



29th Annual Report 2013-14

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Corporate Information

BOARD OF DIRECTORS

Raman Rajiv Misra
Independent Director

Dr. Sunil Anand
Independent Director

Jagdish Prasad
Independent Director

Sudhir Damodaran
Executive Director

S.A. Abbas
Managing Director

SENIOR MANAGEMENT

Sudhir Damodaran
Executive Director

S.A. Abbas
Managing Director

Rajesh Kukreja
Vice President (Institutional Sales)

Y. V. Kumar
Vice President (Technical Services)

D. S. Dogra
General Manager (Supply Chain Management)

Manoj Thakur
General Manager (Sales)

Vinod Rawat
Chief Financial Officer

AUDITORS

Gaur & Associates
Chartered Accountants
F-7/204, Aditya Complex,
Preet Vihar Community Centre,
Preet Vihar, Delhi - 110 092

COST AUDITORS

S. K. Bhatt & Associates
Cost & Management Accountants
F-103, DAV Complex, Opp. Samachar
Apartment, Mayur Vihar Phase-1,
Delhi-110091

SECRETARIAL AUDITORS

Pramod Kothari & Co.
Company Secretaries
G-28C, Block-G,
Kanchanjunga Apartments,
Sector-53, Noida-201301 (U.P.)

ADVOCATES AND SOLICITORS

Kundra & Bansal
Advocates and Solicitors
B-231, Greater Kailash I
New Delhi- 110048

MnM Legal
Advocates
D-184, Sector 47,
Noida- 201301 (U.P.)

COMPANY SECRETARY

G. S. Butola

BANKERS

Axis Bank Ltd.
ICICI Bank Ltd.
Oriental Bank of Commerce
Canara Bank
Standard Chartered Bank–Dubai

REGISTERED OFFICE

H-17/202, 2nd Floor,
Main Vikas Marg,
Laxmi Nagar, Delhi-110092

CORPORATE OFFICE

E-14 &15, Sector-8,
Noida - 201301 (U.P.)
Ph. : (120) 4936750
Fax : (120) 4936776
E-mail:catvision@catvisionindia.com
Website : www.catvisionindia.com

OVERSEAS OFFICE

C1-705C, Ajman Free Zone
PO Box No. 31415, Ajman– UAE

PLANT

F-87, UPSIDC Industrial Area,
Selaqui, Dehradun - 248197
(Uttarakhand)
Ph. : 0135-2699054/55

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor, Okhla,
Industrial Area, Phase-II
New Delhi-110020
Ph. : 011-26387320,21
E-mail : shares@rcmcdelhi.com

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Accounts and Auditors' Report of your company for the Financial Year ended on 31st March, 2014.

FINANCIAL HIGHLIGHTS:

The highlights of the financial results of your company are as under:

₹ in lacs

	Year Ended 31.03.14	Year Ended 31.03.13
Total Revenue	3327.13	2884.27
Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	193.77	134.61
Interest and Finance Charges	(67.27)	(43.09)
Depreciation	(56.95)	(56.95)
Profit Before Tax	69.91	34.57
Provision for Tax -Current year	(20.63)	(17.85)
Provision for (Deferred Tax)/ Assets	6.61	9.45
Profit After Tax	55.89	26.17
Appropriation:		
Balance carried over to Balance Sheet	55.89	26.17

Review of Operations:

The turnover of the company increased by 15.35% and stood at ₹ 3327.13 lacs against ₹ 2884.27 lacs in the previous year. The company's Profit After Tax for year ended 31st March, 2014 increased to ₹ 55.89 lacs against ₹ 26.17 lacs in the corresponding period of the previous year.

Dividend:

Keeping in view of the funds requirement, especially for digital business, your Board of Directors are of the view that the current year's profits be ploughed back into the operations and hence do not recommend any dividend payment for the financial year ended 31st March, 2014. However, the Board of Directors of your company are quite confident to deliver growth and enhance shareholders' value in the coming years.

Joint Venture:

Your company and Unitron Group NV of Belgium entered into a joint venture agreement pursuant to which a joint venture company 'Catvision Unitron Pvt. Ltd.' has been set up in India

and UNICAT Limited in Middle East (UAE), These joint venture companies are developing CATV digital systems and products with the latest world-class technology. Unitron Group NV of Belgium has years of experience in the state-of-the-art digital head-end technology, and is one of the leading companies in Europe in providing solutions for TV distribution to multi-dwelling units and residential complexes. Catvision has 29 years of experience in the CATV industry in India, a market that is migrating to digital technology. This joint venture with Unitron will enable Catvision to become a leading player in India and surrounding countries in the emerging digital TV space.

Corporate Review:

The phase 1 of digitization of cable TV in cities like New Delhi, Mumbai, Kolkata, Chennai and Mumbai and phase 2 in 38 other key cities and areas with population of over one million, got completed successfully. The last two phase is expected to be completed by 31st December, 2014. Though there is no confirmation from the Ministry of Information and Broadcasting (MIB), yet the industry feels that due to shortages of indigenously manufactured set top boxes, the last date may get extended. In the phases 1 and 2, your company has positioned itself in a strong position to meet the demand of digital products in last two phases.

Your company has two business divisions. The division-wise performance of the company is as follows:

CATV Equipment & Systems Division:

This division sells CATV equipment and systems to cable TV operators and multi system operators (MSOs). During the year under review, this division supplied, installed and commissioned digital head-end systems to various cable operators across the country and was able create its pan-India presence for digital head-end and digital products specially for phase 3 & 4 market which is the prime market for your company. During the year under review, this division recorded a growth of 7.50% over the last year.

Hotel Systems & Services Division:

This division primarily addresses the hospitality sector, providing solutions in Cable TV, Interactive TV, IPTV and Energy Management, in association with world leaders. Here are some significant developments in this segment:

1. The hospitality industry has been passing through a difficult phase and most of the hotels have been holding back their capital expenditure for expansion, renovation and modernization of facilities. In spite of the slowdown your company was able to retain its market share, which was very important.
2. This division also provides satellite TV channel content with technical support to the hotels on a 'Build & Operate' basis; with back-to-back tie-ups with the leading subscription based TV channels. This is a strong recurring business for your company which provides hotels a single

point responsibility for installation and support services - right from signal reception via satellite to crystal clear reception on the guest room TVs on a 24x7 basis. During the year under review, your company recorded a growth of 28.26% in this segment.

3. This division undertakes distribution of foreign channels in India. Currently your company is an exclusive distributor for France-24, Euro News and TV-5, all French channels, for India. With digitalization going on, many more foreign channels are planning to come India, which is going to be very big business opportunity for your company.

R&D Facilities:

Your company is having a Research and Development Centre comprising of a team of highly qualified engineers who are working continuously on developing new products for your company. Besides the new products, the R&D team is persistently working on the up-gradation of the existing products by adding new features and improving manufacturing consistency and improvement of quality.

Quality Management System:

Quality of products and services is vital to any business. Your company strives to achieve excellence in quality by instituting high standards, periodic checks and reviews as we believe that right and efficient processes can only help us in delivering consistently against all odds.

Your company's Quality Management System (QMS) is aligned and focused with the long term objectives of the company. The QMS of the company has been reassessed this year as per the requirement of ISO 9001:2008 by the certification agency who conducted a renewal audit. Post audit, the certification agency declared that the QMS of the company continues to conform to international standard and recommended for renewal of the ISO Certificate. The renewed certificate is valid up to 1st July, 2016.

Public Deposits:

During the year your company has not accepted any Deposits under Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rule, 1975 and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Board of Directors:

Mr. Sudhir Damodaran, Director of the company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment as director.

With the notification of Section 149 of the Companies Act, 2013, and other applicable provisions of the Act, the Board of Directors of your company is seeking appointment of independent directors (who were appointed as Directors pursuant to the provisions of the Companies Act, 1956 with their period of office liable to retire by rotation and were independent in terms of Clause 49 of the Listing Agreement, Mr. Jagdish Prasad, Mr. Raman Rajiv Misra and Dr. Sunil

Anand are proposed to be appointed as Independent Directors, not liable to retire by rotation in terms of Section 149 and other applicable provisions of the Companies Act, 2013, for a period of five years up to 29th September, 2019. Brief resume of the directors seeking re-appointment together with the nature of their expertise in the specific functional areas, name of the companies in which they hold directorship, as required in Clause 49 of the Listing Agreement, are given in the accompanying Notice convening the ensuing Annual General Meeting of the company.

Directors' Responsibilities Statement:

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management and after enquiry, confirm:

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation and that no material departure has been made from the same;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

Management Discussion and Analysis:

Information of the operation and financial performance, among others, is given in the Management Discussion and Analysis report which is annexed to this Report and has been prepared in accordance with Clause 49 of the Listing Agreement.

Corporate Governance:

Your company is committed to Corporate Governance as stipulated under Clause 49 of the Listing Agreement. Your company believes that great companies are built on the foundation of good governance practices. The Board of Directors of your company lays strong emphasis on transparency, accountability and integrity.

As required under Clause 49 of the Listing Agreement, report of Corporate Governance, together with Auditors' Certificate on compliance of the conditions of Corporate Governance, along with the Management Discussion and Analysis report and CEO/CFO Certificate on discharge of finance function are attached as Annexure to this report.

Depository System:

Trading in Equity Shares of your company in the dematerialized form is compulsory for all shareholders with effect from 25th September 2000 in terms of the notification issued by the Securities and Exchange Board of India (SEBI). The Equity Shares of the company are available for dematerialization with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) under ISIN No. INE 660B01011. Currently 68.79% of the Equity Shares of the company are in the demat form.

Statutory Disclosures:

None of the Directors of the company are disqualified as per the provision of Section 274(1) (g) of the Companies Act, 1956. The Directors have made necessary disclosures as required under various provisions of the Act and Clauses of Listing Agreement. Statutory and other regulatory compliances have been made and disclosed before the Board from time to time.

Particulars as per Section 217 of the Companies Act, 1956:

- i) Your company enjoys cordial relations with its employees. Your Directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by every employee of the company in ensuring high levels of performance and growth during the year. The particulars of such employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is given as under:

Employed throughout the year and were in receipt of the remuneration of not less than ₹ 60,00,000 per annum: NIL

- ii) The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in the Annexure -A of this report.

Auditors:

M/s Gaur & Associates, Chartered Accountants, auditors of the company were appointed Statutory Auditors of your company from the conclusion of the previous Annual General Meeting until the conclusion of the ensuing Annual General Meeting. Being eligible for re-appointment, they offer themselves for re-appointment as Auditors of your company. The Board of Directors of your company have, on the recommendation of the Audit Committee, has recommended the re-appointment of M/s Gaur & Associates for a period of

five years in accordance with Section 139 of the Companies Act, 2013. Appropriate resolutions seeking your approval to the said re-appointment is appearing in the Notice convening the Annual General Meeting of the company.

Auditors' Report:

The Auditors' Report is self-explanatory and, therefore, does not call for any further comments.

Cost Auditors:

The Board of Directors of your company have, on the recommendation of the Audit Committee, recommended the appointed M/s S.K Bhatt & Associates, Cost and Management Accountants, New Delhi holding Firm membership No.0312, as Cost Auditors to conduct the cost audit of your company for the financial year ending 31st March, 2015.

In accordance with the Companies (Cost Audit Report) Rules, 2011, the due date for filing the Cost Audit Report in XBRL for the financial year ended 31st March, 2013 was 30th September, 2013 and the same was filed on 27/06/2014 vide SRN No C08051500 with the Ministry of Corporate Affairs, New Delhi.

Acknowledgement and Appreciation:

Your Directors place on record their appreciation of the continued support extended during the year by the company's clients, business associates, suppliers, bankers, government authorities and international business associates without which Catvision could not have achieved the desired results. Your Directors are also grateful to all the shareholders and members of the company for their faith, trust and confidence reposed on the management of the company.

Your Directors wish to convey their sincere appreciation to all the employees including the workmen, for their sustained efforts, dedication and hard work they put in the company, and are confident that they will continue to contribute their best towards achieving still better performance in the future.

For and on behalf of the Board of Directors

S. A. Abbas
Managing Director
(DIN: 00770259)

Place : Noida-U.P
Date : 31st May, 2014

S. Damodaran
Executive Director
(DIN: 01091518)

ANNEXURE “A” TO THE DIRECTORS’ REPORT

A. CONSERVATION OF ENERGY:

The overall energy consumption of the company is not substantial, as being an electronic manufacturer, its processes require very little energy. However it continued its emphasis on energy conservation through operational optimization, continuous monitoring and implementation of energy saving mechanisms. During the year, the following measures were taken towards energy and resource conservation:

The manufacturing operations at Dehra Dun plant are not energy intensive. However, consumption was optimized using energy efficient systems including installing auto on-off, replacing old devices, arresting leakage points and maintaining the power factor according to State Electricity Board norms. Every endeavor is made to ensure optimal use of energy through improved techniques to make infrastructure more energy efficient. Your company constantly evaluates new technologies and invest to make its operations more energy efficient.

As energy costs comprise a very small part of the total expense, the financial impact of these measures is not material.

B. RESEARCH AND DEVELOPMENT:

Research & Development of new designs, frameworks, process and methodologies continue to be most important to the company. This allows the company to enhance quality, productivity and customer satisfaction. Your company has successfully deployed a diverse team of experienced people to meet these challenges. Your company continues to upgrade existing technology on an on-going basis. This enables the company to up-grade existing products and introduce new products to meet changing market needs.

The R&D unit of your company is in the process of getting its recognition renewed from the Dept. of Science & Technology, Govt. of India. All the company's products have been developed by its R&D department. The concerned department on an ongoing basis carries the development work. The expenses and cost of assets are grouped under the respective heads.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Your company has made efforts towards technology absorption, adoption and innovation.

Continuous efforts are made with an objective to achieve development of new products/application, improvement in productivity, reduction in product wastage etc. Your company strives to remain abreast of state-of-the-art systems and has used tested, proven and appropriate technology to suit the special needs of its customers. Technical help, especially in software design, was taken from consultants and component vendors. Several tangible and intangible benefits are derived.

D. FOREIGN EXCHANGE EARNING AND OUTGO:

	Year Ended 31.03.14 (₹)	Year Ended 31.03.13 (₹)
1. Foreign Exchange Inflow:		
a) Exports & Merchant Trading	67,558,093	58,556,889
b) Services	32,404,360	9,716,505
2. Foreign Exchange Outflow :		
a) Materials	103,109,092	98,558,018
b) Travelling & Other Expenses	4,891,120	4,265,816
c) Rent	416,003	745,238

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance by incorporating Clause 49 in the Listing Agreement of the Stock Exchanges. Your company has complied in all matters and a report on the implementation of the Corporate Governance of the Listing Agreement by the company is furnished below:

A. PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance encompasses the manner in which corporations are governed, directed and controlled. It not only tells the company what to do as a company with the profits, but also how to make them. It addresses how your company manages its economic and social responsibilities as well as its relationship with all key stakeholders.

Your company strives to achieve excellence in corporate governance and it believes in and practices good corporate governance. Your company is committed to the adoption of the best governance practices and its adherence in the true spirit, at all times. The company's philosophy on corporate governance is aimed at strengthening confidence among shareholders, customers and employees and ensuring a long-term relationship of trust by maintaining transparency and disclosures. This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, customers and associates. The objective of the company is not only to meet the statutory requirements of the Code of Corporate Governance as prescribed under Clause 49 of the Listing Agreement, but to develop such systems and follow such practices and procedures as would make the management completely transparent and accountable in its interaction with employees, shareholders, lending institutions and its customers, thereby enhancing the shareholders' value and protecting the interest of the shareholders.

The Report on Corporate Governance is divided into four parts: Board of Directors, Committees of the Board of Directors; Shareholders Information and Other Disclosures.

B. BOARD OF DIRECTORS:

In terms of the company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities.

a. Composition of the Board of Directors:

The Board of Directors of your company has an optimum combination of executive and non-executive directors. The non-executive directors include independent professionals having considerable experience and expertise in their respective areas.

Together they bring diverse experience, skills and vast expertise.

The business of the company is managed by the Board of Directors. As on the date of this report, there are five Directors on the Board with only two being Executive Directors. The Directors are specialists in their respective fields and possess required technical and leadership skills. The responsibilities of the Board, inter- alia, include formulation of policies, taking initiatives, performance review, monitoring of plans, pursuing of policies and procedures. The composition of the Board as on 31st March, 2014:

Category of Directors	No. of Directors	% of total No. of Directors
Executive Directors	2	40%
Non-Executive Independent Directors	3	60%

The brief description of the Directors, along with the companies in which they hold directorship and the membership of the committees of the Board are given hereunder:

S. A. Abbas:

Mr. S. A. Abbas is B. Tech. from IIT Kanpur and MBA from IIM Calcutta. He is the Managing Director and one of the principal promoters of the Company. He has built a team of professionals who have been given independent charge of various functions in the company. He is also an invitee member of the Audit Committee and a member of the Shareholders/ Investors Grievance Committee of the company. Under his dynamic leadership Catvision has become one of the leading names in the cable TV industry. Apart from the company, Mr. Abbas also holds the position of Director in Catvision Unitron Pvt. Ltd. and Unicat Ltd. Mr. S. A. Abbas holds 635,685 equity shares in Catvision Limited.

Sudhir Damodaran:

Mr. Sudhir Damodaran, is a Science Graduate from Bangalore University. He is the Executive Director and one of the principal promoters of the company. He is instrumental in building the marketing network and setting up the hotel systems division of the company. Mr. Sudhir Damodaran holds the position of Director in Catvision Unitron Pvt. Ltd. and also holds 617,975 equity shares in Catvision Limited.

Dr. Sunil Anand:

Dr. Sunil Anand is a professionally qualified MBBS and MD. He was inducted in the Board of Directors on 15th July, 2005 as an Independent Director. He has been in the business of medical projects & consultancy and is having vast experience. Dr. Anand also holds directorship in the following companies:

1. DAA Business Associates Private Limited
2. Novarad India Private Limited
3. Advance Gene Decode Lab Private Limited.

Raman Rajiv Misra:

Mr. Raman Rajiv Misra is an Economics Honors Graduate from Punjab University, He was inducted in the Board of Directors on 31st October, 2002 as an Independent Director. He has been in the business of International Trading and real state. Mr. Misra also holds directorship in the following companies:

1. Mexim India Private Limited
2. Three Infrastructure Private Limited
3. Mexim Good Living Private Limited.

Jagdish Prasad:

Mr. Jagdish Prasad is B.Tech from IIT Kanpur. He was inducted in the Board of Directors on 27th May, 2013 as an independent Director. Mr. Prasad earlier worked with a software development company in California. He is currently based at Sacramento, USA, but has business interests in India. Mr. Prasad also holds directorship in the following companies:

1. Agniroth Photonics Private Limited
2. Doon Optical Systems Private Limited

b. Board Membership & Terms:

Independent Directors are liable to retire by rotation and one third of the Directors retires every year and, if eligible, offers themselves for re-appointment.

c. Meeting and Attendance:

The company's Governance Policy requires the Board to meet at least four times in a year. The intervening period between two Board meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement with the Stock Exchange. The annual calendar of meetings is determined in advance at the beginning of each year. None of the Directors of the company was a member of more than ten committees nor was the Chairman of more than five committees across all companies in which he is a Director. The meetings of the Board are generally held at the corporate office of the company.

During the financial year under review, 5 Board Meetings were held. The dates on which these meetings held were 27th May, 2013, 14th August, 2013, 31st August, 2013, 9th November, 2013 and 14th February, 2014. The intervening period between any two Board Meeting were well within the maximum time gap of four months prescribed under Clause 49 of the Listing Agreement. Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings, are as under:

Name of the Directors	Category	Attendance			No. of other Directorships and Committee Memberships / Chairmanships		
		No. of Board Meetings			Director	Member	Chairman
		Held	Attended	Last AGM			
S. A. Abbas	PD /ED	5	3	Yes	2	1	1
Sudhir Damodaran	PD /ED	5	5	No	1	1	None
Dr. Sunil Anand	ID	5	5	Yes	3	3	None
Raman Rajiv Misra	ID	5	5	Yes	3	1	2
Jagdish Prasad	ID	5	2	Yes	2	1	None

Note: PD - Promoter Director, ED - Executive Director, ID - Independent Director.

d. Availability of information supplied to the Board:

The Board of Directors has complete access to all information with the company. Inter-alia, the following information is provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting.

- Annual operating plans and budgets and any updates, capital budget and any updates;

- Quarterly results of the company and its operating divisions or business segments;
- Minutes of meeting of audit committee and other committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Materially important show cause, demand, prosecution and penalty notices;

- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution problems;
- Any materially relevant default in financial obligations to and by the company or substantial non-payment for goods sold by the company;
- Any issue, which involves possible public or products liability, claims if substantial in nature, etc.;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Significant development in the human resources and industrial relations front;
- Sale of material nature, of investments, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement,
- All other matters required to be placed before the Board for its review/information/ approval/ under the statutes, including Clause 49 of the Listing Agreement with Stock Exchange.
- Non-compliance of any regulatory requirements of statutory nature or listing requirements as well as shareholders services such as non-payment of dividend and delays in share transfer.
- The Board has established procedures to enable it to periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliance.

e. Code of Conduct:

The Board has laid down the code of conduct for the Board and Senior Management Team of the company. The Board members and Senior Management team have affirmed compliance with the code.

f. Non-Executive Directors’ Compensation and Disclosure:

Sitting Fee paid to Non-Executive Directors and Independent Directors are approved by the Board of Directors and have the shareholders’ approval. The details of sitting fee paid/to be paid to the Non-Executive Directors and Independent Directors are given separately in this report.

C. COMMITTEES OF THE BOARD OF DIRECTORS:

Currently, the Board has three committees, the Audit Committee, the Remuneration Committee and the Share Transfer and Investors Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for committee members and it delegates powers to these committees.

a. Audit Committee:

The Audit Committee of the Board of Directors comprises three Non-Executive Independent Directors viz. Mr. Raman Rajiv Misra, Chairman, Dr. Sunil Anand and Mr. Jagdish Prasad as member. All the three directors are independent directors. The Managing Director, the Chief Financial Officer and the representative of Statutory Auditors are the invitees to the Audit Committee. The Company Secretary is the Secretary to the Committee. The representatives of the Cost Auditors are invited to the meeting of the Audit Committee where matters relating to the cost audit are considered. All the members of the audit committee are financially literate and have accounting and financial management expertise. The constitution and composition of the Audit Committee is in accordance with the provisions of Section 292(A) of the Companies Act, 1956, and the requirements of Clause 49 of the Listing Agreement with Stock Exchanges.

The powers and role of the Committee encompass accounting matters, financial reporting and internal controls. The terms of reference of the Audit Committee are as contained in Clause 49 of the Listing Agreement with stock exchanges and Section 292(A) of the Companies Act 1956. During the year, the Committee has met four times. The statutory Auditors of the company were also invited to attend the Audit Committee meetings.

Attendance of each Member of the Audit Committee meetings held during the year:-

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Raman Rajiv Misra	Chairman	4	4
Mr. Jagdish Prasad	Member	4	2
Dr. Sunil Anand	Member	4	4

Power of Audit Committee:

The audit Committee have powers, which include the following:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role:

The role of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the Management, the periodical financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Directors' report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft Audit Report.
5. Reviewing with the management, the periodical financial statements before submission to the Board for approval.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights

issue, and making appropriate recommendations to the Board to take up steps in this matter.

8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
10. Discussion with internal auditors any significant findings and follow up there on.
11. Reviewing the findings of any Internal Investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
12. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
14. Reviewing the functioning of Whistle Blower mechanism in the company.
15. Reviewing other areas that may be brought under the purview of the role of Audit Committee as specified in the Listing Agreement and the Companies Act, as and when amended.

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal Auditor;
6. Risk Management Policy of your company.

Subsidiary Companies:

The company does not have any subsidiary company.

Accounting Treatment:

The financial statements have been prepared as per generally accepted accounting principles and in accordance with the prescribed accounting standards.

Risk Management:

The company has a Risk Management policy that facilitate the identification and assessment of new risks and review of existing risks. The communication is being done regularly, across the organization to spread awareness on risks, root causes and action plan through in-house risk management awareness. The potential risks are shared and debated among the employees of the company to create desire among them to control risks in their respective work and areas. The management is committed further to strengthen its risk management capabilities in order to protect and enhance shareholders value. Continuous efforts are made in creating new opportunities, improving competencies/knowledge in various areas leading to improved performance.

Proceeds from public issues, rights issues, preferential issues etc:

The company has not raised any money through Public Issue and Rights Issue from the public. However, after obtaining the approval from the members of the company and Ministry of Finance, Government of India, in June, 2012 the company issued 800000 Convertible Warrant to a foreign entity under Preferential Issue which were to be converted into equal number of Equity Shares of Rs. 10/- each at a premium of Rs. 2.25/- each. The Preferential Issue was as per SEBI's Guidelines for Preferential Issues. The allotted warrants were converted into equal number of Equity Shares of Rs. 10/- each in May, 2013. The proceeds from the allotment of Convertible Warrants were used to meet the additional working capital requirement and investment in joint venture projects of the company.

b. Remuneration Committee:

The company has constituted an independent Remuneration Committee with an objective of determining on behalf of the Board and Shareholders, the company's policy on specific remuneration packages for the Managing Director and Executive Director including pension rights and compensation payment. There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company. As on 31st August, 2014, the Remuneration Committee comprises of Mr. Raman Rajiv Misra, Dr. Sunil Anand and Mr. Jagdish Prasad. The Remuneration Committee is entrusted with the responsibility of finalizing the remuneration of Managing Director and Executive Director and to assist the Board of Directors of the company on the following:

- a. Review of Human Resource policies and practices of the company and, in particular, policies regarding remuneration of Executive Directors and Senior Management.
- b. In principle approval of compensation philosophy.
- c. Induction of new people.

The company does not pay any remuneration to its Non-Executive Directors except sitting fees for attending the meetings of the Board and committees.

Attendance of each member in the Remuneration Committee meetings held during the year:-

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Raman Rajiv Misra	Chairman	1	1
Dr. Sunil Anand	Member	1	1
Mr. Jagdish Prasad	Member	1	1

The details of the remuneration and sitting fees paid during the year ended 31st March, 2013 is as follows:

Sl. No.	Name of the Member	Salary	Perquisites and Other Benefits	Sitting Fee	Total
1	Mr. S.A. Abbas	1,800,000	2,335,353	-	4,135,353
2	Mr Sudhir Damodaran	1,800,000	1,379,611	-	3,179,611
3	Dr. Sunil Anand	-	-	25,000	25,000
4	Mr Raman Rajiv Misra	-	-	25,000	25,000
5	Mr Jagdish Prasad	-	-	10,000	10,000

c) Share Transfer and Investors' Grievance Committee:

The Board of Directors of the company has constituted a Share Transfer and Investors' Grievance Committee, comprising of Mr. Raman Rajiv Misra, Dr. Sunil Anand and Mr. S. A. Abbas. The Committee, inter-alia, oversees and reviews all matters connected with securities transfer. The Committee also looks into redressal of shareholders' complaints. The Committee also oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement to provide the quality services to its valued investors.

RCMC Share Registry Pvt. Ltd. has been appointed as Registrar and Share Transfer Agent to register share transfer, coordinate with the Depositories and to look after the redressal of shareholders' and investors' complaints. The Company Secretary is nominated as the Compliance Officer. The activities of the Registrar & Share Transfer Agent are independently audited by a practicing Company Secretary.

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. S. A. Abbas	Chairman	4	4
Mr. Raman Rajiv Misra	Member	4	4
Dr. Sunil Anand	Member	4	4

The Board of Directors has delegated the power of approving the transfer of securities to the Transfer Committee which includes the Managing Director, the Company Secretary, the Chief Financial Officer and the Compliance Officer. The Board has designated Mr. G. S Butola, Company Secretary, as the Compliance Officer of the company. All the complaints received were replied to the satisfaction of shareholders during the year under review. Outstanding complaints as on 31st March, 2014 were Nil.

D. CEO/CFO CERTIFICATION:

The Managing Director and Chief Financial Officer of the company have disclosed the required

information to the Board as well as disclosed the required information to the Statutory Auditor and Audit Committee in terms of Clause 49 (V) of the Listing Agreement. A certificate on this is annexed in the report.

E. SHAREHOLDER INFORMATION:

a) Annual General Meeting:

The 29th Annual General meeting of the company shall be held on 30th September, 2014 at 12.30 p.m. at Riverside Sports & Recreation Club, Club Avenue, Mayur Vihar, Phase I, New Delhi-110091.

The last three General Meetings of the company were held as under:

Annual General Meeting	Days, Date and Time	Special Resolutions Passed There at
28th	Monday 30th September, 2013 at 12.30 p.m.	2
27th	Saturday 29th September, 2012 at 11.30 a.m.	3
26th	Friday 30th September, 2011 at 11.30 a.m.	Nil

No Extra-ordinary General Meeting of the members was held during the financial year 2013-14.

b) Financial year:

The financial year of the company starts from 1st April of a year and ends on 31st March of the following year.

c) Date of Book Closure:

The Register of the Members and share transfer books of the company shall remain closed from 26th September, 2014 to 30th September, 2014 (both days inclusive).

d) Financial Calendar:

For each calendar quarter, the financial results are reviewed and taken on record by the Board during the last week of the month subsequent to the quarter ending. The audited annual accounts as at 31st March, 2014 are approved by the Board, after a review thereof by the Audit Committee.

Financial Reporting for	Tentative Timer Period
Quarter ending June, 30, 2014	by 15th August, 2014
Quarter ending September 30, 2014	by 15th November, 2014
Quarter ending December 31, 2014	by 15th February, 2014
Quarter ending March 31, 2015	by 15th May, 2015

The Annual General Meeting to consider such annual accounts is held in the second quarter of the financial year.

e) Listing on Stock Exchanges:

The Equity Shares of the company are presently listed at The Bombay Stock Exchange Limited, Mumbai. The annual fee for 2014-15 has been paid to the stock exchanges where the shares of the company are listed.

Pursuant to Clause 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the company, in the month of March, 2004, applied for voluntary delisting of its Equity Shares The Calcutta Stock Exchange Limited but the delisting approval from The Calcutta Stock Exchange Limited is still awaited. The company has been continuously following it with them.

f) Stock Code:

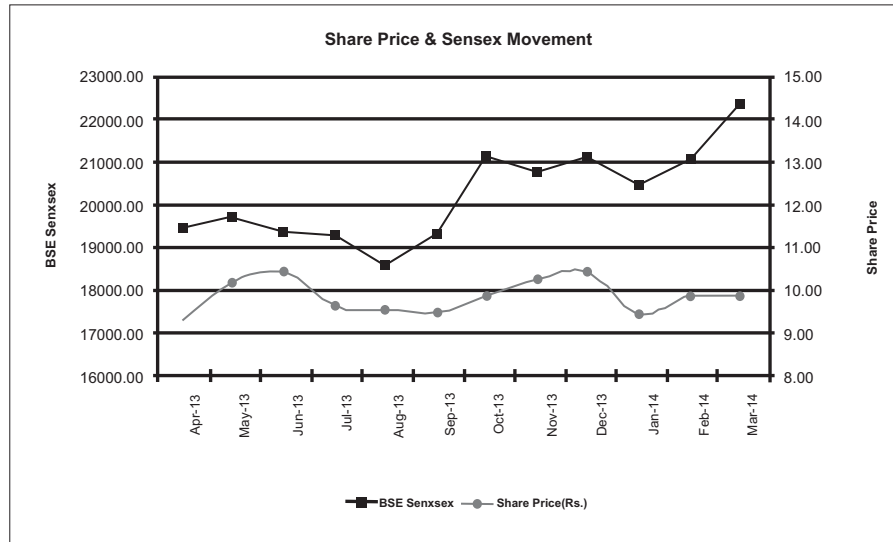
Trading Symbol at The Stock Exchange, Mumbai is 531158
The ISIN Number in NSDL & CDSL is INE 660B01011.

g) Market Price Data:

The monthly high and low prices and volume of Equity Shares traded on The Bombay Stock Exchange Limited, Mumbai during the period April, 2013 to 31st March, 2014 are as under:

Months	Month's High (₹)	Month's Low (₹)	Volume of Shares Traded (Nos.)
April- 2013	9.44	8.94	5,385
May- 2013	10.24	9.76	1,100
June- 2013	10.75	9.23	7,285
July- 2013	10.00	9.50	11,450
August- 2013	9.60	9.22	5,150
September- 2013	9.55	9.13	1,100
October- 2013	9.90	9.55	2,124
November- 2013	10.30	10.30	200
December- 2013	10.50	10.20	1,236
January- 2014	10.50	9.49	26,100
February- 2014	9.90	9.90	1
March- 2014	9.90	9.90	-

h. Relative performance of the share price of the Company in comparison to the BSE Sensex :



i) Share Transfer System:

Application for transfer, transmission and transposition are received by the company at its Registered Office or Head Office or at the office of its Registrar and Transfer Agent. As the shares of the company are in dematerialized form, the transfer is duly processed by NSDL/CDSL in electronic form through the respective depository participant. Shares, which are in physical form, are processed by the Registrar

& Share Transfer Agent on a regular basis and the certificates are dispatched directly to the investors. The Share Transfer and Transactions Committee of the Board of Directors of the company is empowered to approve transfer transmission, etc. Such approvals are generally accorded on fixed dates, two times every month and, thereafter, transfers are registered and duly endorsed certificates are sent to the shareholders.

j) Distribution of Shareholding:

i) The distribution of shareholding by size class as at 31st March, 2014 is as follows :

Shareholding of Value of ₹	Folios		Shares	
	Numbers	% age	Numbers	% age
00000-5000	2296	82.95	4776420	8.76
05001-10000	244	8.82	214678	3.94
10001-20000	98	3.54	150603	2.76
20001-30000	43	1.55	110991	2.04
30001-40000	8	0.29	28832	0.53
40001-50000	16	0.58	74859	1.37
50001-100000	25	0.90	196017	3.59
100001 and above	38	1.37	4199978	77.01
Total	2768	100.00	5453600	100.00

ii) The Distribution of shareholding, by ownership, as at 31st March, 2014 is as follows:

Category	No. of Shares Held	Percentage of Shares
Promoters:	1,562,284	28.65
Financial Institution / Bank	16,900	0.31
General Public :		
- Individuals/ Trust	1,610,036	29.52
- Bodies Corporate	1,296,486	23.77
- NRI	967,894	17.75
Total	5,453,600	100.00

k) Dematerialisation of Shares:

The shares of the company are in compulsory demat segment and are available for trading in the depository systems as per notification issued by Securities and Exchange Board of India (SEBI). In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the company has enlisted its shares with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As at 31st March, 2014, 37,63,617 Equity Shares out of 54,53,600 Equity Shares of the company, forming 68.79% of the company's paid up capital is held in the dematerialized form.

m) Means of Communication:

The company has been disclosing its corporate financial results quarterly, half-yearly and annually. The quarterly and half-yearly unaudited financial results of the company were sent to all the stock exchanges where its Equity Shares are listed. The results are normally published in the main editions of the Business Standard, Money Makers etc. Annual results are sent to each shareholder. The detailed information about its products is displayed on its website www.catvisionindia.com.

No presentations were made to institutional investors and analysts during the year under review. The Management Discussion and Analysis forms part of the Directors' Report in the Annual Report:

l) Other Information:

- 1) Date of Incorporation : 28th June, 1985
- 2) Registration No. : L92111DL1985PLC021374
- 3) Registered Office : H-17/2, 2nd Floor, Main Vikas Marg, Laxmi Nagar, Delhi-110092, India
- 4) Location of Plants : F-87, Selaqui Industrial Area Dehradun-248197, (Uttarakhand)
- 5) Head Office : E-14 & 15, Sector-8, Noida, Distt. Gautam Budh Nagar, U.P. 201301. Ph. No. 0120-4936750
- 6) Overseas Office : C1, 705 C, Ajman Free Zone, Ajman- UAE
- 7) Website : www.catvisioninida.com
- 8) E-mail : catvision@catvisionindia.com
- 9) Registrar & Share Transfer Agent : RCMC Share Registry Pvt Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase - II, New Delhi - 110020 Ph. No. : 011 - 26387320, 21, Fax : 011 - 26387332 E-mail : shares@rcmcdelhi.com

n) Secretarial Audit:

A qualified practicing Company Secretary carried out quarterly Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued/paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized form held with NSDL and CDSL.

A Copy of the Audit Report is submitted to the Bombay Stock Exchange Limited, Mumbai where the securities of the company are listed.

F. OTHER DISCLOSURES:

a) Appointment & Re-appointment of Director:

Mr. Sudhir Damodaran, retires by rotation and being eligible, offers himself for re-appointment. His candidature for appointment will be proposed to shareholders at the Annual General Meeting in accordance with the provisions of the Companies Act, 1956.

b) Management Discussion and Analysis Report:

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

Company Overview:

Catvision Limited, a public limited company incorporated under the Indian Companies Act, 1956, is listed on the Bombay Stock Exchange (Code: 53118). The company was incorporated as Catvision Products Limited on 28th June 1985. The name of the company was changed to Catvision Limited after obtaining a fresh certificate from the Registrar of Companies.

The company has 2 business division: (1)

Manufacturing and sales of cable television equipment and systems to cable TV operators and multi system operators (MSOs) and (2) Sales, installation and operation of cable TV and energy management systems and services to hotels.

Business Overview:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956, guidelines issued by the Securities Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. The management accepts responsibility for the integrity and objectivity of these financial statements and estimates and judgments used thereon and which have been made on a prudent and reasonable basis.

During the year under review the turnover of your company grew to ₹ 3327.13 lacs from ₹ 2884.27 lacs the previous year-an increase by 15.35%. But the performance was below financial projection. The company was hoping to do better in both of its business division but the impact of the slow down in the general economy limited the extent of the company's growth.

Indian Economy:

India's economy expanded at 4.7 per cent in the entire 2013-14 financial year, marking a second straight year of below 5 percent growth. However, the Indian economy is likely to grow in the range of 5.4 to 5.9 per cent in 2014-15 overcoming the lower GDP growth in the past two years even as a poor monsoon and disturbed external environment remain a cause of concern. With the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond. The expectations from the new government are also positive.

Media and Entertainment Industry:

The Indian Media and Entertainment industry registered a growth of 11.80 percent over 2012 and touched ₹ 919 billion. The overall growth of the industry was subdued due to slow GDP growth of the economy and weak rupee. With increasing digitization taking place across all sections, new government, with independent majority, at the Centre, the Indian Media and Entertainment industry looks to be on the growth path in 2014-15.

Industry Structure & Development:

The number of TV households in India is estimated to be around 160 million and is expected to reach 200 million by 2017. The cable industry has grown from 0.4 million cable homes in January 1992 to an estimated 100 million in 2014. Furthermore, there were around 20 pay

channels in 1995, whereas today there are more than 800 channels registered with the Ministry of Information & Broadcasting, out of which around 167 are pay channels. The evolution of technology has also paved the way for bringing about digitization with addressability in the cable TV sector. The digitization of cable TV is a step forward towards the removal of the shortcomings of the analog cable TV systems like non-addressability and the capacity constraints. In digital addressable systems, service providers can offer more channels and consumers can select the channels of their choice. Also, the digital addressable system opens out additional business opportunities to the service providers in the form of value added and interactive services.

The Government, as a policy initiative, has taken a decision to switch over to digital mode for reception of TV signals both in terrestrial mode as well as through cable from local cable operators. First and second phases of cable digitization that covered all metros and 38 cities with a population of over 1 million, are complete. Third and fourth phases are expected to be covered by 31st December, 2104. This is the first major structural and technology reform the cable industry is facing since its advent in the early 1990s.

Since digitization would bring about full addressability, it would eliminate the menace of under-reporting of the subscriber base by cable operator. This will increase subscription revenues for broadcasters. Further, the increased capacity of digital distribution is likely to spur greater investments by broadcasters toward niche, targeted and HD content and lead to diversification of their revenue streams. The carriage costs paid by the broadcasters to distributors, which currently remain high in view of the limited bandwidth of analog cable, may decrease post digitization. However, the extent of correction would hinge on the growth in the number of channels going forward - a high growth is likely to maintain high carriage costs for broadcasters.

A shift to digitized regime will require large capital expenditure on digital head-ends, back-end infrastructure, and STB installation. Regional and smaller MSOs, which account for approximately 50 percent of the cable TV market, may find it difficult to raise the required capital.

Your company will be a big participant in the digitalization process since it offers several

products, a strong brand and 28 years of experience in the industry. Since the Government announced digitization in phase-1 and phase-2, your company has supplied and successfully installed the digital headend across the country and has placed itself in a commanding position for phases - 3 & 4, which is the company's niche market.

Hotel Systems & Services:

The Indian hospitality industry has emerged as one of the key industries and one of the largest segments under the services sector of the Indian economy. Tourism and business travel are key growth drivers of this industry.

Most of the international brands in hospitality have big investment plans for India in the coming years. However, currently the industry is experiencing a slump due to over-supply and an indifferent world and Indian economy which has a direct bearing on tourism and business travel.

Your company has positioned itself as one of the dominant providers of SMATV and IPTV solutions in association with world class leading manufacturers of equipment and systems for the hotel industry. Your company too has started manufacturing some of the products that go into these systems based on products developed by its joint venture companies.

Strengths & Opportunities:

Your company has set up joint venture – Companies – in collaboration with Unitron Group, Belgium, a leading European developer and manufacturer of digital headend systems. Under the JV agreement, these Companies shall develop digital headend products and solutions for the cable TV industry, which shall be manufactured under license by Catvision. Your company expects to start manufacturing the first product under this collaboration – digital IP encoders –in Q2 of 2014-15. Within the next two years your company shall be manufacturing a complete suite of digital head end products, which it shall market in India and surrounding countries. Unitron Group shall undertake the marketing of these products in Europe and USA. In this way your company shall become only the second manufacturer of such products in India. Several opportunities are available to the company in the foreseeable future. In cable TV the biggest opportunity is the digitization of cable networks that is happening the world over – both in the residential as well as hospitality sectors. The government's thrust on digitization and

addressability for cable television is expected to increase the pace of digitization leading to tremendous growth for digital cable.

As an experienced leader in the industry, it is going to be a big opportunity for your company. In the hospitality sector too the migration to digital cable TV and IPTV has started to happen; and here it will be not just for new properties but for existing ones too.

Threats & Challenges:

The products that your company manufactures and sells are capital equipment for the cable TV and hospitality industries. As a result, an indifferent economy will remain the biggest threat to the company's operations. An improvement in the economy shall spur investments in these industries. Being in the technology sector your company faces a threat from new and disruptive technology. Another threat is the grey market of Chinese manufacturers.

The company incurs a significant portion of its expenses (mainly material cost) in foreign currencies, particularly US\$. Accordingly, the company is exposed to fluctuations in the exchange rates between the US\$ and the Rupee.

Segment performance:

	Current (₹)	Previous (₹)
Products	254,265,906	239,401,682
Services	78,264,135	48,957,793

c. Risks and Concerns:

Your company operates in a business environment that is characterized by intensive competition primarily from global players as well as from the unorganized sector. The major risks, which prevail in the industry, are poor capital investment climate in the economy, uncertainty of government policy, technological obsolescence and availability of substandard cheap products in the market. The company is prone to a risk relating to foreign

exchange fluctuation because of the company's exposure to foreign currency import as part of normal operation. The company is taking due care by adopting new technology and continuous in-house research and development. The company is also focusing on niche segments in the market to avoid head-on competition with global players. The exchange fluctuation is managed in accordance with the guidelines defined by the Board of Directors of your company.

d. Internal Control Systems:

The company has instituted adequate internal control procedures commensurate with nature of its business and the size of its operations. The system focuses on optimum utilization of resources and adequate protection of company's assets. The internal control system provides for adherence to approved procedures, policies, guidelines, and authorization. In order to ensure that all checks and balances are in place and all the internal controls systems and procedures are in order, regular and exhaustive internal audit is conducted at regular intervals and covers the key areas of operation. All significant audit observations and follow-up actions thereon are reported to the Audit Committee.

e. Human Resources/Industrial Relations, including number of people employed:

Your company's industrial relations continued to be harmonious during the year under review. Your company conducts regular in-house training programs for employees at all levels. The focus is on maintaining employee motivation at a high level with stress on leadership development.

f. Cautionary Statement:

Estimation and expectation made in this Management Discussion and Analysis may differ from actual performance due to various factors. The important factors that could make a difference to your company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets, and changes in Government regulations, tax laws, other statutes and other incidental factors.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, S.A. Abbas, Managing Director and Vinod Rawat, Chief Financial Officer of Catvision Limited ('the Company'), certify that :

- (a) We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2014 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2014 are fraudulent, illegal or violative to the company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have

evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.

- (d) During the year :
- i) there has not been any significant change in internal control over financial reporting;
 - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

S.A. Abbas
Managing Director
(DIN 00770259)

Place : Noida, U.P.
Date : 31st May, 2014

Vinod Rawat
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The members of Catvision Limited, New Delhi

We have examined the compliance of the conditions of Corporate Governance by Catvision Limited for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management:

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as on 31st March 2014, there were no investor grievances remaining unattended / pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **GAUR & ASSOCIATES**
Chartered Accountants
Firm Reg. No. 005354C

Place : Noida-UP
Date : 31st May, 2014

R. K. Gaur
Partner
Membership No. 72146

AUDITORS' REPORT

To,
The Members of Catvision Limited
New Delhi

1. We have audited the attached Balance Sheet of **CATVISION LIMITED**, NEW DELHI as at 31st March, 2014 and Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express our 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 {hereinafter referred to as order} issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of these books;
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. 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;
 - e. On the basis of written representation received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For GAUR & ASSOCIATES
Chartered Accountants
Firm Reg. No. 005354C

R. K. Gaur
Partner

Place : Noida-UP
Date : 31st May, 2014

Membership No. 72146

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CATVISION LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014)

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| <p>(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(ii) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) Physical verification of the major fixed assets was conducted by the management during the year, which in our opinion, is reasonable, having regard to the size of the company and the nature of its assets and no material discrepancies were noticed in respect of those assets which were physically verified.</p> <p>(c) During the year, the company has not disposed off any substantial part of its fixed assets. In our opinion the disposal of fixed assets during the year does not affect the going concern status of the company.</p> <p>(iii) (a) The inventory of the company has been physically verified by the management at reasonable intervals during the year.</p> <p>(b) In our opinion and according to the information and explanations given to us, the procedures for 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.</p> <p>(c) In our opinion the company is maintaining proper records of inventory. The discrepancies noticed on such physical verification as compared to the book records were not material having regard to the size and nature of the operations of the company and the same have been properly dealt with in the books of accounts.</p> <p>(iv) (a) The company has not granted any loans, secured or unsecured during the year to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.</p> | <p>(b) The company has taken loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 13.00 lacs and the balances of loans taken from such parties were Nil as at 31st March, 2014.</p> <p>(c) In our opinion and explanations given to us the rate of interest and other terms and conditions of such loan taken by the company are not prima facie prejudicial to the interest of the company.</p> <p>(d) The repayment of principal amount and payment of interest are made regularly.</p> <p>(e) There is no overdue amount which is more than rupees one lac overdue during the period.</p> <p>(v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls.</p> <p>(vi) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars or arrangement referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that Section.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices of the relevant time.</p> <p>(vii) The company has not accepted any deposits from the public to which the provisions of Section 58 (A) and 58 (AA) of the Companies Act, 1956 and the rules framed thereunder apply.</p> <p>(viii) In our opinion the company has an adequate internal audit system commensurate with the size of the company and nature of its business.</p> |
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- (ix) On the basis of records produced, we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under section 209(i)(d) of the Companies Act, 1956 in respect of products of the company covered under the rules under the said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- (x) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in accordance with the generally accepted auditing practices in India, in our opinion the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, cess and other material statutory dues as applicable to it with they became payable.
- (b) According to the Information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Sale Tax, Wealth Tax, Customs Duty and Excise Duty outstanding, as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, following are the details of disputed statutory dues of Sales Tax which have not been paid to to the concerned authorities:
- The Asst. Trade Tax Commissioner, Noida has raised a demand of a penalty of ₹ 27000/- against the company which it defended before the Hon'ble Trade Tax Tribunal, Ghaziabad, U.P. and the decision was awarded in the favour of the Company. But the Commissioner Trade Tax, UP has moved against this order to the Hon'ble High Court, Allahabad.
- (xi) The company has neither accumulated losses in the current year nor in the immediately preceding financial year. It has neither incurred cash losses in the financial year under report nor in the immediately preceding financial year.
- (xii) According to the records of the company examined by us and as per the information and explanations given to us and as per our opinion, the company has not defaulted in repayment of dues to financial institution or bank or to debenture holders during the year.
- (xiii) The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- (xiv) In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xv) In our opinion the company is not a dealer or trader in shares, securities, debentures and other Investments.
- (xvi) According to the information and explanations given to us, in our opinion, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvii) (a) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.
- (b) 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 preferential allotment to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For GAUR & ASSOCIATES
Chartered Accountants
Firm Reg. No. 005354C

R. K. Gaur
Partner

Place : Noida-UP
Date : 31st May, 2014

Membership No. 72146

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	4	54,536,000	46,536,000
Reserve & Surplus	5	72,664,832	63,384,691
Money received against Convertible Share Warrants	6	-	7,287,191
		127,200,832	117,207,882
Non-Current Liabilities:			
Long Term Borrowings	7	1,941,485	3,192,938
Deferred Tax Liabilities(net)	8	5,693,674	6,354,924
Other Long Term Liabilities	9	1,670,181	1,836,848
Long Term Provisions	10	3,008,269	3,738,860
		12,313,609	15,123,570
Current Liabilities:			
Short Term Borrowings	11	25,398,030	41,934,457
Trade Payable	12	28,332,604	40,672,752
Other Current Liabilities	13	32,849,238	19,864,941
Short Term Provisions	14	2,895,231	2,519,680
		89,475,103	104,991,830
TOTAL		228,989,544	237,323,282
ASSETS			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	15	38,588,199	42,578,935
Intangible Assets		556,470	579,671
Non-Current Investments	16	14,747,691	673,691
Long term Loans and Advances	17	4,161,642	1,198,131
Other Non Current Assets	18	9,652,563	2,408,998
		67,706,565	47,439,426
Current Assets:			
Current Investments	19	30,000	30,000
Inventories	20	61,372,242	64,176,785
Trade Receivables	21	64,430,004	83,275,864
Cash and Bank Balance	22	13,558,920	25,294,330
Short term Loans & Advances	23	21,891,813	17,106,877
		161,282,979	189,883,856
TOTAL		228,989,544	237,323,282
Significant Accounting Policies	1-3		

The accompanying notes are integral part of the financial statements
As per our report of even date.

For **GAUR & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 005354C

R. K. Gaur
Partner
Membership No. 72146
Place: Noida, U.P.
Date : 31st May, 2014

G. S Butola
Company Secretary
Vinod Rawat
Chief Financial Officer

For and on behalf of the Board
S. A Abbas Managing Director
S. Damodaran Executive Director
Dr. Sunil Anand Director
Raman Rajiv Misra Director
Jagdish Prasad Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
REVENUE			
Revenue from Operations	24	332,530,041	288,359,475
Other Income	25	183,814	67,639
TOTAL REVENUE (I)		332,713,855	288,427,114
EXPENDITURE			
Raw material consumed	26	65,261,369	61,561,748
Purchase of stock -in-trade, semi-finished & other products	27	115,659,874	110,997,905
Change in inventories of finished goods, work-in-progress and stock in trade	28	(783,541)	(9,225,315)
Other Manufacturing Expenses	29	48,281,565	28,803,557
Employees benefits expenses	30	45,037,512	44,128,516
Finance Cost	31	6,727,679	4,309,013
Depreciation and amortization expenses	15	5,658,924	5,695,798
Other Expenses	32	39,879,778	38,698,869
TOTAL EXPENSES (II)		325,723,160	284,970,091
PROFIT BEFORE TAX (I-II)		6,990,695	3,457,023
TAX EXPENSES			
- Current Year		(2,063,304)	(1,785,034)
- Earlier Year		-	105,224
- Deferred Tax		661,250	839,578
PROFIT AFTER TAX		5,588,641	2,616,791
Earning per Equity Share of face value of ₹ 10 each	38		
Basic and Diluted		1.02	0.56
Significant Accounting Policies	1-3		

The accompanying notes are integral part of the financial statements
As per our report of even date.

For **GAUR & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 005354C

R. K. Gaur
Partner
Membership No. 72146
Place: Noida, U.P.
Date : 31st May, 2014

G. S Butola
Company Secretary
Vinod Rawat
Chief Financial Officer

For and on behalf of the Board
S. A Abbas Managing Director
S. Damodaran Executive Director
Dr. Sunil Anand Independent Director
Raman Rajiv Misra Independent Director
Jagdish Prasad Independent Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	6,990,695	3,457,023
Adjustment for :		
Depreciation	5,658,924	5,695,798
Finance Cost	6,727,679	4,309,013
Loss on sale of Fixed Assets	-	333,812
Interest earned & other Income	(183,814)	(67,639)
Exchange difference on translation of foreign operations	833,580	33,869
Operating Profit Before Working Capital Changes	20,027,064	13,761,876
Adjustment for Changes in working Capital :		
Trade & other Receivables	18,845,860	(1,703,599)
Inventories	2,804,543	(12,697,440)
Loans & Advances (Net of prior period adjustments)	(14,992,012)	1,891,669
Trade Payable & Provisions	(136,228)	6,135,406
	6,522,163	(6,373,964)
Cash Generated from Operations	26,549,227	7,387,912
Finance Cost paid	(6,727,679)	(4,309,013)
Taxes paid	(1,785,034)	(4,911,645)
Net Cash from Operating Activities	18,036,514	(1,832,746)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,644,987)	(1,187,149)
Sale of Fixed Assets	-	225,000
Addition in Non-Current Investment	(14,074,000)	(668,711)
Interest & Miscellaneous Income Earned	183,814	67,639
Net Cash Used in Investing Activities	(15,535,173)	(1,563,221)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Long Term Borrowing	(1,271,053)	(2,098,273)
Increase/ (Decrease) in Working Capital Borrowing	(16,536,427)	10,335,809
Dividend Paid (Including Dividend Tax)	-	(5,408,530)
Money received against share warrants	2,512,809	7,287,191
Capital Investment Subsidy Received	1,057,920	-
Net Cash from Financing Activities	(14,236,751)	10,116,197
Net Increase / (Decrease) in Cash (A+B+C)	(11,735,410)	6,720,230
Opening Cash and Cash Equivalents	25,294,330	18,574,100
Closing Cash and Cash Equivalents	13,558,920	25,294,330
Note: Figures in brackets represent Cash outflows, except interest earned & other income.		

The accompanying notes are integral part of the financial statements
As per our report of even date.

For **GAUR & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 005354C

R. K. Gaur
Partner
Membership No. 72146
Place: Noida, U.P.
Date : 31st May, 2014

G. S Butola
Company Secretary
Vinod Rawat
Chief Financial Officer

For and on behalf of the Board

S. A Abbas Managing Director
S. Damodaran Executive Director
Dr. Sunil Anand Independent Director
Raman Rajiv Misra Independent Director
Jagdish Prasad Independent Director

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 1 : CORPORATE INFORMATION:

Catvision Limited, (formerly known as Catvision Products Ltd (the company) is a public limited Company incorporated under the provisions of the Companies Act, 1956. Its shares are listed at Mumbai Stock Exchange. The company is engaged in the manufacturing and selling of CATV equipments energy management system etc. The company caters to both domestic and international markets.

NOTE 2 : BASIS OF PREPERATION:

The company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). While preparing these financial statements, the company has complied with 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 which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 3 : SIGNIFICANT ACCOUNTING POLICIES:

3.1. CHANGE IN ACCOUNTING POLICY:

- i. The accounting policies adopted in the preparation for financial statements are consistent with those of the previous year.
- ii. The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires the management to make estimates, judgment 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 period.

3.2. 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.

Sale of goods: Revenue from domestic 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.

Export sales are recognized at the time of handing over of export consignment to authorities for clearance.

Income from services: Revenue from hotel operations, channel marketing and from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. 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.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

3.3. FIXED ASSETS AND DEPRECIATION:

Tangible Assets: Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure for addition, improvement and renewal are capitalized and all other expenditure on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of Profit and Loss for the period which during which the expenses are incurred.

Intangible Assets: The company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of three years. Any subsequent amount incurred in up-gradation or improvement of the software is charged to profit and loss account as an expenses.

Capital work-in-progress: Capital work-in-progress comprises of the cost of assets that are not yet ready for their intended use at the reporting date. Cost of material and other expenses incurred on such material are shown as Capital work- in-progress for capitalization.

Depreciation: Depreciation other than on land and capital work-in- progress is charged on Straight-line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 on all fixed assets.

Depreciation on the amount of addition made to fixed assets due to up-gradation is provided at the rate applied to the existing assets on pro-rata basis.

The company has used the following rates to provide depreciation on its fixed assets:

	Rates (SLM)
Factory Building	3.34%
Plant and Machinery, Electrical Fittings	4.75%
Furniture and Fixtures	6.33%
Vehicles	9.50%
CATV Network	5.28%

Impairment of tangible and intangible assets: The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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 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.

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.

3.4 INVENTORY VALUATION:

Raw materials, components, stores, stock-in-trade and packing materials are valued at cost or net realizable value whichever is less. However, material and other items held for use in the production of inventories are not written down below the cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, stores, stock in trade is determined on a moving weighted average basis.

Semi-finished goods is valued at estimated cost. Finished goods are valued at cost or net realizable value whichever is less.

The cost of Semi-finished goods and finished goods include cost of conversion and other cost incurred in bringing the inventories to their present condition and location.

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.

3.5. VALUATION OF INVESTMENT:

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.

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.

3.6. FOREIGN CURRENCY TRANSACTIONS: i. INDIA OPERATIONS :

a. 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 realization. Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

b. Exchange Differences: The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognized as income or expenses as the case may be.

Monetary assets and liabilities related to foreign currency remaining unsettled at the end of the year are translated at the exchange rate prevailing on the date on which transaction is recorded. Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

In accordance with MCA notification on Accounting Standard-11 on "The Effects of Changes in Foreign Exchange Rates", in respect of long term foreign currency loan taken for acquisition of assets, the exchange difference arising on reporting of said loan is adjusted to the cost of the assets.

c. Forward Exchange Contract: In respect of forward exchange contracts entered into by the company, the difference between the contracted rate and the rate at date of transaction is recognized as gain or loss over the period of contract except for difference in respect of liabilities incurred for acquiring fixed assets from a country outside India in which case such difference is adjusted in the carrying amount of the respective fixed assets. Exchange difference on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

ii. FOREIGN BRANCH OFFICE OPERATIONS:

a. The assets and liabilities, both monetary and non-monetary, of the foreign operation are translated at the exchange rate prevailing on the balance

sheet date.

- b. Sales and Cost of material of the foreign operation are translated by applying monthly average exchange rate, Administrative expenses of the foreign operation are translated by applying quarterly average exchange rates.
- c. All resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

3.7 FEE FOR TECHNICAL SERVICES:

Fee for technical services are charged to the profit and loss account over the period of the agreement for technical services.

3.8 EMPLOYEE BENEFITS:

- a. **Defined Contribution Plan:** The company has defined contribution plan for post employment benefits in the form of provident fund for all employees which are administrated by Regional Provident Fund Commissioner. Provident Fund and Family Pension Scheme are classified as defined contribution plan as the company has no further obligation beyond making the contribution The company's contribution to defined contribution plans are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- b. **Defined benefits plan:** Company's liability toward Gratuity under the Payment of Gratuity Act, 1972 is defined obligation and provided for on the basis of actuarial valuation made at the end of each financial year by an independent actuary.
- c. **Compensated Absences:** Liability on account of other employee benefits like leave travel assistance, medical reimbursement are accounted for on accrual basis. Liability on account of leave encashment to employees was considered as short term compensation expense provided on actual basis as and when to pay.

3.9 PROVISIONS:

- a. The company does not make provision for doubtful debts and follows the practice of writing off bad debts as and when determined.
- b. A provision is recognized when an enterprise has a present obligation as a result of past event and 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 disclosed to its present value and are determined based on best management 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 management estimates.

3.10 TAXATION:

Tax expense comprises both current and deferred taxes. Current Income Tax is measured as the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax assets have been recognized only to the extent there is reasonable certainty that the assets can be realized in future. However where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realized.

3.11 LEASED ASETS:

The company leased some equipments to M/S BMK Hospitality Services Pvt. Ltd. under operating lease agreement. The particulars of the lease are as under:

Value of Assets	: 1,87,912.00
Margin paid by the Lessee	: NIL
Lease Value	: 9,60,000.00
Lease Tenure	: 48 month
Monthly Lease Rent	: ₹ 20,000.00 per month
Depreciation Eligibility	: Lessor

3.12 EARNIG PER SHARE (EPS):

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholder (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earning Per Share, the net profit or loss for the year attributable to equity shareholder and the weighted average number of shares outstanding during he year are adjusted for the effects of all dilative potential Equity Shares.

3.13 SEGMENT REPORTING:

Identification of segments: The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services in the market. The analysis of geographical segments is based on the areas in which operating divisions of the

company operate.

Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment.

Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies: The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

3.14 ALLOCATION OF OVERHEADS AMONG THE UNITS/ SEGMENT:

- Direct Expenses related to the manufacturing units or the branches has been directly accounted for in the respective units/branches and common overheads have been allocated among units/branches in the ratio of the gross operating revenue of the respective units/ branches.
- The direct expenses related to services being provided by the company have been clubbed with the respective accounting heads.
- The company follows the accounting policy of disclosing of freight and distribution cost as net off.

3.15 IMPAIRMENT:

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired.

If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of net selling price of an asset and value in use determined by discounting the estimated future cash flow expected from continuing use assets to their present value.

3.16 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.

3.17 CASH AND CASH EQUIVALENT:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

3.18 SERVICE TAX CREDIT:

Service Tax credit on input services is accounted for on accrual basis on receipt of input services and it does not form part of cost of such services.

	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
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NOTE 4 : SHARE CAPITAL

a. Authorised:

6,500,000 Equity Shares of ₹ 10 each
(Previous Year 6,500,000 Equity Shares of ₹ 10 each)

65,000,000 65,000,000

b. Issued, Subscribed & Paid- Up Capital:

54,536,000 Equity Shares of ₹ 10 each
(Previous Year 4,653,600 Equity Shares of ₹ 10 each)

54,536,000 46,536,000

54,536,000 46,536,000

c. Reconciliation of Shares outstanding at the beginning and at the end of the year:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year	4,653,600	46,536,000	4,653,600	46,536,000
Issued during the year	800,000	8,000,000	-	-
Outstanding at the end of the year	5,453,600	54,536,000	4,653,600	46,536,000

d. The rights, power and preference relating to each class of shares:

- The company has only one class of shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to vote per share. The company declares and pay dividend in Indian Rupees.
- In the event of liquidation of the company, the holders of equity shares will be eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportions to the number of equity shares held by the shareholders.

e. Details of shareholders holding more than 5% shares in the Company set out as below (legal ownership)

	As at 31.03.2014 No. of Shares	As At 31.03.2013 No. of Shares
S. A Abbas	635,685	635,685
Sudhir Damodaran	617,975	617,975
Vizwise Commerce Pvt. Ltd.	696,737	688,237
Global Impex Limited	800,000	-

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 both legal and beneficial ownerships of shares.

NOTE 5 : RESERVE AND SURPLUS

	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
Securities Premium Reserve	18,413,000	16,613,000
Capital Reserve (Capital Investment Subsidy)	1,057,920	-
Foreign Currency Monetary Item Translation Difference Account		
Balance as at the beginning of the year	422,867	388,998
Exchange gain/ (loss) during the year	833,580	33,869
	1,256,447	422,867
General Reserve		
Balance as at the beginning of the year	291,824	291,824
Appropriated during the year	-	-
	291,824	291,824
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	46,057,000	43,440,209
Add: Profit for the year	5,588,641	2,616,791
	51,645,641	46,057,000
Less: Appropriations:		
Transfer to General Reserve	- 51,645,641	- 46,057,000
	72,664,832	63,384,691

NOTE 6 : MONEY RECEIVED AGAINST CONVERTABLE SHARE WARRANTS:

	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
Balance at the beginning of the year	7,287,191	-
Add: Received against convertible share warrants	2,512,809	7,287,191
Less: Appropriations against allotment of Equity Shares	(9,800,000)	-
	-	7,287,191

i) Particulars of Securities convertible into Equity Shares:

After obtaining the approval of Foreign Investment Promotion Board of Government of India, the Company allotted 8,00,000 convertible warrants aggregating to ₹ 98,00,000/- to a foreign Corporate. As per the terms of approval these warrants were converted into equal numbers of Equity Shares of the Company of ₹ 10/- each at a premium of ₹ 2.25 per share.

ii) Statement of utilisation of funds out of the proceeds of convertible warrants:

Gross proceeds:	2,512,809	7,287,191
	2,512,809	7,287,191
Utilisation:		
Part finance of Capital Expenditure	-	-
General Corporate Purpose/Long term Investment	2,512,809	7,287,191
Issue related Expenses	-	-
	2,512,809	7,287,191

NOTE 7 : LONG TERM BORROWINGS

	Non-Current portion		Current Maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
a. Secured Loans:				
i. Term Loans from Banks:				
Term Loan from Axis Bank	-	-	-	103,945
ii. Long Term maturities of Finance Lease obligations:				
Vehicle Loans	1,941,485	3,192,938	1,260,752	1,176,407
	1,941,485	3,192,938	1,260,752	1,280,352

Term Loan from Bank: Term loan from Axis Bank Ltd. , B-2, B-3, Sector-16 Noida, U.P. was taken in 2011-12 and is repayable in 24 equal monthly instalments and is secured by way of extension of 1st Charges on entire existing/future moveable fixed assets, other than vehicle not funded by the bank and cable TV network of the Company, and personal guarantees of the promoter Directors. Company has not defaulted in repayment.

Vehicle Loans: The Company has availed vehicle loans for purchase of vehicles from Kotak Mahindra Primes Ltd from time to time. The respective loans are repayable over a period of five years in monthly instalments and are secured by way of hypothecation of respective vehicles financed under the respective loan. Company has not defaulted in repayment.

NOTE 8 : DEFERRED TAX LIABILITY (NET):

Deferred Tax has been provided in accordance with Accounting Standard- 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The computation of Deferred Tax Assets/ Deferred Tax Liabilities as on 31st March 2014 is as follows:

	Deferred Tax Liability As at 31.03.2014	Deferred Tax Liability As at 31.03.2013
Deferred Tax liability arising on Account of timing difference:		
Difference between Book & Tax Depreciation	5,693,674	6,354,924
Sub Total - (A)	5,693,674	6,354,924
Deferred Tax Assets arising on Account of timing difference:		
Unabsorbed Depreciation	-	-
Sub Total - (B)	-	-
Net Deferred Tax Liability (A-B)	5,693,674	6,354,924
NOTE 9 : OTHER LONG TERM LIABILITIES:		
i. Trade Payable	-	-
ii. Others	1,670,181	1,836,848
	1,670,181	1,836,848

NOTE 10 : LONG TERM PROVISION:

	Long-term		Short-term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provisions for Employee Benefits:				
Employees Retirement Benefits	3,008,269	3,738,860	486,721	275,952
	3,008,269	3,738,860	486,721	275,952

	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
NOTE 11 : SHORT TERM BORROWINGS:		
a. Secured Loans:		
i. From Banks		
Cash Credit from Axis Bank Ltd	25,398,030	41,934,457
	25,398,030	41,934,457

The Cash credit facilities from Axis Bank Ltd., B-2, B-3, sector -16, Noida, U.P are repayable on demand and are secured by first legal mortgage on land , building and plant and machinery (excluding cable TV networks) of the company situated at Noida and Selaqui-Dehra Dun and hypothecation of Stock, Book Debts and personal guarantees of Promoter Directors.

NOTE 12 :TRADE PAYBLE:

Trade payable* (Refer Note 35)	28,332,604	40,672,752
	28,332,604	40,672,752

NOTE 13 : OTHER CURRENT LIABILITIES:

Future Income Received in Advance	1,508,429	570,998
Advances from Customers	20,832,849	8,730,793
Other Current Liabilities	8,969,342	8,998,032
Current maturities of Long Term Debts (Note. 7)	1,260,752	1,280,352
Unpaid Dividend	277,866	284,766
	32,849,238	19,864,941

NOTE 14 : SHORT TERM PROVISIONS:

Provisions for Employees Benefits (Note. 10)	486,721	275,952
Provisions for Taxation	2,063,304	1,785,034
Provisions for Bills awaited	345,206	458,694
	2,895,231	2,519,680

NOTE 15 : FIXED ASSETS

(₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 01/04/2013	Additions	Deletions	As At 31/03/2014	As At 01/04/2013	For the period	Deletions	As At 31/03/2014	As At 31/03/2013
(i) TANGIBLE ASSETS									
Land	1,056,904	-	-	1,056,904	-	-	-	1,056,904	1,056,904
Building	11,548,663	-	-	11,548,663	3,781,546	385,726	-	4,167,272	7,381,391
Plant & Machinery	17,755,196	21,882	-	17,777,078	9,785,208	509,207	-	10,294,415	7,482,663
Electrical Fittings	2,205,637	-	-	2,205,637	867,057	104,768	-	971,825	1,233,812
Office Equipments	4,558,132	818,782	-	5,376,914	1,711,996	275,135	-	1,987,131	3,389,783
Furniture & Fixtures	5,238,889	123,750	-	5,362,639	3,529,860	185,664	-	3,715,524	1,647,115
Computers	4,872,955	561,154	-	5,434,109	3,792,890	287,251	-	4,080,141	1,353,968
Vehicles	11,937,449	-	-	11,937,449	3,787,517	1,089,931	-	4,877,448	7,060,001
Cable TV Networks	50,731,507	-	-	50,731,507	40,070,323	2,678,623	-	42,748,946	7,982,561
TOTAL	109,905,332	1,525,568	-	111,430,900	67,326,397	5,516,305	-	72,842,702	38,588,198
Previous Year	110,523,696	1,187,149	1,805,513	109,905,332	63,010,061	5,563,037	1,246,701	67,326,397	42,578,935
(ii) INTANGIBLE ASSETS									
Computer Software	920,704	119,419	-	1,040,123	341,033	142,619	-	483,652	556,471
TOTAL	920,704	119,419	-	1,040,123	341,033	142,619	-	483,652	556,471
Previous Year	920,704	-	-	920,704	208,272	132,761	-	341,033	579,671

	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
NOTE 16 : NON-CURRENT INVESTMENTS:		
Long -term investments (at cost):		
Trade Investments (Equity Shares- unquoted):		
i) Joint Ventures:		
- Catvision Unitron Private Limited	3,000,000	668,711
- Unicat Limited	9,324,000	-
ii) Others:		
- Bombay Mercantile Co-op. Bank Limited	4,980	4,980
iii) Advance for Equity		
Catvision Unitron Private Limited	2,418,711	-
	14,747,691	673,691
NOTE 17 : LONG TERM LOANS AND ADVANCES:		
(Unsecured but considered good)		
Capital Advances (Yamuna Expressway Industrial Development Authority)	1,650,000	-
Security Deposits	1,431,642	1,198,131
Other Loans & Advances (Inter corporate loan)	1,080,000	-
	4,161,642	1,198,131
NOTE 18 : OTHER NON-CURRENT ASSETS:		
Long Term receivables	9,652,563	2,408,998
	9,652,563	2,408,998
NOTE 19 : CURRENT INVESTMENTS:		
- Fidelity India Mutual Fund- units	30,000	30,000
	30,000	30,000
NOTE 20 : INVENTORIES:		
(As taken, valued, and certified by the management)		
Finished Goods	16,951,202	16,227,705
Stock in Trade of goods acquired for Trading	28,017,076	27,658,156
Raw Materials & Components	14,301,290	17,631,749
Stores and Spares	113,881	371,506
Semi- Finished Goods	1,988,793	2,287,669
	61,372,242	64,176,785
NOTE 21 : TRADE RECEIVABLES:		
(Unsecured, considered good)		
- Debts outstanding for a period exceeding six months	21,086,664	23,203,709
- Other Debts	43,343,340	60,072,155
	64,430,004	83,275,864

	As at 31.03.2014 (₹)	As At 31.03.2013 (₹)
NOTE 22 : CASH AND CASH EQUIVALENT:		
Cash in hand	103,667	146,255
Balance with Scheduled Banks:		
- In Current Accounts	10,794,811	22,936,020
- In fixed Deposit Accounts*	2,382,576	1,927,289
- Earmarked Balance with Bank- Dividend Account	277,866	284,766
Cheques in Hand	-	-
	13,558,920	25,294,330
* Balance with bank held as margin money against letter of credit and bank guarantee is ₹ 23,82,576/- (Previous year ₹ 19,27,289/-)		
NOTE 23 : SHORT TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Advance recoverable in cash or in kind for the value to be received	10,527,706	7,574,550
Prepaid Expenses	4,225,960	3,583,678
Advance Tax including tax deducted at source	2,316,760	1,881,888
Balance with Sales Tax Department	22,383	35,251
Balance with Service Tax Department	101,708	634,190
Claim for Refunds of Additional Duty of Customs	3,666,877	2,979,774
Advances against expenditure due by directors or officer of the company	646,441	417,546
Other Current Assets	383,978	-
	21,891,813	17,106,877
	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
NOTE 24 : REVENUE FROM OPERATIONS:		
Sales of Products	254,265,906	239,401,682
Servicing Income	44,534,116	35,097,956
Other Operating Income	33,730,019	13,859,837
	332,530,041	288,359,475
NOTE 25 : OTHER INCOME:		
Interest Earned	183,814	67,639
Miscellaneous Income	-	-
	183,814	67,639
NOTE 26 : MATERIAL CONSUMED:		
Opening Stock	17,631,749	14,074,775
Add: Purchases	61,930,910	65,118,722
Less: Closing Stock	14,301,290	17,631,749
	65,261,369	61,561,748

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
NOTE 27 : PURCHASE OF STOCK -IN-TRADE:		
	115,659,874	110,997,905
NOTE 28 : CHANGE IN INVENTORIES:		
Opening Stocks		
Finished Goods	16,227,705	14,601,267
Semi-Finished Goods	2,287,669	1,817,407
Stock in -trade of goods acquired for Trading	27,658,156	20,529,541
(i)	46,173,530	36,948,215
Closing Stocks		
Finished Goods	16,951,202	16,227,705
Semi-Finished Goods	1,988,793	2,287,669
Stock in -trade of goods acquired for Trading	28,017,076	27,658,156
(ii)	46,957,071	46,173,530
Sub Total-(i) - (ii)	(783,541)	(9,225,315)
NOTE 29 : OTHER MANUFACTURING EXPENSES:		
Store and Spares Consumed	1,943,311	2,679,783
Power and Fuel	363,388	955,447
Other Manufacturing Expenses	715,351	715,222
Software Charges to Broadcasters*	45,259,515	24,453,105
	48,281,565	28,803,557
NOTE 30 : EMPLOYEES REMUNERATION AND BENEFITS:		
Salary, Wages and Other Benefits	41,616,726	40,834,391
Staff Welfare Expenses	484,033	510,337
Contribution to Provident Fund and other Funds	2,936,753	2,783,788
	45,037,512	44,128,516
NOTE 31 : FINANCE COST:		
Interest	3,963,463	3,442,343
Bank Charges	1,515,847	1,042,609
Loss due to Foreign Currency Fluctuation	1,248,369	(175,939)
	6,727,679	4,309,013

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
NOTE 32 : OTHER ADMINISTRATIVE AND SELLING EXPENSES:		
Insurance	508,807	547,836
Rent and Hire Charges	4,970,673	5,002,758
Travelling and Conveyance	13,898,591	12,482,737
Vehicles Running and Maintenance	698,451	746,894
Advertisement, Selling and Distribution	471,448	1,212,571
Loss on Sale of Fixed Assets	-	333,812
Freight and Distribution Charges	859,474	895,528
Trade and Business Discount	325,589	(1,890)
Business Promotion	2,363,194	1,382,727
Postage and Telephone	1,869,435	2,155,577
Project Implementation Expenses	1,216,344	837,956
Sales Incentives	255,976	2,282,481
Miscellaneous Expenses	861,332	1,207,777
Meetings and Celebration	328,527	370,060
Security Services	881,976	778,387
Legal and Professional Charges	5,253,312	4,251,598
Fee and Subscription Expenses	419,756	315,885
Water and Electricity Expenses	1,180,773	1,023,973
Printing & Stationery	323,011	337,414
Bad Debts written off	(129,064)	392,848
Expired/ Dis-allowed Addl Duty Written Off	129,809	321,484
Auditors' Remuneration		
- Audit Fee	162,922	151,236
- Taxaion Matters	22,472	22,472
- Management Consultancy	67,416	67,416
Repair & Maintenance:		
- Building	1,045,771	1,850
- Plant & Machinery	146,598	72,707
- Others	1,747,185	1,504,775
	39,879,778	38,698,869
NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENT:		
i) Unexpired Bank Guarantee	774,272	2,457,316
ii) Claim against the company not acknowledged as debits*	4,186,003	10,192,325
iii) Unexpired Letter of Credits	2,935,885	8,652,818

a. The claim against the Company comprises of an deduction of ₹ 3,386,003 by Telecommunication Consultants India Ltd. (TCIL) on account of alleged past dues. The said claim for dedecution is not only illegal but also time barred. The Company has suitbaly defended the said claim before the appropriate court.

b. Based on the favorable decisions in similar cases/legal opinions taken by the company/discussions with its legal advisors etc. the Company believes that it has good cases in respect of the item no. (ii) and hence no provision there against is considered necessary.

NOTE 34 : EMPLOYEES BENEFIT:

a) The company has adopted the revised Accounting Standard (AS) 15, 'Employee Benefits' issued by the Institute of Chartered Accountants of India w.e.f. 1st April 2007.

b) Contribution to Provident Fund : Amount of ₹ 2367949/- (Previous year ₹ 2206642/-) is recognised as an expense and included in Employees Remuneration and Benefits (Refer Schedule 15) in Statement of the Profit & Loss for the year ended 31st March 2014.

- c) Gratuity : The following table sets out the status of the Defined Benefits Plan as at 31st March, 2014 which is based on the report submitted by an Independent Actuary :

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Amount recognised in Balance Sheet:		
Present value of the obligation at the end of the year	5,074,379	5,033,272
Fair value of plan assets	1,579,389	1,018,460
Net Liability recognised in Balance Sheet	3,494,990	4,014,812
Expenses recognised in Statement of Profit & Loss:		
Current Service Cost	451,219	546,502
Interest Cost	415,245	337,246
Expected return on plan assets	(93,189)	(65,768)
Net actuarial (gain) / loss recognised	(304,059)	157,985
Expenses recognised Statement of Profit & Loss	469,216	975,965
Changes in Defined Benefit Obligation:		
Present Value of obligation at the beginning of the year	5,033,272	4,087,827
Interest Cost	415,245	337,246
Current Service Cost	451,219	546,502
Benefits Paid	(535,881)	(96,288)
Actuarial (gain) / loss on obligation	(289,476)	157,985
Present Value of obligation at the end of the year	5,074,379	5,033,272
Changes in Fair Value of Planned Assets:		
Fair value of plan asset at the beginning of the year	1,018,460	582,414
Expected return on plan asset	93,189	65,768
Contributions	497,949	466,566
Benefits Paid	(44,792)	(96,288)
Actuarial (gain) / loss on plan asset	14,583	-
Fair value of plan asset at the end of the year	1,579,389	1,018,460
Actuarial (Gain) / Loss recognised:		
Actuarial (Gain) / Loss on obligation	(289,476)	157,985
Actuarial (Gain) / Loss on plan assets	(14,583)	-
Total Actuarial (Gain) / Loss	(304,059)	157,985
Actuarial (Gain) / Loss recognised	(304,059)	157,985
Outstanding Actuarial (Gain) / Loss at the end of the year	-	-
Assumptions used in accounting for gratuity plan:		
Discount Rate (p.a.)	9.00%	8.25%
Salary Escalation Rate	5.75%	5.00%
Expected rate of return (p.a.)	8.75%	9.15%
Withdrawal rate (p.a.)	8.00%	5.00%
Average outstanding service of employees upto retirement	24.96 Years	25.9 Years

NOTE 35 :

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under Micro and Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with the company, the balance due Micro and Small Medium Enterprises as defined under the MSMSED Act, 2006 is Nil. Further no interest during the year has been paid or payable under the terms of the MSMED Act, 2006 Some of the customers and suppliers accounts are pending confirmation/reconciliation and the same have been taken as the balances appearing in the books. Any differences arising on account of such reconciliation, which are not likely to be material, will be accounted for as and when these reconciliations are completed.

NOTE 36 : RELATED PARTY DISCLOSURE:

As per Accounting Standard (AS- 18) issued by the Institute of Chartered Accountants of India, information in terms of the said Standard, are disclosed below :

- i. The company does not have any related party transaction, where control exists.
- ii. Related Parties with whom transactions have taken place during the year ended 31st March, 2014 :
 - a) Key Managerial Personnel : Mr. S. A. Abbas
: Mr. Sudhir Damodaran
 - b) Relatives of Key Managerial Personnel : Mrs. Hina Abbas
 - c) Joint Venture Company : M/s Catvision Unitron Private Limited
 - d) Enterprises in which key managerial personnel : Total Telemedia Private Limited
along with their relatives exercise significant influence
- iii. Transactions with Related parties during the year ended 31st March, 2014 :

	Joint Venture Company	Enterprises as referred to in to ii(d)	Key Managerial Personnel	Relatives of Key Managerial Personnel
Interest			119,671	-
Remuneration			6,873,728	849,600
Share Application Money	4,750,000	-	-	-
Advance for supply	2,850,000	-	-	-
Sale of goods/services	-	606,744	-	-

NOTE 37:

In the opinion of the Board of Directors, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.

NOTE 38: EARNING PER SHARE (EPS):

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
i. Profit after provision of Tax	5,588,641	2,616,791
ii. Weighted Average No. of Equity Shares of ₹ 10 each	5,453,600	4,653,600
iii. Nominal Value of Equity Shares	10	10
iv. Basic and diluted Earning Per Share (EPS)	1.02	0.56

NOTE 39 : MANAGERIAL REMUNERATION:

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
i) Managing Director and other whole time Directors:		
a) Salary	3,600,000	3,600,000
b) Contribution to Provident Fund	432,000	432,000
c) Allowances and Perquisites	3,282,964	2,841,728
	7,314,964	6,873,728
ii) Non- whole time Directors:		
Sitting fee	60,000	40,000
	60,000	40,000

Notes: The above figures do not include provision for gratuity as separate actuarial valuation is not available for whole time directors.

NOTE 40 : SEGMENT REPORTING POLICIES:
a) Primary Segment:

Based on the guiding principle given in the Accounting Standard - 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company has identified two business segments as primary segments. The reportable business segments are "Products" and "Operations & Services". These segments have been identified considering the nature of the products and the internal financial reporting systems.

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the enterprise as whole and are not allocable to segments on a reasonable basis, have been included under Unallocable Revenue and Expenses. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocable Assets/Liabilities.

PARTICULARS	Products		Operations & Services		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1. REVENUE:						
Segment Revenue	254,265,906	239,401,682	78,264,135	48,957,793	332,530,041	288,359,475
Total Revenue	254,265,906	239,401,682	78,264,135	48,957,793	332,530,041	288,359,475
2. RESULTS:						
Segment Result	36,481,824	34,353,667	4,581,054	285,291	41,062,878	34,638,958
Less: Unallocable Expenses						
Interest	-	-	-	-	4,366,539	3,543,327
Other Unallocable Expenses	-	-	-	-	29,889,458	27,706,247
Add: Unallocable Income	-	-	-	-	183,814	67,639
Less: Provision for Tax including FBT & Deferred Tax	-	-	-	-	1,402,054	840,232
Net Profit after Tax	36,481,824	34,353,667	4,581,054	285,291	5,588,641	2,616,791
3. OTHER INFORMATION:						
Segment Assets	151,872,166	166,836,212	27,901,545	19,128,594	179,773,711	185,964,806
Unallocable Corporate Assets	-	-	-	-	49,215,832	51,358,478
Total Assets	151,872,166	166,836,212	27,901,545	19,128,594	228,989,543	237,323,284
Segment Liabilities	38,230,239	44,898,366	16,684,757	10,644,636	54,914,996	55,543,002
Unallocable Corporate Liabilities	-	-	-	-	41,180,042	58,217,476
Total Liabilities	38,230,239	44,898,366	16,684,757	10,644,636	96,095,038	113,760,478
Capital Expenditure	-	-	-	-	-	-
Depreciation	828,256	952,372	2,697,476	2,705,783	3,525,732	3,658,155
Unallocable Depreciation	-	-	-	-	2,133,192	2,037,643

b) Secondary Segment:

The following is the distribution of company's consolidated revenue by geographic market, regardless of where the goods were produced / procured.

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Geographic Segment:		
Revenue - Domestic Market	232,567,588	220,086,081
Revenue - Overseas Market	99,962,453	68,273,394
	332,530,041	288,359,475

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
NOTE 41 : DETAILS OF SALE:		
Modulators	23,895,220	13,674,792
Amplifiers	16,905,322	18,135,012
Power Supplies	2,598,151	2,462,111
Optical Node & Transmitters	77,919,144	79,478,112
Tap-Off/ Splitters	11,236,492	8,223,970
Digital Satellite Receiver & Set Top Boxes	14,678,810	4,466,307
Dish Antenna & other equipments	4,644,947	4,089,095
CATV, ITV & MATV Systems & Equipments	76,580,079	80,405,956
Cables	12,127,323	15,380,114
Energy Control System & Equipments	8,121,663	8,077,334
Other Miscellaneous Items	5,533,138	4,382,399
	254,265,906	239,401,682
NOTE 42 : DETAILS OF RAW MATERIAL & OTHER CONSUMABLES CONSUMED:		
Ics	30,710,277	26,922,366
Transistors	332,021	317,126
Transformers	7,711,793	7,950,885
Crystals	52,025	46,650
Printed Circuit Boards	2,324,233	2,142,296
Diodes	449,374	270,254
Attenuators	807,974	768,190
Housings	9,312,493	9,569,796
Connectors	2,147,573	1,822,974
SMPS	358,851	305,899
Others (Including consumables and semi finished goods)	11,098,226	11,217,931
Packing material	2,198,716	2,436,902
	67,503,556	63,771,269
NOTE 43 : DETAILS OF PURCHASE OF TRADED GOODS:		
Modulators	14,067,052	993,267
Amplifiers	473,037	133,924
Power Supplies	424,262	56,287
Optical Node & Transmitters	4,758,223	12,059,572
Tap-Off/ Splitters	1,880,873	1,843,466
Digital Satellite Receiver & Set Top Boxes	12,919,154	2,977,829
Dish Antenna & other equipments	3,348,717	3,460,649
CATV, ITV & MATV Systems & Equipments	55,375,987	66,618,008
Cables	13,068,497	13,049,877
CCTV Camras & Monitoring Equipments	29,283	292,397
Energy Control System & Equipments	5,543,451	6,042,868
Other Miscellaneous Items	3,771,338	3,469,761
	115,659,874	110,997,905

NOTE 44 : VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL AND COMPONENTS CONSUMED:

	% of Total Consumption	Value (Rupees)	% of Total Consumption	Value (Rupees)
Imported	24.64%	16,634,067	19.31%	12,314,514
Indigenous	75.36%	50,869,489	80.69%	51,456,755
	100.00%	67,503,556	100.00%	63,771,269

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
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NOTE 45 : VALUE OF IMPORTS CALCULATED ON CIF BASIS:

Raw Material & Traded Goods	103,109,092	98,558,018
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NOTE 46 : EXPENDITURE IN FOREIGN CURRENCY:

Travelling & Other Administrative Expenses	4,891,120	4,265,816
Salary & Other Benefits	-	-
Rent	416,003	745,238
	5,307,123	5,011,054

NOTE 47 : EARNING IN FOREIGN CURRENCY:

FOB Value of Exports	3,875,782	6,235,911
Overseas Merchant Trade Sale	63,682,311	52,320,978
Channel Marketing & others	32,404,360	9,716,505
	99,962,453	68,273,394

* Including value of exports made to Nepal

NOTE 48 :

Figures of the previous year have been regrouped/ reclassified wherever necessary.

NOTE 49 :

The figures have been rounded off to the nearest Rupee.

As per our report of even date.

For **GAUR & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 005354C

R. K. Gaur
Partner
Membership No. 72146
Place: Noida, U.P.
Date : 31st May, 2014

G. S Butola
Company Secretary
Vinod Rawat
Chief Financial Officer

For and on behalf of the Board
S. A Abbas Managing Director
S. Damodaran Executive Director
Dr. Sunil Anand Independent Director
Raman Rajiv Misra Independent Director
Jagdish Prasad Independent Director



CATVISION LIMITED

E-14 &15, Sector-8, Noida - 201 301 (U.P.)

May 31, 2014

Dear Members,

Re: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs, vide its Circular No. 17/2011, dated 21.04.2011 followed and Circular No. 18/2011 dated 29.04.2012, has taken a "Green Initiative" in Corporate Governance by allowing paperless compliances by the companies through electronic mode and introduced email address as one of the modes of sending communication to the shareholders under section 53 of the Companies Act, 1856.

The new arena of interface with the members is a welcome step as it would not only help to save the environment and facilitate fast communication but will also lead to cost-savings for your company.

To implement the above, the company proposes to send in future various documents, including Notices, Balance Sheet, Profit and Loss Account, Directors' Reports, Auditors' Report etc. to the members in electronic form to the email addresses of the members provided by them and made available to us by the Depositories (NSDL/CDSL). You are advised to update the same by registering changes, if any, in your email address from time to time with the concerned Depository.

The company shall also display full text of these communications/documents/reports in its website www.catvisionindia.com and physical copies of such communication/documents/reports will be made available at the registered office of the company for inspection by the shareholders during office hours on working days.

Please note that as members of the company, upon receipt of request, you will be entitled to receive free of cost, copy of such communication/documents/reports and all other documents required to be attached thereto.

In case you desire to receive the documents mentioned above in physical form, please write to us at catvision@catvisionindia.com quoting your Folio No./Client ID and DPID.

All those members who have not yet registered their email address, or are holding shares in physical form, are requested to immediately register their email address with NSDL/CDSL and/or with the company at catvision@catvisionindia.com along with Folio No./Client ID and DPID.

Thanking you,

Your faithfully,

For **Catvision Limited**

(S. A. Abbas)

Managing Director



CATVISION LIMITED

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