 236,222,285) Equity Shares of ₹ 1 each (Previous year ₹ 0.50 paid up)	-	-	236.22	118.11
Less : Calls in arrear on Nil (Previous Year 1,286,738) equity shares of ₹1 each (Previous year ₹ 0.50 paid up)	-	-	-	(0.64)
Add: Receipt of Call Money (59,615 equity shares of ₹ 1 each, ₹ 0.50 received)(Previous year Nil)	0.03	0.03	-	-
Less : 1,227,122 (Previous year nil) Equity shares of ₹ 1 each (₹ 0.50 paid up) forfeited during the year	(1.23)	(0.62)	-	-
Outstanding at the end of the year	**452.24**	**452.21**	**453.44**	**452.80**

Preference shares

	March 31, 2012 No of shares	March 31, 2012 ₹ millions	March 31, 2011 No of shares	March 31, 2011 ₹ millions
At the beginning of the year	0.02	0.02	0.02	0.02
Outstanding at the end of the year	**0.02**	**0.02**	**0.02**	**0.02**

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms/ rights attached to Prefrence shares

The Company has only one class of 7.25% Non-Cumulative Redeemable Preference Shares of ₹ 1/- each. The said Preference Shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprise Limited) on December 29, 2006, pursuant to the Scheme of Arrangement for demerger of Cable Business Undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated 17th November, 2006. Initially, as per the terms of the issue and allotment the said Preference Shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said Preference Shares was varied by extending the period of redemption by another 3 years i.e. till December 29, 2011. Later on, on June 6, 2011 these shares were transferred to Churu Enterprises LLP. by Zee Entertainment Enterprises Limited. Period for redemption of preference shares has been extended till December 29, 2016 by another period of five years by Churu Enterprises LLP. In the event of liquidation of the company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of Equity and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Equity Shares		
Bioscope Cinemas Private Limited, the immediate holding company, effective December 28, 2011. (262,040,427(previous year Nil) equity shares of Re 1 each fully paid up))	262.04	-

(e) Details of shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No of shares	₹ millions	No of shares	₹ millions
Churu Enterprises LLP	23,436	100%	-	-
Zee Entertainment Enterprise Limited	-	-	23,436	100%

	March 31, 2012		March 31, 2011	
Equity shares	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bioscope Cinemas Private Limited, the immediate holding company	262,040,427	57.95%	-	-
Jayneer Capital Pvt Ltd	-	-	66,831,658	14.76
Premier finance and trading co. Ltd	-	-	79,922,319	17.65
Churu Trading Co. Pvt ltd	-	-	37,281,549	8.23
Prajatma trading co. Pvt ltd	-	-	52,390,702	11.57

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(g) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, refer note 28.

4 Reserves and surplus

		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Securities premium account			
Balance as per the last financial statements		4,199.50	1,967.61
Add: Premium received on issue of shares		0.57	2,231.89
Closing Balance	**(A)**	**4,200.07**	**4,199.50**

Employee stock options outstanding			
Gross employee stock compensation for options granted in earlier years		4.85	5.39
Less: deferred employee stock compensation		-	(0.54)
Closing Balance	**(B)**	**4.85**	**4.85**
Surplus/ (deficit) in the statement of profit and loss			
Balance as per last financial statements		(4,610.03)	(4,042.93)
(Loss) for the year		(821.37)	(567.10)
Net deficit in the statement of profit and loss	**(C)**	**(5,431.40)**	**(4,610.03)**
Total reserves and surplus	**(A+B+C)**	**(1,226.48)**	**(405.68)**

5 **Long-term borrowings**

	Non-current portion		Current maturities	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
(a) Debentures				
1,920 (Previous Year : 1920) 9.95% p.a Secured Redeemable Non-Convertible Debenture of Face value Rs 1,000,000 each, (outstanding Rs 300,000/- each (Previous Year ₹ 800,000 each) as at March 31, 2012) *Terms of Repayment (refer note no. 1 below)	-	576.00	576.00	960.00
(b) Indian Rupee Term Loans from banks				
Axis Bank (Secured) (Refer note no 2 below)	1,750.00	950.00	200.00	50.00
IDBI Bank (Secured) (Refer note no 3 below)	431.25	600.00	168.75	121.88
ICICI Bank (Secured) (Refer note no 4 below)	800.00		-	
(c) Other Loans and Advances				
Finance Lease Obligations (Secured) (Refer note no 5 below)	1.90	0.49	0.56	0.19
Loan from related party (Unsecured)	-	-	-	38.77
Total Secured and Unsecured	**2,983.15**	**2,126.49**	**945.31**	**1,170.84**
The above amount includes				
Secured Borrowings	2,983.15	2,126.49	945.31	1,132.07
Unsecured Borrowings	-	-	-	38.77
Amount disclosed under the head other current liabilities" (Note. 8)			(945.31)	(1,170.84)
Net amount	**2,983.15**	**2,126.49**	**-**	**-**

Note:-

1. 9.95% p.a Secured Redeemable Non-Convertible Debenture

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. The debenture carries coupon rate of 9.95% pa payable on semi annual basis. The debentures are redeemable at par in four six monthly installments starting from December 2010, 2 each of 20% of the issue size and 2 each of 30% of the issue size.

2. From Axis Bank-Term loans are secured by Pari-passu first charge on entire movable, both present and future, of the Company and on the receivables, cash flow and account of the company. Also secured by corporate guarantee of ZEEL for maintaining revolving Debt Service Reserve Account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.

1. The loan carries interest rate of base rate plus 2.25% pa payable on monthly basis. The loan are payable in 16 quarterly installmemt starting from the end of the 15 months from the date of first disbursement 8 each of 5% of the loan and 8 each of 7.5% of the loan.
2. The loan carries interest rate of base rate plus 1.5% pa payable on monthly basis. The loan are payable in 8 half yearly installment starting from the end of the 15 months from the date of first disbursement ."

3. From IDBI Bank-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 ZEEL. Maintenance of Debt Service Rerserve Account(DSRA) for 2 quarters interest.The loan carries interest rate of the bank's prime lending rate payable on monthly basis. The loan are payable in 16 quarterly installemnt starting from the end of the one year from the date of first disbursement.

4. From ICICI Bank -Term loans are secured by first charge by way of hypothecation on the Compnay 's current assets which would include stocks & consumable stores and spares and such other movable including books debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company cash flow and account of the company ranking pari passu with other banks/ lenders. Also secured by corporate guarantee of ZEEL for maintaining revolving Debt Service Reserve Account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan. The loan carries interest rate of base rate plus 2.25% pa payable on monthly basis. The loan are payable in 16 quarterly installment starting from the end of the 15 months from the date of first disbursement 8 each of 5% of the loan and 8 each of 7.5% of the loan.

5. Finance Lease Obligations - Secured by hypothecation of vehicles purchased thereunder.

6. Provisions

	Long Term		Short Term	
	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**	**March 31, 2012 ₹ millions**	**March 31, 2011 ₹ millions**
Provision for employee benefits				
Provision for gratuity	10.57	9.59	0.22	0.40
Provision for leave benefits	5.73	3.03	0.11	3.80
	16.30	**12.62**	**0.33**	**4.20**

7. Short-term borrowings

	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Secured		
Loans repayable on demand		
from IDBI Bank (Secured)	503.70	178.93
Secured by first pari passu charge on the fixed assets and current assets of the Company. Maintenance of Debt Service Reserve Account(DSRA) for 2 quarteres interest .All the loans are further secured by corporate guarantee of Zee Entertainment Enterprises Ltd. (ZEEL).		
Total	**503.70**	**178.93**

8. Other current liabilities

		March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Trade payables (Refer note 36 for details of dues of micro, small & medium enterprises)	(A)	1,037.47	830.43
Other liabilities			
Current maturities of long-term borrowings (Refer note 5)		945.31	1,170.84
Interest accrued but not due on borrowings		49.83	56.15
Interest accrued and due on borrowings		1.56	4.61
Book Overdraft		75.19	-
Advance from Customers		64.99	128.52

Others			
Interest free deposits from customers		54.90	238.94
Service tax payable		2.53	41.25
TDS payable		8.63	17.21
Entertainment Tax Payable		15.60	71.71
Other liabilities		2.28	8.99
	(B)	**1,220.82**	**1,738.22**
Total	**(A+B)**	**2,258.29**	**2,568.65**

9 Fixed Assets

(₹ millions)

(a) Tangible Assets

	Building	Plant & Machinery	Computers	Office Equipment	Furniture & Fixtures	Air conditioners	Studio Equipment	Vehicles	Lease Hold Improvements	STB'S	IRD Boxes	Total
Gross Block at April 1, 2010	31.03	1,994.94	77.18	26.05	19.63	13.36	31.16	10.86	36.28	402.24	1.26	2,643.99
Additions	-	25.64	0.64	1.38	0.46	0.18	0.96	2.62	0.98	90.77	-	123.63
Deductions	4.07	141.23	-	3.12	0.42	2.43	5.80	2.04	-	-	-	159.11
As at March 31, 2011	**26.96**	**1,879.35**	**77.82**	**24.31**	**19.67**	**11.11**	**26.32**	**11.44**	**37.26**	**493.01**	**1.26**	**2,608.51**
Additions	-	126.67	0.46	1.29	0.10	1.30	0.23	2.64	3.82	166.82	-	303.33
Deductions	-	-	-	0.01	0.55	-	-	1.62	-	-	-	2.18
As at March 31, 2012	**26.96**	**2,006.02**	**78.28**	**25.59**	**19.22**	**12.41**	**26.55**	**12.46**	**41.08**	**659.83**	**1.26**	**2,909.66**

	Building	Plant & Machinery	Computers	Office Equipment	Furniture & Fixtures	Air conditioners	Studio Equipment	Vehicles	Lease Hold Improvements	STB'S	IRD Boxes	Total
Depreciation at April 1, 2010	6.79	1,272.80	44.52	8.43	9.18	4.47	25.81	4.90	15.35	131.90	0.40	1,524.55
Charge for the year	0.46	46.90	9.47	1.12	1.00	0.58	0.48	1.15	3.54	89.14	0.13	153.97
Disposal	0.91	62.65	-	1.20	0.11	0.77	4.69	0.62	-	-	-	70.95
As at March 31, 2011	**6.34**	**1,257.05**	**53.99**	**8.35**	**10.07**	**4.28**	**21.60**	**5.43**	**18.89**	**221.04**	**0.53**	**1,607.57**
Charge for the year	0.44	101.61	8.93	1.17	0.97	0.56	0.40	0.88	3.75	100.12	0.13	218.96
Disposal	-	-	-	0.00	0.09	-	-	0.41	-	-	-	0.50
As at March 31, 2012	**6.78**	**1,358.66**	**62.92**	**9.52**	**10.95**	**4.84**	**22.00**	**5.90**	**22.64**	**321.16**	**0.66**	**1,826.03**
Net Block												
As at March 31, 2011	**20.62**	**622.30**	**23.83**	**15.96**	**9.60**	**6.83**	**4.72**	**6.01**	**18.37**	**271.97**	**0.73**	**1,000.94**
As at March 31, 2012	**20.18**	**647.36**	**15.36**	**16.07**	**8.27**	**7.57**	**4.55**	**6.56**	**18.44**	**338.67**	**0.60**	**1,083.63**

9.1 Fixed Assets
(b) Intangible Assets

(₹ millions)

	Goodwill	Program/ Film / Cable Rights	Computers Software	Total
Gross Block at April 1, 2010	11.31	50.35	64.15	125.81
Additions	-	-	8.29	8.29
As at March 31, 2011	**11.31**	**50.35**	**72.44**	**134.10**
Additions	-	-	52.13	52.13
As at March 31, 2012	**11.31**	**50.35**	**124.57**	**186.23**

	Goodwill	Program/ Film / Cable Rights	Computers Software	Total
Depreciation at April 1, 2010	4.83	48.58	28.72	82.13
Charge for the year	2.26	0.91	15.82	18.99
As at March 31, 2011	**7.09**	**49.49**	**44.54**	**101.12**
Charge for the year	2.15	-	15.67	17.82
As at March 31, 2012	**9.24**	**49.49**	**60.21**	**118.94**
Net Block				
As at March 31, 2011	**4.22**	**0.86**	**27.90**	**32.98**
As at March 31, 2012	**2.07**	**0.86**	**64.36**	**67.29**

10 Non-current Investments

		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Trade Investments (Valued at cost)			
Unquoted equity instruments			
Investment in subsidiaries			
6,831,000 (previous year 6,831,000) Equity shares of ₹ 10/- each fully paid up of Indian Cable Net Company Ltd.		111.14	111.14
50,000 (previous year 50,000) Equity shares of ₹ 10/- each fully paid up of Central Bombay Cable Network Ltd.		0.50	0.50
25,500 (previous year 25,500) Equity shares of ₹ 10/- each fully paid up of Wire and Wireless Tisai Satelite Pvt Ltd		0.26	0.26
748,487 (previous year 748,487) Equity shares of ₹ 10/- each fully paid up of Siti Vision Digital Media Pvt Ltd.		82.33	82.33
10,000 (previous year 10,000) Equity shares of ₹ 10/- each fully paid up of Siticable Broadband South Ltd.		0.10	0.10
10,409 (previous year Nil) Equity shares of ₹ 10/- each fully paid up of Siti Bhatia Entertainment Network Private Limited		0.10	-
5,100 (previous year Nil) Equity shares of ₹ 10/- each fully paid up of Siti Jai Maa Durgee Private Limited		16.83	-
102,000 (previous year Nil) Equity shares of ₹ 10/- each fully paid up of Siti Jind Digital Media Communications P rivate Limited		18.98	-
	(A)	**230.24**	**194.33**

Investment in Equity instruments			
480 (Previous year 480) Equity Shares of ₹ 100/- each fully paid up of Master Ads Pvt. Ltd.		0.05	0.05
9,500 (Previous year 9,500)Equity Shares of ₹ 10/- each fully paid up of Dakshin Communication Pvt. Ltd.		1.77	1.77
3,000 (Previous year 3,000) Equity Shares of ₹ 10/- each fully paid up of Centre Channel Pvt. Ltd.		0.23	0.23
		2.05	**2.05**
Less : Provision for dimunition in the value of Investments		2.05	2.05
	(B)	-	-
Unquoted preference instruments			
14,080 (previous year 14,080) 6% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up of Haryana Communication Network Pvt. Ltd.		7.04	7.04
Less : Provision for dimunition in the value of Investments		7.04	7.04
	(C)	-	-
Total	**(A+B+C)**	**230.24**	**194.33**
Agregate amount of unquoted investment		239.33	203.42
Aggregate provision for dimunition in value of investment		9.09	9.09

11 Loans and advances

		Non-current		Current	
		March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**	**March 31, 2012 ₹ millions**	**March 31, ₹ millions**
Capital advances					
Unsecured, considered good			46.23	13.10	-
	(A)	**46.23**	**13.10**	**-**	**-**
Security deposit					
Unsecured, considered good		95.81	102.17	-	231.50
Doubtful		2.81	2.81		-
		98.62	104.98	-	231.50
Less: Provision for doubtful security deposits		2.81	2.81	-	-
	(B)	**95.81**	**102.17**	**-**	**231.50**
Loans and advances to related parties* (refer Note 30)					
Unsecured, considered good	(C)	-	-	1,276.58	660.97

* excluding ₹ 12.62 mn (previous year ₹ 231.50 mn) of security deposit, reported above)

Advances recoverable in cash or kind					
Unsecured, considered good					
Other Advances		70.65	75.40	27.40	10.60
Doubtful					
Advances to Distribution Companies		-	-	757.59	731.77
Other Advances		-	-	170.46	162.12
		70.65	75.40	955.45	904.49
Less: Provision for					
Advances to Distribution Companies		-	-	757.59	731.77
Other Advances		-	-	170.46	162.12
	(C)	**70.65**	**75.40**	**27.40**	**10.60**
Other loans and advances					
Unsecured, considered good					
Advance Tax		-	-	143.50	102.72
Balances with Statutory/Govt. Authorities		-	-	72.70	55.23
Prepaid expenses		-	-	4.00	2.56
	(D)	**-**	**-**	**220.20**	**160.51**
Total (A+B+C+D)		**212.69**	**190.67**	**1,524.18**	**1063.58**

12 Current Investments

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Non-Trade Investments		
Investments in Mutual Funds (Unquoted)(valued at lower of cost and fair value)		
Units 250,404 (Previous Year 500,404 Units) of face value of ₹10 each of ICICI Prudential Flexible Income Premium Growth	2.54	5.04
Units 199,952.012 (Previous Year 196,765.18) of face value of ₹ 10 each of UTI Fixed Income Interval fund	2.00	2.50
Units 3,176.612 (Previous Year Nil) of face value of ₹ 100 each of Taurus Short Term Income Fund - Growth Plan	5.50	-
Total	**10.04**	**7.54**
Agregate amount of unquoted investment	10.04	7.54
Aggregate provision for dimunition in value of investment	-	-

13 Inventories (valued at lower of cost and net realizable value)

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Traded goods	34.80	299.73
Stores and spares	91.69	73.84
	126.49	**373.57**

14.1 Trade receivables and other assets

	Non-current		Current	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good			338.74	298.91
Unsecured, considered doubtful			1,519.69	1,616.41
			1,858.43	**1,915.32**
Less: Provision for doubtful debts			1,519.69	1,616.41
	-	-	**338.74**	**298.91**
Other receivables				
Unsecured, considered good			381.54	472.57
	-	-	**381.54**	**472.57**
Total	-	-	**720.28**	**771.48**

14.2 Other assets

		Non-current		Current	
		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Unsecured, considered good unless stated otherwise					
Non-current bank balances (refer note 15)		238.07	275.91	-	-
	(A)	**238.07**	**275.91**	**-**	**-**
Unamortized expenditure					
Ancillary cost of arranging the borrowings		54.11	24.31	25.95	68.00
	(B)	**54.11**	**24.31**	**25.95**	**68.00**
Others					
Interest accrued on fixed deposits		-	-	6.58	0.30
	(C)	**-**	**-**	**6.58**	**0.30**
Total (A+B+C)		**292.18**	**300.22**	**32.53**	**68.30**

15 Cash and bank balances

	Non-current		Current	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Cash and cash equivalents				
Balances with banks:				
– On current accounts	-	-	600.61	784.82
Cheques/ drafts on hand			52.30	90.91
Cash on hand	-	-	3.84	5.17
	-	**-**	**656.75**	**880.90**

Other bank balances				
– Deposits with original maturity for more than 12 months	-	-		
– Margin money deposit	238.07	275.91	-	-
	238.07	**275.91**	**-**	**-**
Amount disclosed under non-current assets (note 14.2)	(238.07)	(275.91)	-	-
	-	**-**	**656.75**	**880.90**

Margin money deposits given as security
Margin money deposits with a carrying amount of ₹ 238.07 million (31 March 2011: ₹275.91 million) are subject to first charge to secure the company's term loans & cash credit loans.

16 Revenue from operations

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Revenue from operations		
Sale of Traded goods	95.42	63.16
Sale of services		
Subscription Income	625.45	633.07
Advertisement Income	135.18	105.63
Carriage Income	1,491.04	1,271.14
Other operating revenue		
Lease Rental Charges-Right to use	2.83	11.31
Other Networking Income	105.01	93.25
Scrap sales	2.90	-
Revenue from operations (Gross)	**2,457.83**	**2,177.56**
Details of Sales of Traded goods		
STB & VC Cards	94.44	63.16
Spares parts	0.98	-
Total	**95.42**	**63.16**

17 Other income

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Interest income on		
Bank deposits	22.62	9.34
Others	4.41	7.50
Dividend income on current investment	0.21	-
Net gain on sale of current investment	0.20	-
Excess provision written back	167.86	74.88
Other non-operating income	11.35	3.16
	206.65	**94.88**

18 Employee benefits expense

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Salaries, allowances & Bonus	177.58	176.20
Contributions to Provident and other fund	11.10	10.79
Gratuity Expenses (Refer Note 27 of accompanying financial statements)	1.20	2.60
Staff welfare expenses	6.28	5.86
Total	**196.16**	**195.45**

Notes to financial statements for the year ended March 31, 2012

19 Other expenses

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Rent	52.50	48.12
Rates and Taxes	1.52	2.06
Communication Expenses	9.85	11.61
Repairs and Maintenance		
- Building	0.15	0.27
- Others	7.60	8.33
Electricity Expenses & Water Charges	14.39	13.14
Legal, Professional and Consultancy Charges	45.88	37.95
Printing and Stationery	5.77	7.38
Service Charges	39.69	37.80
Travelling and Conveyance Expenses	14.51	16.63
Payment to auditor (Refer details below)	3.14	3.18
Vehicle Expenses	8.42	6.67
Insurance expenses	6.37	2.88
Miscellaneous Expenses	28.08	12.61
Provision for Doubtful Debts	129.75	147.29
Provision for doubtful advances	34.97	21.02
Loss on Sale / Discard / write off of assets (net)	3.25	(5.88)
Preliminary expenses written off	-	0.44
Advertisement and Publicity Expenses	65.19	20.15
Commission Charges and Incentives	27.46	21.92
Rebate and Discount	35.85	1.78
Program Production Expenses	16.99	14.53
Other Operational Cost	97.50	66.62
Repairs and Maintenance - Network	6.44	6.30
Business and Sales Promotion	11.57	7.45
	666.84	**510.25**

Payment to auditor

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
As auditor:		
Audit fee	2.30	2.30
Limited review	0.75	0.75
Reimbursement of expenses	0.09	0.13
	3.14	**3.18**

20 Exceptional items

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Security Deposits written off*	231.50	-

* The Company has written off Security deposit receivable of ₹ 231.50 mn (pertaining to HITS)

21 Depreciation and amortization expense

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Depreciation of tangible assets	218.96	153.97
Amortization of intangible assets	17.82	18.99
	236.78	**172.96**

22 Finance costs

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Interest	490.30	509.32
Bank charges	3.20	1.71
Amortization of ancillary borrowing costs	71.71	55.40
	565.21	**566.43**

23 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Net profit/ (loss) for calculation of basic EPS	(821.37)	(567.10)
Net profit/ (loss) for calculation of diluted EPS	(821.37)	(567.10)

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Weighted average number of equity shares in calculating basic EPS	452.24	436.69
Weighted average number of equity shares in calculating diluted EPS	452.24	436.69
Basic/Diluted earnings/(loss) per share	**(1.82)**	**(1.30)**

24 "The Company has during the year acquired 51% stake in three subsidiaries by way of subscription of shares, the details are as below:

a) 10,409 shares of ₹ 10 each in Siti Bhatia Network Entertainment Private Limited w.e.f. July 1, 2011 by paying a consideration of ₹ 0.1 million.

b) 102,000 shares of ₹ 10 each at a premium of ₹ 176 in Siti Jind Digital Media Communication Private Limited w.e.f. October 1, 2011 by paying a consideration of ₹ 18.97 million.

c) 5,100 shares of ₹ 10 each at a premium of ₹ 320 per share in Siti Jai Maa Durgee Communications Private Limited w.e.f. January 2, 2012 by paying a consideration of ₹ 16.83 million.

The resulting goodwill has been shown as 'goodwill on consolidation'."

	SBNEPL	SJDMCPL	SJMDCPL
Investment	0.10	18.97	16.83
Share Capital	0.10	1.02	0.05
Pre Acquisition profits/loss	(4.24)	(0.00)	-
Goodwill on consolidation	**4.24**	**17.96**	**16.78**

25 Capital-Work In Progress and Loans & Advances include amounts of ₹ 13.27 million (previous year Rs 18.64 million) and ₹ 40.80 million (previous year Rs 51.80 million) respectively as outstanding for more than 2 years. The management of the company is making all possible efforts to adjust/ recover these amounts and also initiated appropriate legal action against some of the parties, and therefore no provision there against has been considered necessary. The impact, if any, which in the opinion of the management would not be material, would be made in the year of adjustment/ settlement.

26 The Company had given advances under a guarantee of Holding Company to its subsidiaries and other Companies for meeting working capital requirements and for acquisition of MSOs/ direct points, technological upgradation etc. respectively to the extent of ₹1182.70 million (including ₹ 450 million given subsequent to year end). The Company firmly believes that these interest free facilities/ advances of ₹ 1182.70 million given as such to be good of recovery and would further enhance its operations on standalone and consolidated basis over near future; therefore does not believe any provisions to be created on these amounts.

27 Gratuity and Other Post-employment benefit Plans

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under :-
Employer's Contribution to Provident Fund Rs 10.82 million (₹ 10.18 million as at March 31, 2011).

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 of 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.

Statement of Profit and Loss

Net employee benefit expense (recognized in the Employee cost)	**Gratuity**	
	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Current service cost	2.03	3.01
Interest cost on benefit obligation	0.87	0.70
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the year	(1.70)	(1.11)
Net benefit expense	**1.20**	**2.60**
Actual return on plan assets	-	-

Balance sheet

Benefit asset/ (liability)	**Gratuity**	
	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Present value of defined benefit obligation	(10.79)	(9.99)
Fair value of plan assets	-	-
Plan asset / (liability)	**(10.79)**	**(9.99)**

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

	Gratuity March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Opening defined benefit obligation	9.99	8.42
Current service cost	2.03	3.01
Interest cost	0.87	0.70
Benefits paid	(0.40)	(1.03)
Actuarial (gains) / losses on obligation	(1.70)	(1.11)
Closing defined benefit obligation	**10.79**	**9.99**

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

	Gratuity	
	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Discount Rate (per annum)	8.75%	8.30%
Rate of escalation in salary (per annum)	5.00%	6.00%

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

Gratuity	**March 31, 2012 ₹ millions**	**March 31, 2011 ₹ millions**	**March 31, 2010 ₹ millions**	**March 31, 2009 ₹ millions**	**March 31, 2008 ₹ millions**
Defined benefit obligation	**10.79**	**9.99**	**8.42**	8.13	6.13
Plan assets	**-**	**-**	**-**	-	-
Surplus / (deficit)	**(10.79)**	**(9.99)**	**(8.42)**	(8.13)	(6.13)
Experience adjustments on plan liabilities	**1.70**	**1.11**	**(1.83)**	(0.18)	0.23
Experience adjustments on plan assets	-	-	-	-	-

The company expects to contribute ₹ 2,680,349 to gratuity in the next year (March 31, 2011 ₹ 3,711,970).

28 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 (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 17, 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
Exercise Period	Four Years	Four Years	Four 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

	March 31, 2012		March 31, 2011	
	Number of options	**Weighted Avg Ex. Price**	**Number of options**	**Weighted Avg Ex. Price**
Outstanding at the beginning of the year	313,300	20.00	313,300	20.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	140,700	-	-	-
Outstanding at the end of the year	172,600	20.00	313,300	20.00
Exercisable at the end of the year	138,080	-	187,980	-
Weighted average fair value of options granted on the date of grant	-	-	-	-

* Re pricing of the exercise price to ₹ 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 ₹ 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

	March 31, 2012		March 31, 2011	
	Number of options	**Weighted Avg Ex. Price**	**Number of options**	**Weighted Avg Ex. Price**
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-

Expired/Lapsed during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
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:

	March 31, 2012		March 31, 2011	
	Number of options	Weighted Avg Ex. Price	Number of options	Weighted Avg Ex. Price
Outstanding at the beginning of the year	1,677,600	-	2,117,400	17
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	991,000	17	439,800	17
Outstanding at the end of the year	686,600	-	1,677,600	-
Exercisable at the end of the year	274,640	-	335,520	-
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted	-	-	-	-

The details of exercise price for stock options outstanding at the end of the year March 31, 2012 :

	Plan 3	Plan 2	Plan 1
Range of exercise prices (₹)	20	30.65	17.45
Number of options outstanding	112,000	-	686,600
Weighted average remaining contractual life of options (in years)	1 years	-	3 years
Weighted average exercise price (₹)	20	30.65	17.45

The details of exercise price for stock options outstanding at the end of the year March 31, 2011 :

	Plan 3	Plan 2	Plan 1
Range of exercise prices (₹)	20	30.65	17.45
Number of options outstanding	313,300	-	1,677,600
Weighted average remaining contractual life of options (in years)	2 years	-	4 years
Weighted average exercise price (₹)	20	30.65	17.45

29 Leases

Finance lease: Company as lessee

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.

	March 31, 2012		March 31, 2011	
	Minimum payments ₹millions	Present value of MLP ₹ millions	Minimum payments ₹ millions	Present value of MLP ₹ millions
Within one year	0.78	0.55	0.24	0.19
After one year but not more than five years	1.98	1.68	0.55	0.48
More than five years	-	-	-	-
Total minimum lease payments	2.76	2.23	0.79	0.67
Less: amounts representing finance charges	0.53		0.12	
Present value of minimum lease payments	**2.23**	**2.23**	**0.67**	**0.67**

Operating lease :company as lessee

The Company'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.

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Within one year	1.67	1.52
After one year but not more than five years	1.84	3.51
More than five years	-	-
	3.51	5.03

30 Related party disclosures

(i)Names of Related Parties where control exists

(a) Holding Company

Bioscope Cinemas Private Limited (effective December 28, 2011)

(b) Subsidiary Companies

Central Bombay Cable Network Ltd., Indian Cable Net Company Ltd., Siti Cable Broadband South Ltd., Wire and Wireless Tisai Satellite Ltd., Master Channel Community Network Pvt. Ltd. Siti Vision Digital Media Pvt. Ltd., Siti Bhatia Network Entertainment Pvt Ltd (w.e.f. July 1, 2011), SITI Jind Digital communications Pvt ltd (w.e.f. October 1, 2011) and SITI Jai Maa Durgee Communications Pvt Ltd (w.e.f. Jan 2, 2012)

(ii) Key Management Personnel

Mr. Subhash Chandra, Director, Mr. Brijendra Kumar Syngal, Director, Mr. Amit Goenka, Whole-Time Director, Mr. Sudhir Agarwal, Chief Executive Officer (Resigned wef Jan 17, 2012), Mr. Arun Kapoor, Director (Resigned wef July 12, 2011), Sureshkumar Aggarwal, Director, Vinod Kumar Bakshi, Director

(iii) Enterprises owned or significantly influenced by key management personnel or their relatives

Agrani Wireless Services Ltd., Dish TV India Ltd., Essel Propack Ltd., Media Pro Enterprise India Private Limited, Zee Entertainment Enterprises Limited (ZEEL), Zee News Limited, ZeeTurner Ltd., Zee Sports Limited

Related party transactions
The following table provides the total amount of transactions that have been entered into with related parties for

the relevant financial year:

a. Sale/ purchase of goods and services

(Amount in ₹ million)

	Year ended	Sale of goods and services	Purchase of goods and services	Amount owed by related parties*	Amount owed to related parties*
Subsidiaries				-	-
Indian Cable Net Co. Ltd.	31-Mar-12	112.98	3.59	82.39	-
	31-Mar-11	91.37	-	7.96	5.57
Master Channel Community Network Pvt. Ltd.	31-Mar-12	8.40	-	0.00	0.51
	31-Mar-11	4.80	-	5.30	-
Siti Vision Digital Media Pvt Ltd	31-Mar-12	24.79	-	30.05	-
	31-Mar-11	20.15	-	(4.42)	-
Wire and Wireless Tisai Satellite Ltd	31-Mar-12	-	-	39.18	-
	31-Mar-11	30.00	-	50.48	-
Siti Jind Digital communications Pvt ltd	31-Mar-12	5.00	-	1.82	(0.01)
	31-Mar-11	-	-	-	-
SitiCable Broad Band South Ltd	31-Mar-12	-	-	-	0.07
	31-Mar-11	-	-	-	-
Siti Jai Maa Durgee Communication Pvt Ltd	31-Mar-12	2.85	-	2.83	-
	31-Mar-11	-	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Ltd.	31-Mar-12	-	5.24	-	19.70
	31-Mar-11	0.17	1.63	-	-
Zee Entertainment Enterprises Limited	31-Mar-12	177.79	3.55	5.46	3.25
	31-Mar-11	170.00	10.03	38.42	4.79
Zee Turner Ltd.	31-Mar-12	-	46.16	0.21	294.98
	31-Mar-11	-	156.80	-	319.16
MediaPro Enterprises Pvt.Ltd.,	31-Mar-12	-	288.79	-	41.48
	31-Mar-11	-	-	-	-
Zee News Limited	31-Mar-12	48.63	-	9.18	10.92
	31-Mar-11	40.01	-	114.56	(0.42)

b. Loans and advances given and repayment thereof

(Amount in ₹ million)

	Year ended	Loans given	Repayment/ Adjustments	Interest accrued	Amount owed by related parties
Subsidiaries					
Indian Cable Net Co. Ltd.	31-Mar-12	32.40	-		467.24
	31-Mar-11	134.83	295.99		434.85
Central Bombay Cable Network Ltd.	31-Mar-12	1,072.03	745.04	3.29	365.21
	31-Mar-11	29.00	29.00	2.37	34.92

Siticable Broadband South Ltd.	31-Mar-12	975.26	714.65		384.31
	31-Mar-11	119.65	-	-	123.70
Sit Vision Digital Media Pvt ltd	31-Mar-12	50.99	5.64	-	49.86
	31-Mar-11	4.50	-	-	4.50
	Year ended	**Loans given**	**Repayment/ Adjustments**	**Interest accrued**	**Amount owed by related parties**
Master Channel Community Network Pvt. Ltd.	31-Mar-12	-	-	-	9.35
	31-Mar-11	-	-	-	9.35
Siti Jind Digital communications Pvt ltd	31-Mar-12	0.07	-	-	0.07
	31-Mar-11	-	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Ltd.	31-Mar-12	-	231.50*	-	-
	31-Mar-11	5.09	13.04	-	231.50
Essel Propack Limited	31-Mar-12	-	-	-	0.00
	31-Mar-11	-	-	-	0.00
Pan India Network Infravest Pvt. Ltd.	31-Mar-12	-	0.01	-	0.00
	31-Mar-11	-	-	-	0.01
ZEEL	31-Mar-12	-	40.15	-	0.00
	31-Mar-11	57.51	15.16	-	40.15
Zee News Ltd.	31-Mar-12	-	0.04	-	0.00
	31-Mar-11	-	-	-	0.04
Zee Turner Ltd.	31-Mar-12	-	0.29	-	13.15
	31-Mar-11	-	-	-	13.44

* security deposit written off during the year. (Refer note no 20)

c. Loans taken and repayment thereof

(Amount in ₹ million)

	Year ended	Loans given	Repayment	Interest accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Zee News Limited	31-Mar-12	700.00	700.00	-	-
	31-Mar-11	-	988.32	-	-

d. Other related party transactions

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Sale of fixed assets & capital goods to Siti Vision Digital Media Pvt Ltd	-	94.54
Interest income from Central Bombay Cable Network Limited	3.26	2.37

Interest Paid to Zee News Limited	46.34	95.98
Investment in subsidiary		
Siti Vision Digital Media Pvt Ltd	-	82.33
Siti Bhatia Network Entertainment Pvt. Ltd.	0.10	-
Siti Jind Digital Communications Pvt Ltd	18.97	-
Siti Jai Maa Durgee Communication Pvt Ltd	16.83	-
	35.90	82.33

e. Remuneration to key managerial personnel

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Sudhir Agarwal (till Jan 17, 2012)	15.07	15.00

31 Capital and other commitments

Estimated amount of Contracts remaining to be executed and not provided for (Net of Advances) amounting to ₹ 63.66 million (Previous Year ₹ 63.16 million)

32 Contingent Liabilities

i) Claims against the Company not acknowledged as debts ₹ 62.84 million (Previous Year ₹ 62.84 million)

The Company had agreed to purchase the running business of Franchnet Cable Network for a total sum of ₹ 1.8 million, however Franchnet Cable Network alleged that siti cable has not supplied material /equipments etc to them to upgrade the network. The matter was referred to Arbitration Tribunal. Arbitration Tribunal has pronounced award against the Company. The Company has already filed an appeal before Mumbai High court. The appeal has been admitted and part hearing has been done. The case is now pending for further arguments. Franchnet had claimed ₹ 61.2 million as compensation /damages against the company.

₹ 1.25 million on account of demand raised by Kanpur Nagar Nigam Ltd towards pole tax.

₹ 0.39 million on account of claim raised by Om Commvision Network Pvt Ltd u/s 138 of the Negotiable Instruments Act.

Based on the discussions with the solicitor/expert, the management feels that the Company has a strong chance of success in above mentioned cases and hence no provision there against is considered necessary.

ii) The Company has undertaken to provide continuing financial support to subsidiaries (including in the previous year).

33 Derivative instruments and unhedged foreign currency exposure

Particulars of Unhedged Foreign Currency Exposure as at reporting date

	March 31, 2012		March 31, 2011	
	USD million	₹ millions	USD million	₹ millions
Trade receivables for Carriage Income	**0.38**	**19.30**	**0.07**	**3.34**

* Closing rate as at March 31, 2012 – (1 USD = Rs 51.16 (March 31, 2011: 1 USD – Rs 44.65)

34 The breakup of year end tax assets and liabilities into major components of the respective balance is as under

(Amount in ₹ million)

Particulars	March 31, 2012	March 31, 2011
Deferred Tax Liabilities		
Deferred revenue expenses/Other difference	19.57	23.33
Gross Deferred Tax Liabilities (A)	**19.57**	**23.33**
Deferred Tax Assets (Refer note below)		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	19.57	23.33
Gross Deferred Tax Assets (B)	19.57	23.33
Net Deferred Tax Liability/(Assets)	**-**	**-**

As at the year end March 31, 2012, the company would have net deferred tax asset primarily comprising of unabsorbed losses and carry forward depreciation under tax laws. In the absence of virtual certainty of sufficient future taxable income, the Company has taken the conservative approach and created deferred tax assets to the extent of deferred tax liability.

35 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

(Amount in ₹ million)

Sr. No.	Name of the Enterprise	Balance as on March 31, 2012	Maximum outstanding during the year	Balance as on March 31, 2011	Maximum outstanding during the year
	Associates / Parties in which directors are interested				
1	Dish TV India Ltd.	-	231.50	217.82	226.41
2	Zee News Ltd.	-	0.04	0.04	0.16
3	Zee Turner Ltd.	13.44	13.44	13.44	14.01
4	Zee Entertainment Enterprise Limited	-	40.15	40.15	46.89
	Subsidiaries				
1	Central Bombay Cable Network Ltd.	365.21	562.20	34.92	34.92
2	Siticable Broadband South Ltd.	384.31	714.65	123.71	123.71
3	Indian Cable Net Co. Ltd.	467.24	467.24	434.85	1,348.46
4	Siti Vision Digital Media Pvt Ltd	49.86	49.86	4.5	4.5
5	Master Channel Community Network Pvt. Ltd.	9.35	9.35	9.35	9.35

36 Details of dues to micro and small enterprises as defined under MSMD act 2006

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.

37 Value of imports calculated on CIF basis

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Plant and machinery	76.51	12.14
STB	14.47	-
Computer Software	30.78	-

Stores & Spares	0.38	-
	122.14	**12.14**

38 Expenditure in Foreign Currency (accrual basis)

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Repair and Maintenance – Network	8.12	6.26
	8.12	**6.26**

39 Earnings in Foreign Currency (accrual basis)

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Carriage Income	23.70	13.14
	23.70	**13.14**

40 Right issue utilization

The Company had during the year 2009-10 issued 236,222,285 equity shares of ₹ 1 each at a premium of ₹ 18 per share for cash to the existing equity shareholders of the Company. Given below are the details of utilization of proceeds raised through public issue.

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Unutilized amount at the beginning of the year	1,242.57	2,362.00
Less: amount utilized during the year		
Repayment of unsecured loans	-	112.00
Working Capital	-	213.00
Issue expenses	-	6.00
General Corporate purposes	596.70	788.43
Unutilized amount at the end of the year	**645.87**	**1,242.57**

The Board via resolution passed on October 19, 2011 granted approval for change in utilisation of unutil ised portion of right issue money to general corporate purposes.

41 Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956 , has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Firm Registration no.: 101049W
CHARTERED ACCOUNTANTS

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

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, 2012, and also the consolidated statement of profit and loss 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 compo¬nents. 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 dis¬closures 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 ₹ 2,232.89 million as at March 31, 2012, the total revenue of ₹ 1,127.95 million and cash flows amounting to ₹ 720.80 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. Without qualifying our opinion and without considering the consequential effect of the matter stated in paragraph 5 and 6 below, we draw attention to Note 1 (b) of accompanying financial statements related to the conditions which indicate the existence of a material uncertainty on Company's ability to continue as a going concern. In view of the mitigating factors, which have been more fully discussed in Note 1 (b) of accompanying financial statements, these financial statements have been prepared under the going concern assumption.

5. *Attention is drawn to note no. 26 of accompanying financial statements in respect of advances of ₹ 471.80 million (including ₹ 450 million given subsequent to the yearend) given to two companies for technological up gradation and acquisition of MSOs / direct points etc. In view of the reasons stated in the said note, management of the Company is of the view that no provision is required there against. Having regard to the nature and size of operations of the recipients of said advances and in the absence of concrete plans for recovery / adjustments of these amounts / acquisition of MSO/ direct points, technological up gradation etc., we are unable to comment on their ability to repay / adjustments of these advances, and consequent adjustments, if any, that may be required to the carrying values of such advances. This had caused us to qualify our audit opinion on the financial statements relating to previous year also.*

6. *The Company has, during the year, given interest free advances/deposit of ₹ 746.00 million to various Companies for technological upgradation and acquisition of MSOs / direct points etc. These advances/deposits have been received back by the Company during the year (except for an amount of ₹ 21.80 million, which is still outstanding as at the year- end). Having regard to the nature and size of operations of the recipients of said advances/deposits and in view of the fact that these advances/deposits have been received back without receipt of any services by the Company and considering that the Company is incurring external borrowing costs at the same time, we are not in a position to comment on the nature of these advances/deposits*

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 possible *effect of the matter stated in Paragraph 5 and 6 above,* we are of the opinion that the attached consolidated financial statements give a true and fair view in con¬formity with the accounting principles generally accepted in India:

    (a) in the case of the consolidated balance sheet, of the state of affairs of Wire and Wireless (India) Group as at 31st March 2012;
    (b) in the case of the consolidated statement of 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 number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941

Place: Gurgaon
Date: 17.05.2012

Essel GROUP

WIRE AND WIRELESS

Consolidated Balance Sheet as at March 31, 2012

	Notes	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Equity and liabilities			
Shareholders' funds			
Share capital	**3**	452.85	452.82
Reserves and surplus	**4**	(1,282.09)	(369.26)
		(829.24)	**83.56**
Share Application Money Pending Allotment		**2.46**	**-**
Minority Interest		100.17	133.78
Non-current liabilities			
Long-term borrowings	**5**	3,031.48	2,141.19
Deferred tax Liability (net)	**35**	2.39	-
Other long term liabilities	**6**	8.75	5.58
Long -term provisions	**7**	19.47	15.31
		3,062.09	**2,162.08**
Current liabilities			
Short Term borrowings	**8**	503.71	178.93
Trade Payables	**9**	1,384.38	1,265.13
Other Current Liabilites	**9**	1,415.02	1,816.79
Short-term provisions	**7**	0.69	4.50
		3,303.80	**3,265.35**
TOTAL		**5,639.28**	**5,644.77**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	**10**	1,610.13	1,449.42
Intangible assets	**10.1**	232.51	130.99
Capital work-in-progress		123.15	117.26
Non-Current investments	**11**	8.42	-
Deferred tax Asset	**35**	-	3.61
Long term loans and advances	**12**	541.22	519.55
Other non-current assets	**15.2**	292.70	300.60
		2,808.13	**2,521.43**
Current assets			
Current investments	**13**	10.04	7.54
Inventories	**14**	161.17	401.85
Trade Receivables	**15.1**	777.59	958.96
Cash and bank balances	**16**	1,482.83	995.73

Short-term loans and advances	**12**	364.34	684.77
Other current assets	**15.2**	35.18	74.49
		2,831.15	**3,123.34**
TOTAL		**5,639.28**	**5,644.77**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Firm Registration no.: 101049W
CHARTERED ACCOUNTANTS

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

Consolidated Statement of Profit & Loss for the year ended March 31, 2012

	Notes	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Income			
Revenue from operations (gross)	**17**	3,428.17	3,060.58
Other income	**18**	214.43	101.45
Total revenue (i)		**3,642.60**	**3,162.03**
Expenses			
Carriage sharing, pay channel and related costs		2,163.34	2,002.93
Cost of goods sold (Refer note 38)		11.68	(2.08)
Employee benefits expense	**19**	271.07	245.10
Other Expenses	**20**	1,004.51	752.40
Exceptional items	**21**	240.27	22.57
Total (ii)		**3,690.87**	**3,020.92**
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		**(48.27)**	**141.11**
Depreciation and amortization expense	**22**	304.06	217.99
Finance Cost	**23**	566.41	568.41
Loss before tax		**(918.74)**	**(645.29)**
Tax expenses			
Current tax {(including income taxes for earlier years written off ₹ 12.40 mn (previous year ₹ 6.39 mn)}		23.91	19.51
Deferred tax charge/(credit)		6.00	(5.67)
Loss for the year after tax		**(948.64)**	**(659.13)**
Minority interest		(35.25)	(34.80)
Loss for the year		**(913.40)**	**(624.33)**
"Loss per equity share (nominal value of ₹ 1 (previous year ₹ 1))"	**24**		
Basic/Diluted			
Computed on the basis of total loss for the year		(2.02)	(1.43)
Summary of significant accounting policies	**2.1**		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Firm Registration no.: 101049W
CHARTERED ACCOUNTANTS

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

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

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Cash flow from operating activities		
Profit before tax	**(918.74)**	**(629.35)**
Depreciation/ amortization on continuing operation	304.06	217.99
Loss/ (profit) on sale of fixed assets	4.35	(5.22)
Employee stock compensation expense	-	(0.55)
Provision for Retirement Benefit (excess payment over provisions)	-	(0.78)
Unrealized foreign exchange loss	-	(0.06)
Bad Debts Written Off	58.46	-
Liability Written Back	(172.82)	(74.99)
Preliminary Expenses Written Off	0.02	0.45
Finance Cost Amortized	71.71	55.40
Provision for Doubtful Debts	137.66	160.50
Provision for Doubtful Advances	34.97	19.85
Net gain on sale of current investment	(0.20)	-
Dividend income on current investment	(0.21)	-
Advance tax written off	-	6.39
Interest expense	491.32	509.32
Interest (income)	(23.72)	(8.25)
Operating profit before working capital changes	**(13.14)**	**250.70**
Movements in working capital :		
Increase/ (decrease) in trade payables	272.57	(11.19)
Increase / (decrease) in long-term provisions	4.16	2.98
Increase / (decrease) in short-term provisions	(3.81)	(1.52)
Increase / (decrease) in Other long term liabilities	3.17	-
Increase/ (decrease) in other current liabilities	(147.36)	2.18
Decrease / (increase) in trade receivables	(14.76)	(287.66)
Decrease / (increase) in inventories	63.33	29.55
Decrease / (increase) in short-term loans and advances	337.41	655.32
Decrease / (increase) in long-term loans and advances	(23.97)	(117.27)
Decrease / (increase) in other current assets	3.54	(52.86)
Decrease / (increase) in other non-current assets	(0.15)	(2.86)
Cash generated from /(used in) operations	**480.99**	**467.37**
Taxes paid (net of refunds)	(79.57)	(68.79)
Net Prior Period Adjustment	-	0.08
Net cash flow from/ (used in) operating activities (A)	**401.42**	**398.66**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(363.86)	(313.47)
Proceeds from sale of fixed assets	1.53	96.15
Consideration paid on acquisition of subsidiaries (net)	(35.56)	-
Purchase of non-current investments	(8.42)	-
Purchase of current investments	(10.00)	(5.04)
Sale of current investments	7.70	-
Dividend income on current investment	0.21	-
Investments in bank deposits (having original maturity of more than three months)	37.84	(145.50)
Interest on Fixed Deposit	17.44	1.29

Net cash flow from/ (used in) investing activities (B)	**(353.12)**	**(366.57)**
Cash flows from financing activities		
Proceeds from issuance of Right Issue Shares equity share capital	0.60	2,428.53
Proceeds from Share Application Money Pending Allotment	2.46	-
Proceeds from long-term borrowings	2,844.85	1,261.84
Repayment of long-term borrowings	(2,180.59)	(1,988.28)
Proceeds from short-term borrowings	725.79	403.93
Repayment of short-term borrowings	(401.01)	(762.28)
Interest and Finance Expenses paid	(553.66)	(669.29)
Net cash flow from/ (used in) in financing activities (C)	**438.44**	**674.45**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	486.74	706.54
Cash and cash equivalents at the beginning of the year	995.73	272.96
Cash and cash equivalents on acquisitions during the year	0.34	0.11
Cash and cash equivalents at the end of the year	**1,482.82**	**979.61**
Components of cash and cash equivalents		
Cash on hand	7.06	7.03
Cheques/ drafts on hand	58.96	162.87
Deposits - Free Maturity within 3 months	79.42	15.21
With banks- on current account	1,337.38	794.50
Total cash and cash equivalents (note 18)	**1,482.82**	**979.61**
Summary of significant accounting policies		

Notes:

1 Figure in brackets indicates cash outgo.

2 Previous year figure have been regrouped and recast wherever necessary to confirm to the current year classification.

3 Cash and cash equivalents excludes ₹ 238.07 million (previous year ₹ 275.91 million) pledged with various authorities/ given as margin moneys, which are not available for use by the Company.

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

Notes to Consolidated financial statements for the year ended March 31, 2012

1. a) Corporate Information

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 ₹ 5,487.01 million as at March 31, 2012 (₹ 4,573.61 while the shareholders' funds are ₹ 4,657.77 million (₹ 4,657.17 million as at March 31, 2011). This has resulted in complete erosion of net worth of the Group.

In case of the Company, the accumlated losses aggregate to ₹ 5431.0 million as at March 31, 2012 (₹ 4610.03 million as at March 31, 2011) while shareholders' funds are ₹ 4,657.77 million (₹ 4657.17 million at March 31, 2011) In view of new Digitisation policy announced by TRAI, which requires all Multi System Operators (MSOs) to convert the entire Analogue universe into digital by March 31, 2014 in a phased manner; starting from four metros, which are to be converted into digital by June 30, 2012; the Company expects to increase / expand the subscriber base of its analogue business; which will yield higher subscription income and improve operational efficiency. Further, the Company has been focusing on increasing its presence in Central India. The approved business plan of which is under implementation by the Company, the benefit of which will accrue in future years. Based on the new business plan, the Company expects to have positive cash flows and earnings before interest, depreciation and tax (EBIDTA) from operations from year 2012-13.

Based on the above, management expects to earn higher revenues and improved profitability which will enable the Company to strengthen its financial position. Also the Parent Company (including the promoters and shareholders of parent company) 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. 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 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 1.83% of the total consolidated fixed assets of the group at year end.

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

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")	67.69%	India
Central Bombay Cable Network Limited. (hereinafter referred as "CBCNL")	100.00%	India
Siticable Broadband South Limited. (hereinafter referred as "SBSL")	100.00%	India
Wire and Wireless Tisai Satellite Private Limited (hereinafter referred as "WWTSPL")	51.00%	India
Master Channel Community Network Pvt. Ltd. (hereinafter referred as "MCCNPL")	66.00%	India
Siti Vision Digital Media Private Limited. (hereinafter referred as "SVDMPL")	51.00%	India
Siti Jind Digital Media Communication Pvt Ltd (hereinafter referred as "SJDMCPL") w.e.f. January 2, 2012	51.00%	India
Siti Jai Maa Durgee Communications Pvt Ltd (hereinafter referred as "SJMDCPL") w.e.f. October 1, 2011	51.00%	India
Siti Bhatia Network Entertainment Pvt Ltd (hereinafter referred as "SB-NEPL") w.e.f. July 1, 2011	51.00%	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.

2.1 Summary of Significant Accounting Policies

a) Change in accounting policy

i) Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible Fixed Assets

(i) Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) From accounting periods commencing on or after 7 December 2006, the company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

(iii) Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(iv) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(v) Set top boxes intended to be provided on lease are treated as part of Capital work in progress. These gets capitalized at the end of the month of activation. Also, set top boxes intended to be sold are treated as part of inventory.

d) Depreciation on Tangible Fixed Assets

(i) Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies act, 1956 whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

	Rates (SLM)
Building	1.63%
Plant and Machinery	10% to 20%
Ground Distribution Network	7.07%
Furniture and Fixtures	6.33%
Studio Equipments	7.07%
Computers	16.21%
Vehicles	9.50%
Office Equipments	4.75%
Air Conditioner	4.75%
Set-top Boxes	20%
IRD Boxes	10%

(ii) Leasehold improvements are amortized over the lease term or 10 years; which ever is less.
(iii) Leasehold land is amortized over the effective period of lease.
(iv) 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.
(v) Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.
(vi) In case of Siti Vision Digital Media Private Limited, Studio Equipments are depreciated at the rate of 4.75%.

e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

f) Amortization of Intangible Assets

(i) Goodwill on acquisition is amortized using the straight-line method over a period of five years
(ii) Goodwill arising on consolidation is not amortized but tested for impairment.
(iii) Computer Software are amortized over a period of six years on straight line basis.
(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) In case of ICNCL, Computer Software are amortized lower of useful life or over a period of six years on straight line basis.

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 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.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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

Where the Company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. 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 statement of profit and loss account.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

h) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible assets

(i) The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

(iii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(iv) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

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.

l) 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.

(i) Sale of Goods

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

(ii) 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.

The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

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.

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. Income from broadband services recognized on accrual basis.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

m) 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

n) Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no other obligation, other than the contribution payable to the provident fund.
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.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. Short term compensated absences are provided for based on estimates. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

In case of ICNCL, 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. 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.

In respect of ICNCL, 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 actuarial 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.

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.

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

o) Income Tax

Tax expense comprises of current and deferred tax. Current income 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 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 reporting 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 taxes relate to the same taxable entity and the same taxation authority. Deferred tax liabilities are recognized for all taxable timing differences. 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.

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) Segment Reporting

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

r) Earning Per Share

(i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

(ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) 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.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

u) 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.

v) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

w) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

x) Miscellaneous Expenditure

Costs incurred in raising funds are amortized equally over the period for which the funds are raised. Preliminary Expenditure are amortized in the year when they are incurred except in case of SBSL where these are amortized over a period of 10 years.

3 Share capital

Particulars	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Authorized shares		
740,000,000 (Previous Year: 740,000,000) Equity Shares of ₹ 1 each	740.00	740.00
10,000,000 (Previous Year: 10,000,000) Preference Shares of ₹ 1 each	10.00	10.00
	750.00	**750.00**
Issued Capital		
453,440,038 (Previous year 453,440,038) Equity shares of ₹ 1 each	453.44	453.44
Less:- Forfeiture Shares 1,227,122 (Previous year nil) Equity shares of ₹ 1 each	1.23	-
23,436 (Previous Year: 23,436) 7.25% Non Cumulative Redeemable Preference	0.02	0.02
shares of ₹ 1 fully paid up Total Issued Capital	**452.23**	**453.46**
Subscribed and Paid up Capital		
Subscribed and fully paid		
452,212,916, (Previous Year: 452,153,300) Equity Shares of ₹ 1 each fully paid up	452.21	452.15
23,436 (Previous Year: 23,436) 7.25% Non Cumulative Redeemable Preference shares of ₹ 1 fully paid up	0.02	0.02
Subscribed but not fully paid		
1,286,738, (Previous Year: 1,286,738) equity shares of ₹ 1 each (₹ 0.50 paid up)	-	0.64
Total Paid up Capital	**452.23**	**452.82**
Shares Forfeiture Account	**0.62**	**-**
	452.85	**452.82**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	March 31, 2012 No of shares	March 31, 2012 ₹ millions	March 31, 2011 No of shares	March 31, 2011 ₹ millions
Outstanding at the beginning of the year 453,440,038 (Previous year: 217,217,753) Equity Shares of ₹ 1 each	453.44	452.80	217.22	217.22
Nil (Previous year 236,222,285) Equity shares of ₹ 1 each (₹ 0.50 paid up)	-	-	236.22	118.11
Issued during the year Nil (Previous year: 236,222,285) Equity Shares of ₹ 1 each (Previous year ₹ 0.50 paid up)	-	-	236.22	118.11
Less : Calls in arrear on Nil (Previous Year 1,286,738) equity shares of ₹ 1 each (Previous year ₹ 0.50 paid up)	-	-	-	(0.64)
Add: Receipt of Call Money (59,615 equity shares of ₹ 1 each, ₹ 0.50 received)(Previous year Nil)	0.03	0.03		
Less : 1,227,122 (Previous year nil) Equity shares of ₹ 1 each (₹ 0.50 paid up) forfeited during the year	(1.23)	(0.62)	-	-
Outstanding at the end of the year	**452.24**	**452.21**	**453.44**	**452.80**

Preference shares

	March 31, 2012 No of shares	March 31, 2012 ₹ millions	March 31, 2011 No of shares	March 31, 2011 ₹ millions
At the beginning of the year	**0.02**	**0.02**	**0.02**	**0.02**
Outstanding at the end of the year	**0.02**	**0.02**	**0.02**	**0.02**

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of `1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled o receive remaining assets of the company, after distribution of all preferential amounts.
The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms/ rights attached to preference shares

The Company has only one class of 7.25% Non-Cumulative Redeemable Preference Shares of ₹ 1/- each. The said Preference Shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprise Limited) on December 29, 2006, pursuant to the Scheme of Arrangement for demerger of Cable

Business Undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated 17th November, 2006. Initially, as per the terms of the issue and allotment the said Preference Shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said Preference Shares was changed by extending the period of redemption by another 3 years i.e. till December 29, 2011. Later on, on June 6, 2011 these shares were transferred to Churu Enterprises LLP. by Zee Entertainment Enterprises Limited. Period for redemption of preference shares has been extended till December 29, 2016 by another period of five years by Churu Enterprises LLP. In the event of liquidation of the company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital."

(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of Equity and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Equity Shares		
Bioscope Cinemas Private Limited, the immediate holding company, effective December 28, 2011. (262,040,427(previous year Nil) equity shares of Re 1 each fully paid up)	262.04	-

(e) Details of shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No of shares held	₹ millions	No of shares held	₹ millions
Preference shares				
Churu Enterprises LLP	23,436	100%	-	-
Zee Entertainment Enterprise Limited	-	-	23,436	100%

	March 31, 2012		March 31, 2011	
Equity Shares	No of shares held	% of Holding	No of shares held	% of Holding
Bioscope Cinemas Private Limited, the immediate holding company	262,040,427	57.95%	-	-
Jayneer Capital Pvt Ltd	-	-	66,831,658	14.76
Premier finance and trading co. Ltd	-	-	79,922,319	17.65
Churu Trading Co. Pvt ltd	-	-	37,281,549	8.23
Prajatma trading co. Pvt ltd	-	-	52,390,702	11.57

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(g) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 29.

4 Reserves and surplus

		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Securities premium account			
Balance as per the last financial statements		4,199.50	1,967.61
Add: Premium received on issue of shares		0.57	2,231.89
Closing Balance	**(A)**	**4,200.07**	**4,199.50**
Employee stock options outstanding			
Gross employee stock compensation for options granted in earlier years		4.85	5.39
Less: deferred employee stock compensation		-	(0.54)
Closing Balance	**(B)**	**4.85**	**4.85**
(Deficit) in the statement of profit and loss			
Balance as per last financial statements		(4,573.61)	(3,949.28)
(Loss) for the year		(913.40)	(624.33)
Net deficit in the statement of profit and loss	**(C)**	**(5,487.01)**	**(4,573.61)**
Total reserves and surplus	**(A+B+C)**	**(1,282.09)**	**(369.26)**

5 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
(a) Debentures				
1,920 (Previous Year : 1920) 9.95% p.a Secured Redeemable Non-Convertible Debenture of Face value Rs 1,000,000 each, (outstanding Rs 300,000/- each (Previous Year ₹ 800,000 each) as at March 31, 2012) *Terms of Repayment (refer note no. 1 below)	-	576.00	576.00	960.00
(b) Indian Rupee Term Loans from banks				
Axis Bank (Secured) (Refer note no 2 below)	1,750.00	950.00	200.00	50.00
IDBI Bank (Secured) (Refer note no 3 below)	431.25	600.00	168.75	121.88
ICICI Bank (Secured) (Refer note no 4 below)	800.00	-	-	-
(c) Other Loans and Advances				
Finance Lease Obligations (Secured) (Refer note no 5 below)	1.90	0.49	0.56	0.18
Loans from related parties (Unsecured)	48.33	14.70	-	38.78
Total Secured and Unsecured	**3,031.48**	**2,141.19**	**945.31**	**1,170.84**
The above amount includes				
Secured Borrowings	2,983.15	2,126.48	945.31	1,132.06
Unsecured Borrowings	48.33	14.71	-	38.78
Amount disclosed under the head "other current liabilities" (Note. 9)	-	-	(945.31)	(1,170.84)
Net amount	**3,031.48**	**2,141.19**	**-**	**-**

Note:-

1. 9.95% p.a Secured Redeemable Non-Convertible Debenture

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. The debenture carries coupon rate of 9.95% pa payable on semi annual basis. The debentures are redeemable at par in four six monthly installments starting from December 2010, 2 each of 20% of the issue size and 2 each of 30% of the issue size.

2. From Axis Bank-Term loans are secured by Pari-passu first charge on entire movable, both present and future, of the Company and on the receivables, cash flow and account of the company. Also secured by corporate guarantee of ZEEL for maintaining revolving Debt Service Reserve Account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.

1. The loan carries interest rate of base rate plus 2.25% pa payable on monthly basis. The loan are payable in 16 quarterly installmemt starting from the end of the 15 months from the date of first disbursement 8 each of 5% of the loan and 8 each of 7.5% of the loan.

2. The loan carries interest rate of base rate plus 1.5% pa payable on monthly basis. The loan are payable in 8 half yearly installment starting from the end of the 15 months from the date of first disbursement .

3. From IDBI Bank-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 ZEEL. Maintenance of Debt Service Rerserve Account(DSRA) for 2 quarters interest.The loan carries interest rate of the bank's prime lending rate payable on monthly basis. The loan are payable in 16 quarterly installement starting from the end of the one year from the date of first disbursement.

4. From ICICI Bank -Term loans are secured by first charge by way of hypothecation on the Compnay 's current assets which would include stocks & consumable stores and spares and such other movable including books debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company cash flow and account of the company ranking pari passu with other banks/ lenders. Also secured by corporate guarantee of ZEEL for maintaining revolving Debt Service Reserve Account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan. The loan carries interest rate of base rate plus 2.25% pa payable on monthly basis. The loan are payable in 16 quarterly installment starting from the end of the 15 months from the date of first disbursement 8 each of 5% of the loan and 8 each of 7.5% of the loan.

5. Finance Lease Obligations - Secured by hypothecation of vehicles purchased thereunder.

6. Other long-term liabilities

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Others		
Advance from customers	3.20	3.38
Security Deposits	1.10	2.20
Others	4.45	-
	8.75	**5.58**

7. Provisions

	Long-term		Short-term	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Provision for employee benefits				
Provision for gratuity	11.78	10.70	0.26	0.45
Provision for leave benefits	7.69	4.61	0.43	4.05
	19.47	**15.31**	**0.69**	**4.50**

8. Short-term borrowings

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Secured		
Loans repayable on demand		
from IDBI Bank (Secured)	503.71	178.93
Secured by first pari passu charge on the fixed assets and current assets of the Company. Maintenance of Debt Service Reserve Account (DSRA) for 2 quarteres interest. All the loans are further secured by corporate guarantee of Zee Entertainment Enterprises Ltd. (ZEEL).		
Total	**503.71**	**178.93**

9 Other current liabilities

		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Trade payables (Refer note 36 for details of dues of micro, small & medium enterprises)	(A)	1,384.38	1,265.13
Other liabilities			
Current maturities of long-term borrowings (Refer note 5)		945.31	1,170.84
Interest accrued but not due on borrowings		49.83	56.15
Interest accrued and due on borrowings		1.56	4.61
Share application Money		17.53	-
Book Overdraft		81.17	1.57
Advance from Customers		65.15	128.53
Income received in advance		19.81	29.99
Others			
Interest free deposits from customers		93.06	253.64
Service tax payable		4.80	42.92
TDS payable		13.20	21.25
Entertainment Tax Payable		16.62	72.29
Other liabilities		106.98	35.00
	(B)	**1,415.02**	**1,816.79**
Total	**(A+B)**	**2,799.40**	**3,081.92**

10 Fixed Assets

(₹ millions)

(a) Tangible Assets

	Building	Leasehold Land	Plant & Machinery	Computers	Office Equipment	Furniture & Fixtures	Air conditioners	Studio Equipment	Vehicles	Ground Distribution Network	Lease Hold Improvements	STB'S	IRD Boxes	Total
Gross Block at April 1, 2010	31.67	6.78	2,072.88	86.22	28.07	29.67	13.70	38.86	13.22	203.45	36.28	480.35	1.26	3,042.41
Additions	-	-	137.92	2.20	3.41	5.40	1.10	3.86	4.52	51.09	0.98	150.18	-	360.66
Deductions	4.09	-	141.23	-	3.12	0.42	2.43	5.79	3.07	2.00	-	-	-	162.15
As at March 31, 2011	**27.58**	**6.78**	**2,069.57**	**88.42**	**28.36**	**34.65**	**12.37**	**36.93**	**14.67**	**252.54**	**37.26**	**630.53**	**1.26**	**3,240.92**
Addition on acquisition of subsidiaries	-	-	0.36	0.06	-	-	-	-	-	4.65	-	-	-	5.07
Additions	-	2.14	151.11	3.51	2.39	2.15	1.33	0.51	4.00	32.38	3.82	238.26	-	441.60
Deductions	-	-	0.05	-	0.04	0.55	-	-	1.62	3.29	-	21.45	-	27.00
As at March 31, 2012	**27.58**	**8.92**	**2,220.99**	**91.99**	**30.71**	**36.25**	**13.70**	**37.44**	**17.05**	**286.28**	**41.08**	**847.34**	**1.26**	**3,660.59**

	Building		Plant & Machinery	Computers	Office Equipment	Furniture & Fixtures	Air conditioners	Studio Equipment	Vehicles	Ground Distribution Network	Lease Hold Improvements	STB'S	IRD Boxes	Total
Depreciation at April 1, 2010	7.05	0.58	1,301.21	49.56	9.09	12.84	4.51	30.75	5.23	69.45	15.35	158.25	0.40	1,664.27
Charge for the year	0.49	0.06	59.13	11.85	1.28	1.69	0.64	0.92	1.40	10.97	3.55	106.35	0.13	198.46
Disposal	0.91		62.66	-	1.20	0.11	0.77	4.69	0.77	0.12	-	-	-	71.23
As at March 31, 2011	**6.63**	**0.64**	**1,297.68**	**61.41**	**9.17**	**14.42**	**4.38**	**26.98**	**5.86**	**80.30**	**18.90**	**264.60**	**0.53**	**1,791.50**
Addition on acquisition of subsidiaries	-	-	0.01	0.00	-	-	-	-	-	0.31	-	-	-	0.32
Charge for the year	**0.47**	**0.10**	**117.55**	**9.99**	1.68	**1.44**	0.62	0.91	**1.27**	**12.47**	**3.75**	**129.38**	**0.13**	279.76
Disposal	-	-	0.02	-	0.01	0.09	-	-	0.41	0.21	-	20.38	-	21.12
As at March 31, 2012	**7.10**	**0.74**	**1,415.22**	**71.40**	**10.84**	**15.77**	**5.00**	**27.89**	**6.72**	**92.87**	**22.65**	**373.60**	**0.66**	**2,050.46**
Net Block														
As at March 31, 2011	**20.95**	**6.14**	**771.89**	**27.01**	**19.19**	**20.23**	**7.99**	**9.95**	**8.81**	**172.24**	**18.36**	**365.93**	**0.73**	**1,449.42**
As at March 31, 2012	**20.48**	**8.18**	**805.77**	**20.59**	**19.87**	**20.48**	**8.70**	**9.55**	**10.33**	**193.41**	**18.43**	**473.74**	**0.60**	**1,610.13**

10.1 Fixed Assets

(b) Intangible Assets

(₹ millions)

	Goodwill	Program/ Film/ Cable Rights	Computers Software	Goodwill on Consolidation	Total
Gross Block at April 1, 2010	44.79	50.33	75.43	52.71	223.26
Additions	-	-	14.11	1.32	15.43
As at March 31, 2011	**44.79**	**50.33**	**89.54**	**54.03**	**238.69**
Additions	30.75	-	56.09	38.98	125.82
As at March 31, 2012	**75.54**	**50.33**	**145.63**	**93.01**	**364.51**

	Goodwill	Program/ Film/ Cable Rights	Computers Software	Goodwill on Consolidation	Total
Depreciation at April 1, 2010	4.83	46.27	37.07	-	88.17
Charge for the year	2.26	0.91	16.36	-	19.53
As at March 31, 2011	**7.09**	**47.18**	**53.43**	**-**	**107.70**
Charge for the year	5.74	-	18.56	-	24.30

As at March 31, 2012	**12.83**	**47.18**	**71.99**	**-**	**132.00**
Net Block					
As at March 31, 2011	**37.70**	**3.15**	**36.11**	**54.03**	**130.99**
As at March 31, 2012	**62.71**	**3.15**	**73.64**	**93.01**	**232.51**

11 Non-current Investments

		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Trade Investments (Valued at cost)			
Unqoated equity instruments			
Investment in Equity instruments			
480 (Previous year 480) Equity Shares of ₹ 100/- each fully paid up of Master Ads Pvt. Ltd.		0.05	0.05
9,500 (Previous year 9,500)Equity Shares of ₹10/- each fully paid up of Dakshin Communication Pvt. Ltd.		1.77	1.77
3,000 (Previous year 3,000) Equity Shares of ₹10/- each fully paid up of Centre Channel Pvt. Ltd.		0.23	0.23
70,500 (Previous year Nil) Equity Share of Rs 10/- each fully paid up of CMPL		8.42	-
		10.47	**2.05**
Less : Provision for dimunition in the value of Investments		2.05	2.05
	(A)	**8.42**	**-**
Unquoted preference instruments			
14,080 (previous year 14,080) 6% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up of Haryana Communication Network Pvt. Ltd.		7.04	7.04
Less : Provision for dimunition in the value of Investments		7.04	7.04
	(C)	-	-
Total		**8.42**	**-**
Agregate amount of unquoted investment		17.51	9.09
Aggregate provision for dimunition in value of investment		9.09	9.09

12 Loans and advances

		Non-current		Current	
		March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**	**March 31, 2012 ₹ millions**	**March 31, 2011 ₹ millions**
Capital advances					
Unsecured, considered good		346.79	313.75	-	-
	(A)	**346.79**	**313.75**	**-**	**-**
Security deposit					
Unsecured, considered good		100.89	107.27	0.60	232.10
Doubtful		2.81	2.81	-	-
		103.70	**110.08**	**0.60**	**232.10**
Less: Provision for doubtful security deposits		2.81	2.81	-	-
	(B)	**100.89**	**107.27**	**0.60**	**232.10**
Loans and advances to related parties* (refer Note 31)					
Unsecured, considered good	(C)	-	-	0.53	53.62
* excluding ₹ 12.62 mn (previous year ₹ 231.50 mn) of security deposit, reported above)					
Advances recoverable in cash or kind					
Unsecured, considered good					
Other Advances		72.11	76.43	73.14	188.53
Doubtful					
Advances to Distribution Companies		-	-	757.59	731.77
Other Advances		-	-	171.20	162.86
		72.11	76.43	1,001.93	1,083.16
Less: Provision for					
Advances to Distribution Companies		-	-	757.59	731.77
Other Advances		-	-	171.20	162.86
	(D)	**72.11**	**76.43**	**73.14**	**188.53**
Other loans and advances					
Unsecured, considered good					
Advance Tax		16.12	18.41	161.23	109.27
Balances with Statutory/Govt. Authorities		5.31	3.69	124.79	98.68
Prepaid expenses		-	4.05	2.57	-
	(E)	**21.43**	**22.10**	**290.07**	**210.52**
Total (A+B+C+D+E)		**541.22**	**519.55**	**364.34**	**684.77**

13 Current Investments

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Non-Trade Investments		
Investments in Mutual Funds (Unquoted)(valued at lower of cost and fair value)		
Units 250,404 (Previous Year 500,404 Units) of face value of ₹10 each of ICICI Prudential Flexible Income Premium Growth	2.54	5.04
Units 199,952.012 (Previous Year 196,765.18) of face value of ₹10 each of UTI Fixed Income Interval fund	2.00	2.50
Units 3,176.612 (Previous Year Nil) of face value of ₹100 each of Taurus Short Term Income Fund - Growth Plan	5.50	-
Total	**10.04**	**7.54**
Agregate amount of unquoted investment	10.04	7.54
Aggregate provision for dimunition in value of investment	-	-

14. Inventories (valued at lower of cost and net realizable value)

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Traded goods	42.10	312.09
Stores and spares	119.07	89.76
	161.17	**401.85**

15.1 Trade receivables and other assets

	Non-current		Current	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Outstanding for a period exceeding six months from the date they **are due for payment**				
Unsecured, considered good	-	-	265.32	327.13
Unsecured, considered doubtful	-	-	1,614.22	1,708.11
	-	**-**	**1,879.54**	**2,035.24**
Less: Provision for doubtful debts	-	-	1,614.22	1,708.11
	-	**-**	**265.32**	**327.13**
Other receivables				
Unsecured, considered good	-	-	512.27	631.83
Unsecured, considered doubtful	-	-	2.33	1.67
			514.60	633.50
Less: Provision for doubtful debts	-	-	2.33	1.67
	-	**-**	**512.27**	**631.83**
Total	**-**	**-**	**777.59**	**958.96**

15.2 Other assets

		Non-current		Current	
		March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Unsecured, considered good unless stated otherwise					
Non-current bank balances (note16)		238.07	275.91	-	-
	(A)	**238.07**	**275.91**	**-**	**-**
Unamortized expenditure					
Ancillary cost of arranging the borrowings		54.11	24.31	25.95	68.00
	(B)	**54.11**	**24.31**	**25.95**	**68.00**
Others					
Interest accrued on fixed deposits		-	-	6.58	0.30
Others		0.52	0.38	2.65	6.19
	(C)	**0.52**	**0.38**	**9.23**	**6.49**
	Total (A+B+C)	**292.70**	**300.60**	**35.18**	**74.49**

16 Cash and bank balances

	Non-current		Current	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Cash and cash equivalents				
Balances with banks:				
– On current accounts	-	-	1,337.38	794.50
– Deposits with original maturity of less than three months	-	-	20.80	15.21
Cheques/ drafts on hand	-	-	58.96	71.96
Unpaid matured deposits	-	-	52.29	90.91
Cash on hand	-	-	7.06	7.03
			1,476.49	**979.61**
Other bank balances				
– Deposits with original maturity for more than 12 months	-	-	5.00	15.31
– Margin money deposit	238.07	275.91	1.34	0.81
	238.07	**275.91**	**6.34**	**16.12**
Amount disclosed under non-current assets (note 15.2)	(238.07)	(275.91)	-	-
	-	**-**	**1,482.83**	**995.73**

Margin money deposits given as security

Margin money deposits with a carrying amount of ₹238.07 million (31 March 2011: ₹ 275.91 million) are subject to first charge to secure the company's term loans & cash credit loans. Further, current margin money deposit with a carrying amount of ₹ 1.34 million (31 March 2011: ₹ 0.81 million) are pledged against bank guarantees.

17 Revenue from operations

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Revenue from operations		
Sale of Traded goods	19.44	(4.66)
Sale of services		
Subscription Income	909.70	848.11
Advertisement Income	156.41	111.37
Carriage Income	2,238.04	2,046.61
Other operating revenue		
Lease Rental Charges-Right to use	2.83	11.31
Other Networking Income	98.85	47.84
Scrap sales	2.90	-
Revenue from operations (Gross)	**3,428.17**	**3,060.58**
Details of Sales of Traded goods		
STB & VC Cards	18.46	(4.66)
Spares parts	0.98	-
Total	**19.44**	**(4.66)**

18 Other income

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Interest income on		
Bank deposits	23.72	10.64
Others	1.16	5.15
Dividend income on current investment	0.21	-
Net gain on sale of current investment	0.20	-
Excess provision written back	172.82	76.76
Other non-operating income	16.32	8.90
	214.43	**101.45**

19 Employee benefits expense

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Salaries, allowances & Bonus	241.88	219.62
Contributions to Provident and other fund	15.45	13.48
Gratuity Expenses (Refer Note 28 of accompanying financial statements)	2.60	2.89
Staff welfare expenses	11.14	9.11
Total	**271.07**	**245.10**

20 Other expenses

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Rent	65.63	59.33
Rates and Taxes	2.44	3.34
Communication Expenses	12.74	13.57
Repairs and Maintenance		
- Plant & Machinery	19.58	15.42
- Building	0.19	0.28
- Others	15.00	14.50
Electricity Expenses & Water Charges	25.49	21.64
Legal, Professional and Consultancy Charges	62.37	42.44
Printing and Stationery	7.75	8.52
Service Charges	55.36	47.52
Travelling and Conveyance Expenses	24.24	22.95
Payment to auditor (Refer details below)	3.69	3.64
Vehicle Expenses	18.38	12.15
Insurance expenses	6.47	2.95
Miscellaneous Expenses	32.35	19.11
Provision for Doubtful Debts	137.66	160.50
Bad Debts Written Off	58.46	36.72
Provision for doubtful advances	34.97	21.02
Loss on Sale / Discard / Write off of Assets (net)	4.35	(5.23)
Preliminary expenses written off	0.02	0.44
Advertisement and Publicity Expenses	70.25	22.21
Commission Charges and Incentives	47.92	26.19
Rebate and Discount	70.34	4.96
Program Production Expenses	19.55	15.61
Other Operational Cost	158.32	138.86
Repairs and Maintenance - Network	18.20	14.96
Business and Sales Promotion	32.79	28.80
	1,004.51	**752.40**

Payment to auditor

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
As auditor:		
Audit fee	2.62	2.61
Tax audit fee	0.09	0.08
Limited review	0.75	0.75
In other capacity:		
Taxation matters	0.09	0.08
Company law matters	0.01	-
Other services (certification fees)	0.03	-
Reimbursement of expenses	0.10	0.12
	3.69	**3.64**

21 Exceptional items

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Exceptional items*	240.27	22.57

* includes security deposit receivable of ₹ 231.50 million pertaining to HITS being written off; ₹ 1.86 million (previous year ₹ 22.49 million) being amusement tax paid against demand of earlier years (Refer note 41)).

22 Depreciation and amortization expense

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Depreciation of tangible assets	279.76	198.46
Amortization of intangible assets	24.30	19.53
	304.06	**217.99**

23 Finance costs

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Interest	491.32	511.18
Bank charges	3.38	1.83
Amortization of ancillary borrowing costs	71.71	55.40
	566.41	**568.41**

24 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Net profit/ (loss) for calculation of basic EPS	**(913.40)**	**(624.33)**
Net profit/ (loss) for calculation of diluted EPS	**(913.40)**	**(624.33)**

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Weighted average number of equity shares in calculating basic EPS	452.24	436.69
Weighted average number of equity shares in calculating diluted EPS	452.24	436.69
Basic/Diluted earnings/(loss) per share	**(2.02)**	**(1.43)**

25 **The Company has during the year acquired 51% stake in three subsidiaries by way of subscription of shares, the details are as below:**

a) 10,409 shares of ₹ 10 each in Siti Bhatia Network Entertainment Private Limited w.e.f. July 1, 2011 by paying a consideration of ₹ 0.1 million

b) 102,000 shares of ₹ 10 each at a premium of ₹ 176 in Siti Jind Digital Media Communication Private Limited w.e.f. October 1, 2011 by paying a consideration of ₹ 18.97 million

c) 5,100 shares of ₹ 10 each at a premium of ₹ 320 per share in Siti Jai Maa Durgee Communications Private Limited w.e.f. January 2, 2012 by paying a consideration of ₹ 16.83 million The resulting goodwill has been shown as 'goodwill on consolidation.

(Amount in ₹ million)

	SBNEPL	**SJDMCPL**	**SJMDCPL**
Investment	0.10	18.97	16.83
Share Capital	0.10	1.02	0.05
Pre Acquisition profits/loss	(4.24)	(0.00)	-
Goodwill	**4.24**	**17.96**	**16.78**

26 The Company had given advances under a guarantee of Holding Company to its subsidiaries and other Companies for meeting working capital requirements and for acquisition of MSOs/ direct points, technological upgradation etc. respectively to the extent of ₹ 471.80 million (including ₹ 450 million given subsequent to year end). The Company firmly believes that these interest free facilities/ advances of ₹ 471.80 million given as such to be good of recovery and would further enhance its operations on standalone and consolidated basis over near future; therefore does not believe any provisions to be created on these amounts.

27 Capital-Work In Progress and Loans & Advances include amounts of ₹ 13.27 million (previous year Rs 18.64 million) and ₹ 40.80 million (Previous year Rs 51.80 million) respectively as outstanding for more than 2 years. The management of the company is making all possible efforts to adjust/ recover these amounts and also initiated appropriate legal action against some of the parties, and therefore no provision there against has been considered necessary. The impact, if any, which in the opinion of the management would not be material, would be made in the year of adjustment/ settlement.

28 Gratuity and Other Post-employment benefit Plans

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under :-
Employer's Contribution to Provident Fund Rs 14.21 million (₹ 12.79 Million as at March 31, 2011).

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 of 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.

Statement of Profit and Loss

Net employee benefit expense (recognized in the Employee cost)

	Gratuity	
	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Current service cost	3.02	3.47
Interest cost on benefit obligation	1.13	0.90
Expected return on plan assets	(0.17)	(0.07)
Net actuarial(gain) / loss recognized in the year	(1.38)	(1.56)
Past Service Cost	-	0.14
Net benefit expense	**2.60**	**2.89**
Actual return on plan assets	**0.17**	**0.28**

Benefit asset/ (liability)

	Gratuity	
	March 31, 2012 ₹ millions	**March 31, 2011 ₹ millions**
Present value of defined benefit obligation	(14.21)	(13.43)
Fair value of plan assets	2.17	2.27
Plan asset / (liability)	**(12.04)**	**(11.16)**

	Gratuity	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	2.27	1.21
Expected Return on Plan Assets	-	0.07
Actuarial Gain / (Losses)	0.17	0.21
Contribution by Employer	1.32	0.79
Benefits Paid	(1.59)	-
Closing Fair Value on Plan Assets	**2.17**	**2.28**
Expected Employer Contribution Next Year	0.90	0.50

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

	Gratuity	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Opening defined benefit obligation	13.43	11.07
Current service cost	3.02	3.90
Interest cost	1.13	0.91
Past Service Cost		0.14
Benefits paid	(1.99)	(1.03)
Actuarial (gains) / losses on obligation	(1.38)	(1.56)
Closing defined benefit obligation	**14.21**	**13.43**

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

	Gratuity	
	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Discount Rate (per annum)	8.35% - 8.75%	8.30% - 8.75%
Rate of escalation in salary (per annum)	5.00% - 8.00%	6.00% - 8.00%

Gratuity	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions	March 31, 2010 ₹ millions	March 31, 2009 ₹ millions	March 31, 2008 ₹ millions
Defined benefit obligation	14.21	13.43	11.07	10.24	7.57
Plan assets*	2.17	2.27	1.10	1.10	1.06
Surplus / (deficit)	(12.04)	(11.16)	(9.97)	(9.14)	(6.51)
Experience adjustments on plan liabilities	1.70	1.11	(1.83)	(0.18)	0.23
Experience adjustments on plan assets	-	-	-	-	-

*pertains to ICNCL only.

The company expects to contribute ₹ 2,680,349 to gratuity in the next year (March 31, 2011 ₹ 3,711,970).

29. 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 (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 17, 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
Exercise Period	Four Years	Four Years	Four Years

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

	March 31, 2012		**March 31, 2011**	
	Number of options	**Weighted Avg Ex. Price**	**Number of options**	**Weighted Avg Ex. Price**
Outstanding at the beginning of the year	313,300.00	20.00	313,300.00	20.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	140,700.00	-	-	-
Outstanding at the end of the year	172,600.00	20.00	313,300.00	20.00
Exercisable at the end of the year	138,080.00	-	187,980.00	-
Weighted average fair value of options granted on the date of grant	-	-	-	-

Plan 1

* Re pricing of the exercise price to ₹ 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 ₹ 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

	March 31, 2012		**March 31, 2011**	
	Number of options	**Weighted Avg Ex. Price**	**Number of options**	**Weighted Avg Ex. Price**
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-

Expired/Lapsed during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
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:

	March 31, 2012		March 31, 2011	
	Number of options	Weighted Avg Ex. Price	Number of options	Weighted Avg Ex. Price
Outstanding at the beginning of the year	1,677,600	-	2,117,400	17.45
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapsed during the year	991,000	17.45	439,800	17.45
Outstanding at the end of the year	686,600	-	1,677,600	-
Exercisable at the end of the year	274,640	-	335,520	-
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted	-	-	-	-

The details of exercise price for stock options outstanding at the end of the year March 31, 2012 :

	Plan 1	Plan 2	Plan 3
Range of exercise prices (₹)	20	30.65	17.45
Number of options outstanding	112,000	-	686,600
Weighted average remaining contractual life of options (in years)	1 years	-	3 years
Weighted average exercise price (₹)	20	30.65	17.45

The details of exercise price for stock options outstanding at the end of the year March 31, 2011 :

	Plan 1	Plan 2	Plan 3
Range of exercise prices (₹)	20	30.65	17.45
Number of options outstanding	313,300	-	1,677,600
Weighted average remaining contractual life of options (in years)	2 years	-	4 years
Weighted average exercise price (₹)	20	30.65	17.45

30 Leases

Finance lease: Company as lessee

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.

	March 31, 2012		March 31, 2011	
	Minimum payments ₹ millions	Present value of MLP ₹ millions	Minimum payments ₹ millions	Present value of MLP ₹ millions
Within one year	0.78	0.55	0.24	0.19
After one year but not more than five years	1.98	1.68	0.55	0.48
More than five years	-		-	
Total minimum lease payments	**2.76**	**2.23**	**0.79**	**0.67**
Less: amounts representing finance charges	0.53		0.12	
Present value of minimum lease payments	**2.23**	**2.23**	**0.67**	**0.67**

Operating lease :company as lessee

The Company'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.

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Within one year	1.86	4.90
After one year but not more than five years	2.11	3.97
More than five years	-	-
	3.97	**8.87**

31 Related party disclosures

(i) Names of Related Parties where control exists

Holding Company

Bioscope Cinemas Private Limited (effective December 28, 2011)

(ii) Key Management Personnel

Mr. Subhash Chandra, Director; Mr. Amit Goenka, Whole-Time Director; Mr. Brijendra Kumar Syngal, Director, Mr. Sudhir Agarwal, Chief Executive Officer, (Resigned wef Jan 17, 2012); Mr. Arun Kapoor, Director, (Resigned wef July 12, 2011); Suresh Kumar Aggarwal, Director; Vinod Kumar Bakshi, Director, Mr. Avnindra Mohan, Director, Director, Mr. Suresh Kumar, Director, Mr. Suresh Kumar Sethia, Director, Mr. Sudhir J. Agarwal, Director, Mr. Raj Kumar Agarwal, Mr. Surendra Kumar Agarwala, Mr. Mahipal Singh Rawat, Director; Mr. Somen Roy Choudhary, Manager, Mr. R.K. Singh, Director, Mr. Sandeep Kumar Jain, Director, Mr. V.Kumar, Director, Mr. Anil Jain, Mr. Mukesh Mittal, Director, Mr. S.K.Gupta, Director, Mrs. Sulbha Gaekwad, Director, Mr. P. Sai Babu, Smt. P. Kiranmayee, Mr. Shio Kumar Gupta, Mr.V.K.Gupta, Mr. Jain Kumar, Mr. Sandeep Kumar Jain, Mr. K. Sivaramakrishna, Mr. B. Satish Kumar, Mr. J. Gopalarao, Mr. I.S. Ramakrishna.

(iii)Enterprises owned or significantly influenced by key management personnel or their relatives

Agrani Wireless Services Ltd., Dish TV India Ltd., Essel Propack Ltd., Zee Entertainment Enterprises Limited (ZEEL), Zee News Limited, Zee Turner Ltd., 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, Siti Dharshan Cable Net Co. Private Limited , Mr. P. Kasi Viswanadha rao, M/s R. K. Master, Mrs. P. Damyanthi Rao, Megha Satellite Service, Mr. Jayant P., Mrs. Bharti P, Siti Royal Heritage Network Cable Pvt. Ltd, Siti Singbhum Cable Net Company Pvt ltd, .Sri Satya O & M Services, Silpi Tech, Mr. B. Parvathi, Mr. J. Parvathi, Mrs. M. Sujatha.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Sale/ purchase of goods and services

(Amount in ₹ million)

	Year ended	Sale of goods and services	Purchase of goods and services	Amount owed by related parties*	Amount owed to related parties*
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Ltd.	31-Mar-12	-	5.24	-	19.70
	31-Mar-11	0.17	1.63	-	-
Zee Entertainment Enterprises Limited	31-Mar-12	177.79	3.55	5.46	3.25
	31-Mar-11	170.00	10.03	38.42	4.79
Zee Turner Ltd.	31-Mar-12	-	46.16	0.21	294.98
	31-Mar-11	-	156.80	-	319.16
MediaPro Enterprises Pvt.Ltd.,	31-Mar-12	-	296.66	-	41.48
	31-Mar-11	-	-	-	-
Zee News Limited	31-Mar-12	48.63	-	9.18	10.92
	31-Mar-11	40.01	-	114.56	(0.42)
Siti Darshan Cable Net Co. (P) Ltd.	31-Mar-12	32.73	-	2.80	-
	31-Mar-11	8.11	-	1.89	-
Siti Royal Heritage Cable Net (P) Ltd.	31-Mar-12	1.21	-	1.26	-
	31-Mar-11	-	-	-	-
Shree Tisai Satellite Service	31-Mar-12	-	-	-	34.36
	31-Mar-11	-	28.80	-	34.36
Shri Jarimari Satellite Services	31-Mar-12	-	-	1.60	-
	31-Mar-11	-	-	-	-
Other Related Parties	31-Mar-12	-	21.46	-	40.46
	31-Mar-11	-	12.59	0.33	9.67

b. Loans given and repayment there of

(Amount in ₹ million)

	Year ended	Loans given	Repayment/ Adjustments	Interest accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Ltd.	31-Mar-12	-	231.50*	-	-
	31-Mar-11	5.09	13.04	-	231.50
Essel Propack Limited	31-Mar-12	-	-	-	0.00
	31-Mar-11	-	-	-	0.00
Zee Entertainment Enterprises Limited	31-Mar-12	-	40.15	-	-
	31-Mar-11	57.51	15.16	-	40.15

Zee News Ltd.	31-Mar-12	-	0.04	-	-
	31-Mar-11	-	-	-	0.04
Zee Turner Ltd.	31-Mar-12	-	0.29	-	13.15
	31-Mar-11	-	-	-	13.44

* security deposit written off during the year. (Refer note no 21)

c. Loans taken and repayment thereof

(Amount in ₹ million)

	Year ended	Loans given	Repayment	Interest accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Zee News Limited	31-Mar-12	723.35	701.45	-	24.10
	31-Mar-11	4.25	988.32	-	4.25

d. Remuneration to key managerial personnel

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Sudhir Agarwal (till Jan 17, 2012)	15.07	15.00
Mrs. Sulbha Gaikwad	-	0.69
Mr. Somen Roy Choudhary	3.05	1.68
Other related parties	1.54	1.56
	19.66	**18.93**

d. Interest paid to

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Zee news limited	46.34	95.98

32 Capital and other commitments

Estimated amount of Contracts remaining to be executed and not provided for (Net of Advances) amounting to Rs 76.28 million (Previous Year ₹ 75.78 million).

33 Contingent Liabilities

i) Claims against the Group not acknowledged as debts Rs 87.28 million (Previous Year ₹ 77.07 million)

In case of Company

The Company had agreed to purchase the running business of Franchnet Cable Network for a total sum of Rs 1.8 mn, however Franchnet Cable Network alleged that siti cable has not supplied material /equipments etc to them to upgrade the network. The matter was referred to Arbitration Tribunal. Arbitration Tribunal has pronounced award against the Company. The Company has already filed an appeal before Mumbai High court. The appeal has been admitted and part hearing has been done. The case is now pending for further arguments. Franchnet had claimed Rs 61.2 mn as compensation /damages against the company.

Rs 1.25 mn (Previous year ₹ 1.25 mn) on account of demand raised by Kanpur Nagar Nigam Ltd towards pole tax.

Rs 0.39 mn (Previous year ₹ 0.39 mn) on account of claim raised by Om Commvision Network Pvt Ltd u/s 138 of the Negotiable Instruments Act.

In case of ICNCL

₹ 8.47 mn (Previous year ₹ 4.00 mn) towards Service Tax demand against which the company has replied to show cause notice by the appropriate authorities. For Rs 4.00 mn showcause notice has been received in respect of rental income earned by the company on which company has duly paid VAT. This showcause is based on the CERA auditors observations sent to Service Tax department. In the opinion of the company, Service Tax department has erroneously raised this demand and therefore shall get relief at the appellate level. For Rs 4.47 mn showcause notice has been served by the Service Tax department on query filed by CERA auditors to Service Tax Department. The Company has found the CERA auditor findings erroneous and accordingly has filed reply.

₹ 6.13 mn (Previous year ₹ 3.40 mn) towards amusement tax demand against the company. For ₹ 2.73 mn, the demand has been raised during the financial year, against which the company has decided to file appeal before the appropriate authority. For balance of demand of Rs 3.4 mn, the company has already filed appeal with Assistant Commissioner of Agricultural Income Tax, West Bengal. These demands are raised for the difference in amount which is 5% on amount billed by the company on cable operator towards monthly subscription during a financial year and amount of collection received in respect of the same during the said period.

₹ 5.00 mn (Previous year ₹ 5.00 mn) in respect of a suit filed against the company by M/s Time Warner and others for alleged infringement of copyright of the film. The suit is pending for final disposal

Rs 2.30 mn (Previous year ₹ Nil) for difference in Invoice raised and content cost booked, which in the opinion of management of company, is not payable

Rs 1.03 mn (Previous year ₹ Nil) towards interest in deferred payment of old amusement tax liabilities. The company has filed an appeal against the same on ground of error in calculation before the Hon'ble Court of Certificate officer, Certificate Organisation, Kolkata & 24 Pargana. (read with note no 41)

₹ 0.99 mn (Previous year Nil) for income tax demand against the company for the AY 2005-06, against which an appeal by the company is lying pending for disposal.

₹ 0.50 mn (Previous year ₹ 0.50 mn) in respect of a suit filed by Super Cassettes Industries Ltd for alleged infringement of copyright of the film. The suit is pending for disposal.

Nil (Previous year ₹ 1.32 mn) towards VAT demand against the Company.

Based on the discussions with the solicitor/expert, the management feels that the group has a strong chance of success in above mentioned cases and hence no provision there against is considered necessary.

ii) In case of ICNCL,

a) Guarantee: ₹ 1.00 mn (Previous Year ₹ 0.64 mn) for counter guarantees in respect of outstanding bank guarantees & FD pledged

b) Others :₹ 3.17 mn (Previous Year ₹ 3.33 mn) for advance received from Ushodya Enterprises P. Ltd for the unexpired contract amount.

34 Derivative instruments and unhedged foreign currency exposure

Particulars of Unhedged Foreign Currency Exposure as at reporting date

	March 31, 2012		March 31, 2011	
	USD million	₹ millions	USD million	₹ millions
Trade receivables for Carriage Income	0.38	19.30	0.07	3.34

* Closing rate as at March 31, 2012 –
(1 USD = Rs 51.16 (March 31, 2011: 1 USD – Rs 44.65)

35 Taxation

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

(Amount in ₹ million)

Particulars	March 31, 2012	March 31, 2011
Deferred Tax Liabilities		
Deferred revenue expenses/Other difference	19.57	23.33
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	13.00	5.43
Gross Deferred Tax Liabilities (A)	32.57	28.76
Deferred Tax Assets		
Expenditure debited to profit & loss account in the current year but allowed for tax purposes in following years	1.24	1.26
Provision for doubtful advances	28.94	31.10
Gross Deferred Tax Assets (B)	30.18	32.36
Net Deferred Tax Liability/(Assets)	**2.39**	**(3.60)**

In case of standalone financials of Wire & Wireless India Limited, the Company would have net deferred tax asset primarily comprising of unabsorbed losses and carry forward depreciation under tax laws. In the absence of virtual certainty of sufficient future taxable income, the Company has taken the conservative approach and created deferred tax assets to the extent of deferred tax liability. However, in case of subsidiaries the same are taken as per AS-22.

36 Details of dues to micro and small enterprises as defined under MSMD act 2006

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.

37 Supplementary statutory information required to be given pursuant to clause 32 of the listing agreement:

(Amount in ₹ million)

Sr. No.	Name of the Enterprise	Balance as on March 31, 2012	Maximum outstanding during the year	Balance as on March 31, 2011	Maximum outstanding during the year
	Associates / Parties in which directors are interested				
1	Dish TV India Ltd.	-	231.50	217.82	226.41
2	Zee News Ltd.	-	0.04	0.04	0.16
3	Zee Turner Ltd.	13.44	13.44	13.44	14.01
4	Zee Entertainment Enterprise Limited	-	40.15	40.15	46.89

38 Cost of goods sold is net of sales return of Rs Nil (previous year ` 2.86 million).

39 Right issue utilization

The Company had during the year 2009-10 issued 236,222,285 equity shares of ₹ 1 each at a premium of ₹ 18 per share for cash to the existing equity shareholders of the Company. Given below are the details of utilization of proceeds raised through public issue.

	March 31, 2012 ₹ millions	March 31, 2011 ₹ millions
Unutilized amount at the beginning of the year	1,242.57	2,362.00
Less: amount utilized during the year		
Repayment of unsecured loans	-	112.00
Working Capital	-	213.00
Issue expenses	-	6.00
General Corporate purposes	596.70	788.43
Unutilized amount at the end of the year	**645.87**	**1,242.57**

The Board via resolution passed on October 19, 2011 granted approval for change in utilisation of unutilised portion of right issue money to general corporate purposes.

40 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 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.

41 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 ₹ 72.61 million towards Amusement Tax payable. Out of the said ₹ 72.61 million, no provision has been made for ₹ 72.16 million. Against the said unprovided liability of ₹ 72.16 million, the company has paid ₹ 2 million during the year ended 31. 03.2008, ₹ 23.32 million during the year ended 31.03.2009, 22.49 million during the year ended 31.03.2010, Rs 22.49 million during the year ended 31.03.2011 and ₹ 1.86 million during the year ended 31.03.2012 and the same has been debited to profit and loss account for respective years. Further, during the financial year, Tax Recovery department of West Bengal raised interest demand of ₹ 8.08 million for deferred payment of the afforsaid amount of ₹ 72.61 million against which ₹ 7.05 million has been paid by the company, and for balance of ₹ 1.03 million, the Company has filed an appeal in the Hon'ble Court of Certificate Officer of Certificate Organisation, Kolkata & 24 Pargana, on the ground that this amount is not payable for the error in the calculation of the said interest.

42 In case of ICNCL, the company has entered into a memorandum of understanding dated 25th September 2009 (subsequently amended vide addendum MOU dated 30th December 2009) 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 30 million (previous year Rs 30 million) as an advance for the purchase/acquisition of the said office space and the amount is included in capital advances.

43 In case of SVDMPL:

a) The company has not provided for the liability on account of Bonus.
b) The Entertainment Tax liability of ₹ 1.03 million has not been paid/provided by the Company.

44 In case of ICNCL, SJMDCPL, SBNEPL, SVDMPL & MCCNL, balances of loans and advances, trade receivables, trade payables & other liabilities are subject to confirmation.

45 In case of SJDMCPL & SVDMPL, where the necessary documentary evidence does not support the payment made/ expenses incurred, the same are accounted for on the basis of certification of the Management.

46 In case of ICNCL , SVDMPL, SBNEPL & MCCNL, in the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31st March 2012 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

47 Till the year ended March 31, 2011, the group was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the group. The group has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Firm Registration no.: 101049W
CHARTERED ACCOUNTANTS

Per Yogesh Midha
Partner
Membership No. : 94941

Place: Gurgaon
Date : 17-05-2012

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

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

Anil Kumar Malhotra
Chief Operating Officer

Suresh Kumar
Company Secretory

Sanjay Goyal
Chief Financial Officer

Details pertaining to Subsidiary Companies as per the requirements of para (iv) of the Direction under Section 212(8) of the Companies Act,1956, issued by the Ministry of Corporate Affairs vide General Circulars No. 2/2011 dated 08/02/2011 are as follows:-

₹ In Million

Particular	Indian Cable Net Company Limited	Central Bombay Cable Network Limited	Siticable Broadband South Limited	Wire and Wireless Tisai Satellite Limited	Master Channel Community Network Limited	Siti Vision Digital Media Private Limited	Siti Jai Maa Durgee Communications Private Limited	Siti Jind Digital Media Communications Private Limited	Siti Bhatia Network Entertainment Private Limited
Summary Balance Sheet									
Share Capital	100.91	0.50	2.33	0.50	0.50	14.78	0.10	2.00	0.20
Reserve and Surplus	199.36	6.46	(6.36)	(65.29)	10.09	(71.67)	(0.45)	1.17	(22.09)
Total Asset	1,078.79	380.66	380.68	76.77	42.51	195.51	36.28	11.95	29.74
Total Liabilities	1,078.79	380.66	380.68	76.77	42.51	195.51	36.28	11.95	29.74
Investment (excluding subsidiary)	-	-	-	-	-	-	-	-	8.42
Summary Profit and Loss Account									
Turnover	885.39	3.30	0.22	-	77.19	110.60	20.36	25.21	16.73
Profit/ (Loss) before Tax	29.89	(0.12)	(0.17)	(4.24)	7.22	(134.39)	(0.45)	1.72	(18.36)
Provision for Tax	12.97			0.10	3.89		-	0.54	-
Profit/ (Loss) after Tax	16.92	(0.12)	(0.17)	(4.34)	3.33	(134.39)	(0.45)	1.18	(18.36)
Proposed Dividend	-	-	-	-	-	-	-	-	-

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 Sixth Annual General Meeting of the Company to be held on Thursday, August 30, 2012 at 3.30 p.m. at the 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment(s) thereof.

Signed this… day of ...., 2012

Signature of Shareholder ....

Regd. Folio No. ....
DP ID No. ....
Client ID No. ....
No. of Shares ....

Affix ₹ 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 Sixth Annual General Meeting of the Company held on Thursday, August 30, 2012 at 3.30 p.m. at the 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

....
Name of the Shareholder/Proxy (IN BLOCK LETTERS)

....
Signature of Shareholder/Proxy

Regd. 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.

NOTES

NOTES

NOTES

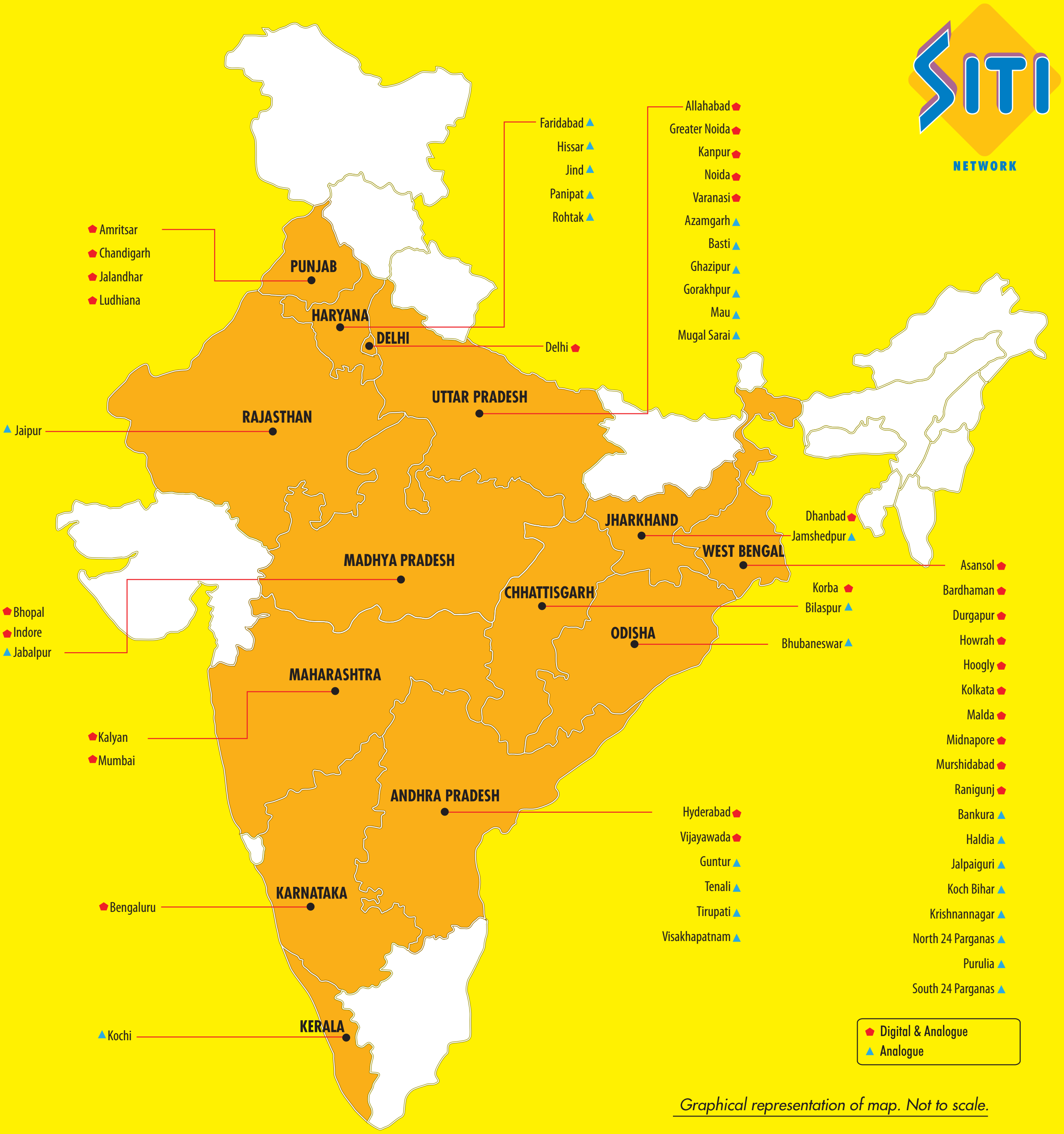
NOTES

NOTES

NOTES

Pan India Network

- Presence in 58 cities and adjoining areas
- Digital Cable TV Services in 29 cities
- 54 Analogue & 13 Digital Headends
- Huge network of 12000kms of optical and coaxial fibers
- Use of STM4 technology that provides robust, redundant and scalable distribution network



Graphical representation of map. Not to scale.

www.wwil.net

WIRE AND WIRELESS

Corporate Office
WIRE AND WIRELESS (INDIA) LIMITED
Building No. FC 09, Gate No. 3, Sector 16A, Film City, Noida (UP) - 201301
Ph: 0120 4526700, Fax: 0120 4526777