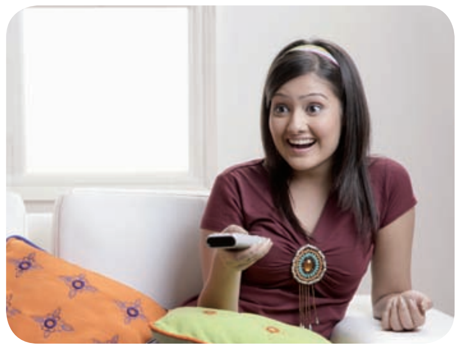
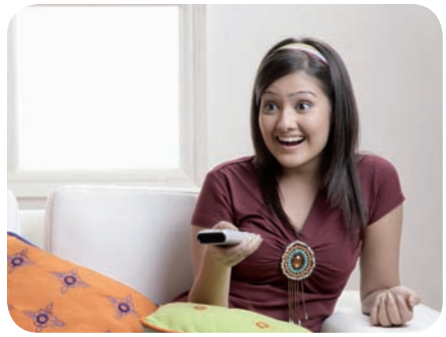
Hundreds of entertainment options...



...just a click away

WIRE AND WIRELESS

ANNUAL REPORT 2007-08



CONTENTS

VISION

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

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

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me a great pleasure to present before you, Company's second audited financial results year ended March 31, 2008. Digitalisation of Television viewing is driving a complete makeover of the Indian Entertainment Industry. This changing scenario offers new challenges and opportunities to all the players.

Industry Outlook and Potential

Indian Media and Entertainment industry has witnessed a double-digit growth in the past few years and this is expected to further increase in the coming years. As per the FICCI-PWC 2008 report, with the Indian economy riding high on ground income levels, consumerism, technological improvements and greater investment, the media and entertainment sector is expected to cross a turnover of Rs. 1.157 trillion by 2012 from the present Rs. 513 billion thereby registering 18% compounded annual growth.

As per the report, at the end of the year 2007, the TV industry reached a total of 115 million homes out of a total of 195 million homes in the country, representing a penetration of 59%. Pay TV homes were estimated at 74 million, of which cable homes were 70 million i.e. 95%. Cable is clearly the way that Indian households watch TV.

The total revenue generated by the TV industry in 2007 was Rs. 226 billion. Of this, total subscription revenues accounted for Rs. 136.5 billion and advertising revenues were Rs. 80 billion. Subscription revenue was nearly 60% of total revenue generated by the industry.

As we look ahead over a 5 year period, the projections are that number of TV households will grow from the current 115 million to 132 million by the end of 2012 i.e. nearly 17 million new TV households will be added. Of this, 115 million are projected to be Pay TV households, an increase of 41 million over the 5 years period representing a growth of 55.4%.

Major Initiatives taken in the year 2007-08

Revamp of Complete Brand

The Company has redefined its current business processes and systems with the objective to provide customer satisfaction with a strong focus on customer needs. In line with this, the Company has unveiled complete new brand architecture for its corporate brand and services.

Wire and Wireless felt that the earlier brand architecture was complex with different brands for different services; therefore it was getting difficult for the target audience to identify and connect with the brands. There was a need to create synergies between the brands in terms of identification, recall value, and above all streamlining the brand under one umbrella.

The corporate brand was simplified to Wire and Wireless to make it more consumer oriented brand from a more business focussed brand.

All the products and services were consolidated under SITI brand. Survey of Target Audience has also shown that SITI has highest recall amongst all Media Distribution companies. The product and services brand are given below:

- Cable Television Services is promoted under SITI Network
- Digital Cable Television is now branded as SITI Digital
- HITS Operation is branded as SITI Satellite
- Channels are now branded as SITI TV
- Internet is branded as SITI Broadband
- Show-On-Demand Services as SITI Show

The Company has also defined its core target - **A FAMILY** in the middle income group with prime focus on the lady of the house and kids who are actual consumer for TV. The Mascot will be able to appeal to the core Target Group and will reinforce the desired values.

Wire and Wireless wants to build customer centric brand image with values of young & modern, friendly, trustworthy and tech savvy. In line with this company has created a Brand Mascot.

Creation of SITI Care

To strengthen its customer focus, the service support is branded as SITI Care. The customer can now get personalised services through multiple access routes:

- 24x7 regional call centre at Mumbai, Kolkata, Bengaluru, Delhi, Lucknow and Ludhiana
- Email your message to SITI Care@wwil.net
- SMS <siticare> space <message> to 57575
- Log your request on website: www.wwil.net
- Call LCO in your neighbourhood
- Post or Fax your request to SITI Care at Wire and Wireless office

SITI Digital Cable Television

SITI Digital Cable Television offers a superior picture and sound quality as compared to the conventional analogue cable TV. The Digital Cable Television is capable of delivering upto 1000 channels. We have been able to give value added features to consumers that are offered by DTH, IPTV & other digital service players like Electronic Programming Guide (EPG), create favourite channel list, Parental Control to block unwanted channels, Radio channels, Games through Set-Top-Box (STB), multilingual functions for channels offered in more than one language. Digital Cable is also able to offer local city channels covering local events that are of interest to viewers only in that city.

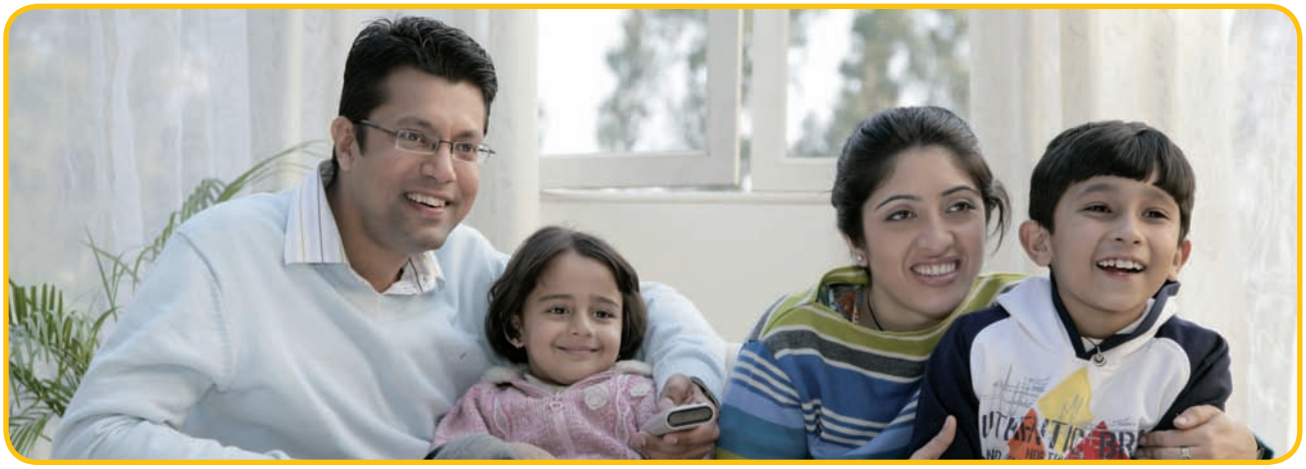
Our services are backed by world class infrastructure, state-of-the-art digital headends and hybrid fiber optic network.

Wire and Wireless has launched SITI Digital Cable Television in 7 cities i.e. Mumbai, Delhi, Kolkata, Bengaluru, Lucknow, Ludhiana and Pune.

SITI Satellite Cable Television

In a path breaking initiative, that will change the complete landscape of media distribution, the Company has launched **Headend-in-the-Sky (HITS)**, a satellite based digital platform which delivers multichannel television signals to customers and LCOs. HITS provide a complete array of digital video and audio programming needed for a comprehensive programme bouquet.

HITS will enable Wire and Wireless for a pan India digital roll-out in short period by providing to local cable operators, large housing projects, townships, hotels, hospitals with digital signals. LCOs do not need additional investments on a local digital headend, separate subscriber management system (SMS) and conditional access arrangement. HITS gives superior customer experience since the transmission is



centralised which enable operator to maintain signal quality and content standard.

SITI Broadband

SITI Broadband offers high bandwidth advantage of the cable infrastructure to bring to you the true broadband Internet experience. Wire and Wireless provides this service through its CATV infrastructure using the most reliable CMTS technology by the latest & safest Ethernet LAN. Going forward, the Company intends to give hybrid model of both Wire and Wireless technology so that we are able to offer to both B-2-B and B-2-C. Currently we have launched this service in Bengaluru and will extend to all the metros by this year.

SITI Show-on-Demand

Viewing of TV programmes in a stereo-type way is no more a compulsion. The Digital TV technology has already brought revolutionary excitement to the drawing room of the TV viewers. It is all set to offer a wide range of optional programmes with click of a remote.

We have piloted On-Demand services for our digital customers under brand SITI Show. Customers can now order and watch movies in digital quality, without any ad breaks, movie shows as per his choice of time-slot that too from the comfort of his home. This service has become popular with people who currently watch movies at home by taking DVD/VCD on rental, as it eliminates the hassles of physical handling of DVD/VCD and the cumbersome ordering and return process. Movies and other contents are being selected from popular movie libraries. In order to make ordering process a pleasure, we have provided customers multiple ordering options such as phone call to Call Centre, send SMS or request on Website. This service is offered in prepaid mode only.

Corporate Governance

The Company is committed to strong values and business ethics, coupled with its article of faith to augment shareholder value, at the core of its Corporate Governance Policy. The Company believes that good governance is not just rule driven, but involves voluntary adoption of international best practices. This is done in the Company through ensuring transparency in corporate disclosures, high quality of accounting practices and adhering to the highest level of business ethics. To further enhance our operating procedures and bring in the leading business practices, Wire and Wireless will be implementing SAP ERP System.

Future Strategy

Digital TV viewing is the future of entertainment industry. As per FICCI PWC 2008 report, in next 5 years, pay TV homes are expected to grow from 74 million to 115 million i.e. 55.4% growth. An estimated 54% of all Indian households will be Pay TV subscribers by 2012 from current 38% penetration. Digital Cable Television and HITS is expected to garner major portion of these Pay TV subscribers. Wire and Wireless, being the market leader in Digital Cable and first to launch HITS technology is expected to take the front lead in digital TV revolution. Wire and Wireless is geared up to take lead in customer service, technology, ground operations and have trained manpower to take full advantage of this changing industry scenario. The opportunity coupled with Wire and Wireless preparation for it augurs well for your Company's future.

In Conclusion

Our cable business is growing at the fastest rate in the industry. In last nine months we have made commendable progress by achieving double digit growth over the previous year. Our quality of service both in analogue and digital is the best in the industry. The focus will be on the consumer and we will build all our systems, processes and delivery to provide the best television viewing experience with value-added services such as Show-on-Demand and Broadband Internet.

We have over 500 employees as of March 31, 2008.

Thanking you,

SUBHASH CHANDRA
June 17, 2008

HIGHLIGHTS

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

First MSO to launch most advanced Digital Television satellite based delivery platform Headend-in-the-Sky (HITS).

In the digital mode, Wire and Wireless offers upto 200 channels to its subscribers.

Wire and Wireless has 6.7 million customer reach across 43 cities of India and operates 76 headends.

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

Wire and Wireless has 7 regional offices with over 500 employees.

BOUQUET OF CHANNELS

GENERAL ENTERTAINMENT

Zee TV
Star Plus
Sony
Sahara One
SAB
Star One
DD -1 National
Star Utsav
Zoom
9X
Zee Next
NDTV Imagine
DD INDIA
BINDAS
DD -2

HINDI MOVIES

Zee Cinema
SET Max
Star Gold
Zee Action
Zee Premier
Sahara Filmy
B4U Movies
Zee Classic
Zee Smile
UTV Movies

HINDI NEWS

Zee News
Aaj Tak
NDTV India
Star News
India TV
DD News
DD Loksabha
DD Rajyasabha
Sahara Mumbai
Aaj Tak Tej
Total TV
Live India
IBN 7

ENGLISH NEWS

NDTV 24X7
Headlines Today
Times Now
CNN IBN
CNN
BBC World
News X
DD World

BUSINESS NEWS

Zee Business
CNBC Awaaz
CNBC TV 18
NDTV Profit

ENGLISH MOVIES

Zee Studio
Star Movies
HBO
PIX
World Movies
TCM

ENGLISH ENTERTAINMENT

AXN
Star World
Zee Cafe

LIFE STYLE AND HEALTHCARE

Zee Trendz
FTV
Discovery lifestyle
Shakti
NDTV Good Times

FOREIGN CHANNELS

DW
TV5

SPORTS CHANNELS

Zee Sports
ESPN
Star Sports
Ten Sports (India)
Neo Sports
Neo Sports Plus
DD Sports
Star Cricket

MUSIC CHANNELS

Zee Music
ETC
Channel V
MTV India
B4U Music
Music India
Play TV
VH-1
Sur Sangeet
Enter 10
9X Music

EDUCATIONAL / SCIENCE

Reality TV
Discovery
Animal Planet
National Geographic
History Channel

KIDS CHANNEL

Cartoon Network
Nickeldeon
Hungama
Pogo
Animax
Disney
Toon Disney

REGIONAL CHANNELS

Bengali/Oriya

Zee Bangla
ETV Bangla
Zee Aakash 24 Ghanta
DD 7 Bangla
Tara Newz
Sangeet Bangla
DD Oriya
ETV Oriya
Star Ananda

Akash Bangla
Tara Music
DD West Bengal

Marathi/Gujarati

IBN – Lokmat
Zee 24 Taas
Zee Marathi
ETV Marathi
DD 10 – Sahyadri
Mi Marathi
Zee Talkies
DD Marathi
Star Majha
Zee Gujarati
ETV Gujarati
DD II - Gujarati

Tamil

Sun TV
K TV
Raj TV
Raj Plus
Jaya TV
Star Vijay
Sun News
DD 5 Podhigai
Sun Music
SS Music
Kalingar TV

Telugu

DD Saptagiri
Zee Telugu
Gemini Music
Gemini TV
Teja TV
Gemini News
Maa TV
ETV
ETV 2
TV 9 Telugu
Vissa TV
Adithya TV
Teja News

Malayalam

Surya TV
Kiran TV
Asianet
Asianet News
DD Malayalam
Kairali TV
Amrita
Asianet Plus
Manorama News

Kannada

Zee Kannada
Udaya TV
Udaya Movies
ETV Kannada
Udaya Varthegalu
DD Chandana
Udaya – 2
TV 9 Kannada
DD 9 Kannada

Punjabi/Hindi

Zee Punjabi
ETC Punjabi
DD Punjabi
MH 1
DD N.E

DD Bharti
DD INDIA
ETV UP
ETV MP
ETV Bihar
ETV Rajasthan
ETV Urdu
DD Urdu

SPIRITUAL CHANNELS

Zee Jagran
Aastha
Sanskar
God TV
Sadhana
Miracle Net

RADIO PROGRAMMES

BBC World Space Radio 1
BBC World Space Radio 2
Air Gujarati
FM Rainbow
Air Punjabi
FM Gold
EWTN Radio
DW 1
DW 2
DW 4
DW 5
DW 6
DW 8
DW 9
Air VBS
Air Telugu
Air Marathi
Air Tamil
FM Rainbow Bengaluru
Air Urdu
Air Oriya
TGN Radio
World Space

LOCAL CHANNELS

Siti Delhi
Siti Amritsar
Siti Ludhiana
Siti Chandigarh
Siti Hissar
Siti Rohtak
Siti Kanpur
Siti Mumbai
Siti Kolkata
Siti Bengaluru
Siti Filmy
Siti Cinema
Siti Music
Siti Movies
Siti Darmil
Siti Hulchul
Siti Simran
Siti Sandhya
Siti Magic Channel
Siti Telugu

WIRE AND WIRELESS PRESENCE

7 Digital Headends installed in Delhi, Mumbai, Kolkata, Lucknow, Bengaluru, Ludhiana and Pune.

43 Major cities

Graphical representation of Map. Not to scale.

Contents

Bankers
The Jammu & Kashmir Bank Limited
Axis Bank Limited
IDBI Bank
Canara Bank

Subsidiary Companies
Indian Cable Net Company Limited
Central Bombay Cable Network Limited
Siticable Broadband South Limited
Wire and WirelessTisai Satellite Pvt.Ltd.

Registrar & Share Transfer Agent
Sharepro Services (India) Private Limited
Satam Estate, 3rd Floor,
Cardinal Gracious Road,
Chakala, Andheri (East),
Mumbai – 400 099. India.

Website: www.wwil.net

Board of Directors

Subhash Chandra
Chairman

B. K. Syngal
Independent Director

D. P. Naganand
Independent Director

Michael Block
Independent Director

Sanjay Jain
Director

Amit Goenka
Whole-time Director

Auditors
S. R. Batliboi & Associates
Chartered Accountants

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

Corporate Office
4th Floor, Madhu Industrial Estate,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 013.

Senior Management

Deepak Chandnani
Chief Executive Officer

Akhtar Jawed
Executive Vice President
(w.e.f. May 02, 2008)

V. K. Agarawal
Sr. Vice President Strategy,
Merger & Acquisition

Harish Katyal
Sr. Vice President, Sales & Operations

Ajay Gidh
Sr. Vice President, Project

Prasenjit Phukan
Vice President, Human Resources

N. P. Singh
Vice President,
Content & Programming

D. P. Ghosh
Vice President, Marketing

Notice

Notice is hereby given that the Second Annual General Meeting of the members of Wire and Wireless (India) Limited will be held on Thursday, July 24, 2008 at 3.00 p.m., at 'Hall of Culture', Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Profit and Loss account of the Company for the year ended on March 31, 2008 and the Balance Sheet as at that date together with the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. B. K. Syngal, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED THAT Mr. Michael Block who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 23, 2007 and who holds the office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

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

   "RESOLVED THAT Mr. Sanjay Jain who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 29, 2008 and who holds the office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT Mr. Amit Goenka who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 23, 2007 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

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

   "RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 349, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary in this regard, the Company hereby accords its approval to the appointment of Mr. Amit Goenka, Director as Whole-time Director of the Company subject to the superintendence, control and direction of the Board of Directors from time to time for a period of three (3) years with effect from October 23, 2007 at Nil remuneration and on such other terms as detailed in the Explanatory statement annexed to this notice."

8. **To consider and if thought fit, to pass, with or without modification following resolution, as a Special Resolution:**

   "RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement(s) with the Stock Exchange(s) and pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 or any amendment, re-enactment or modification thereof and subject to such other approvals, permissions and sanctions as may be necessary, and such other conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company ('the Board') or any Committee/person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity Shares of the Company from the Calcutta Stock Exchange Association Limited (CSE)."

9. **To consider and if thought fit, to pass, with or without modification following resolution, as an Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 29,00,00,000 (Twenty Nine Crores) Equity Shares of Re. 1/- (Rupee one) each and 1,00,00,000 (One Crore) Preference Shares of Re. 1/- (Rupee one) each to Rs 75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 74,00,00,000 (Seventy Four Crores) Equity Shares of Re. 1/- (Rupee one) each and 1,00,00,000 (One Crore) Preference Shares of Re. 1/- (Rupee one) each, by creation of additional 45,00,00,000 (Forty Five Crores) Equity Shares of Re. 1/- (Rupee one) each and in consequence thereof the existing Clause V of the Memorandum of Association of the Company relating to share capital be substituted by the following clause :

   V. The Authorised Share Capital of the Company is Rs 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 74,00,00,000 (Seventy Four Crores) Equity Shares of Re. 1/- (Rupee One) each and 1,00,00,000 (One Crore) Preference Shares of Re. 1/- (Rupee One) each, with the power to increase or decrease, consolidate or sub-divide the shares under the powers of the Companies Act, 1956."

By Order of the Board

Place: Mumbai
Date: June 17, 2008

Amit Goenka
Whole-time Director

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

Notes:

1. **A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be deposited with the Company not less than 48 hours before the meeting.**
2. Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956, in respect of special businesses are annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 19, 2008 to Thursday, July 24, 2008 (both days inclusive).
4. Queries on accounts and operations of the Company, if any, may be sent to the Chief Executive Officer seven days in advance of the meeting so as to enable the management to keep the information ready at the meeting.
5. As required under Clause 49 of the Listing Agreement, relevant information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is given in the Report on Corporate Governance, which forms a part of the Annual Report.

6. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Depository Account Number for identification.
7. Members are requested to notify immediately about any change in their address/mandate/bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s. Sharepro Services (I) Pvt. Ltd., Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099.
8. Under Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B in duplicate to the Company's Registrar and Share Transfer Agent at above address.

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

Item No. 4 & 5

Mr. Michael Block and Mr. Sanjay Jain were appointed on October 23, 2007 and January 29, 2008, respectively, as Additional Directors of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act').

Pursuant to provisions of Section 260 of the Act, Mr. Michael Block and Mr. Sanjay Jain vacate their office at the conclusion of this Annual General Meeting. Due notices under Section 257 of the Act have been received from Members proposing appointment of Mr. Michael Block and Mr. Sanjay Jain as Directors of the Company, liable to retire by rotation. Requisite consent has been filed by Mr. Michael Block and Mr. Sanjay Jain, pursuant to the provisions of Section 264(1) of the Act, to act as a Director, if appointed.

Brief profile and other details of Mr. Michael Block and Mr. Sanjay Jain, forms part of the Corporate Governance Report.

The Board recommends the resolutions as set out in Item no. 4 & 5 for Members' approval.

None of the Directors of the Company, other than Mr. Michael Block and Mr. Sanjay Jain respectively, is concerned or interested in this resolution.

Item No. 6 & 7

Mr. Amit Goenka, 31, a Graduate in Business Administration, with rich working experience of over eight years, was co-opted as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956, by the Board at its meeting held on October 23, 2007. Further the Board at the said meeting held on October 23, 2007, had also appointed Mr. Amit Goenka, as a Whole-time Director for a period of three (3) years w.e.f. October 23, 2007 on Nil Remuneration. Mr. Goenka shall however be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

Mr. Amit Goenka holds the office of Director up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member, along with requisite deposit, proposing the candidature of Mr. Amit Goenka for the office of Director, under the provisions of Section 257 of the Companies Act, 1956.

Brief profile and other details of Mr. Amit Goenka, forms part of the Corporate Governance Report.

The Board recommends resolutions as set out in Item no. 6 and 7, for the Members approval.

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

Item No. 8

The Equity Shares of the Company are presently listed on the following Stock Exchanges:

i. The Bombay Stock Exchange Limited, Mumbai ('BSE')
ii. The National Stock Exchange of India Limited, Mumbai ('NSE')
iii. The Calcutta Stock Exchange Association Limited, Kolkata ('CSE')

The trading of Company's shares on the BSE & NSE, who have extensive network of nationwide trading terminals, are in material volumes and in the case of CSE, the trading volumes in the Company's shares are nil/insignificant. Hence, the continued listing of Equity Shares of the Company on CSE neither serves the interest of the Members/Investors nor that of the Company.

The Board of your Company at its meeting held on June 17, 2008, has recommended voluntary delisting of the shares of the Company from CSE subject to your approval. The shares will however be continued to be listed and traded on the BSE and NSE and therefore the delisting from the CSE will not have any major effect on the trading volumes of your Company. Further, the said delisting will result in administrative convenience.

The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 provides option to a Company to voluntarily delist its securities, without offering an exit opportunity to its shareholders, if the company continues to be listed on Stock Exchanges having nationwide terminals. Your Company complies with this condition and is therefore eligible to voluntarily delist its securities from CSE.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, consent of the members by way of a Special Resolution is required for voluntary delisting of the Company's shares.

The Board recommends resolutions as set out in Item no. 8 for the Members approval.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 9

As the Members are aware, the business of Multi System Operator (MSO) and distribution of TV Channels through Cable network is highly capital intensive, huge amount of financial resources are required to meet the expansion and growth requirements of the Company from time to time. The Company is currently meeting these requirements through borrowings from Banks and/or Financial Institutions and the funding from Promoter Group. With a view to fund its business requirements and expansion plans, it would be imperative for the Board to explore various other means of fund raising including issuance of further capital. To facilitate any such capital infusion as part of fund raising option, it would be necessary to increase the authorised share capital of the Company. Hence your Board recommends your approval to increase the existing Authorised Share Capital from the present Rs. 30 Crores to Rs. 75 Crores.

Pursuant to the provisions of Section 94 of the Companies Act, 1956 any increase in authorised share capital would need consent of the shareholders and the proposed amendments in the Memorandum of Assoication of the Company are consequential in nature.

The Board recommends resolutions as set out in Item no. 9 for the Members approval.

None of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board

Place: Mumbai
Date: June 17, 2008

Amit Goenka
Whole-time Director

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

Certification on Financial Statements of the Company

We, Amit Goenka, Whole-time Director and V. K. Agarawal, Sr. Vice President, Strategy- Merger & Acquisition, of Wire and Wireless (India) Limited ('the Company'), certify that:

(a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2008 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, 2008 are fraudulent, illegal or violative to the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.

(d) During the year:

  (i) there has not been any significant changes in internal control over financial reporting;

  (ii) there have not been any significant changes in accounting policies; and

  (iii) there have been no instances of significant fraud of which we are aware that involve management or other employees, having significant role in the Company's internal control system over financial reporting.

For Wire and Wireless (India) Limited

Amit Goenka
Whole-time Director

V. K. Agarawal
Sr. Vice President, Strategy,
Merger & Acquisition

Mumbai, June 17, 2008

Directors' Report

To,
The Members of
Wire and Wireless (India) Ltd.

Your Directors take pleasure in presenting the Second Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2008.

FINANCIAL PERFORMANCE

(Rs. in Million)

Particulars	For The Year Ended	
	March 31, 2008	March 31, 2007
Sales & Services	**2222.8**	1736.8
Other Income	**116.7**	190.2
Total Income	**2339.5**	1927.0
Total Expenses	**2470.4**	2024.5
Operating Profit/(Loss)	**(130.9)**	(97.5)
Less: Finance Cost	**370.8**	169.2
Depreciation	**292.0**	333.6
Profit/(Loss) before Tax and Exceptional Item	**(793.7)**	(600.3)
Provision for Taxation (Net)	**3.5**	(51.9)
Profit (Loss) after Tax before Exceptional Item	**(797.2)**	(548.4)
Less: Exceptional Item	**795.7**	562.8
Profit/(Loss) after Tax	**(1592.9)**	(1111.2)
Less: Prior Period Adjustments (Net)	**(13.3)**	–
Add: Adjustment Pursuant to the Scheme	**–**	1395.4
Add: Balance Brought Forward from Previous Year	**284.2**	–
Balance Carried To Balance Sheet	**(1295.4)**	284.2

BUSINESS OVERVIEW

Your Company is one of the largest Multi System Operator (MSO) in the Country. The Company aims at providing quality services to its subscribers. Sustained efforts are made to maintain high standards of operational parameters. The Company has taken number of steps in this direction resulting in steady improvement in the performance of Cable Network. Your Company lays greater emphasis on customer services. Your Company has set multiple internal benchmarks across all its Customer Service Centres, for regularly reviewing and assessing quality of response and also to understand the issues customers are facing across the call centres. Your Company has deputed dedicated technical team on the ground to speedily address and resolve customer issues.

Your Company has identified several opportunities for growth of business and plans to consolidate its position in the cable business by focusing on digitalisation and transforming itself into a B2C Company with the focus on consumer. The Company would build all its systems, processes and delivery to provide the consumer with the best TV viewing experience with Value Added Services like broadband internet and movie-on-demand backed by the outstanding customer service and made available at affordable price. One of the key enablers of this strategy is the planned launch Headends In The Sky (HITS) in the begining July,08 quarter.

Your Company would be the first MSO to deliver digital services through HITS platform in India, which would enable it to rollout digital services and a sophisticated service network to a larger national market, beyond the currently notified CAS areas, quickly and efficiently. The Company will continue to reinforce its competitive edge through sustained efforts in value addition and would strive to deliver differentiated, attractive and compelling value proposition for its viewers and for its stakeholders in the days to come.

DIVIDEND

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

EMPLOYEES STOCK OPTION SCHEME

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

Remuneration Committee of the Company, constitution whereof is in accordance with SEBI Guidelines, administers and monitors the Scheme. During the year under review, the Remuneration Committee had in accordance with ESOP 2007 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'), granted 2,987,300 Stock Options convertible into equivalent number of equity shares of Re. 1/- each of the Company.

Subsequently, however out of these 168,500 Stock Options lapsed, as the employees to whom these options were granted, left the organization. During the financial year 2008-09 till date, 150,000 Stock Options were granted to eligible employees of the Company.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2008 are annexed herewith and forms part of this report.

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

PUBLIC DEPOSITS

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

DIRECTORS

During the year under review, Mr. Rajiv Garg and Mr. Shyam Sunder Goel, resigned from the Directorship of the Company with effect from April 16, 2007 and February 1, 2008, respectively. Mr. Jagjit Singh Kohli, Managing Director of the Company resigned with effect from May 31, 2007. Your Directors wish to place on record its appreciation for contributions made by these Directors.

Mr. Michael Block and Mr. Sanjay Jain were appointed as Additional Directors, with effect from October 23, 2007 and January 29, 2008, respectively. At its meeting held on October 23, 2007, the Board had appointed Mr. Amit Goenka, as a Additional Director and Whole-time Director of the Company for a period of three (3) years with effect from 23rd October 2007 at Nil remuneration. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Amit Goenka, Mr. Michael Block and Mr. Sanjay Jain hold office only up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received appropriate notices under Section 257 of the Companies Act, 1956 along with requisite deposits, proposing appointments of Mr. Amit Goenka, Mr. Michael Block and Mr. Sanjay Jain as Directors of the Company. Resolutions seeking your approval for the appointment of these Directors and also appointment of Mr. Amit Goenka as Whole-time Director of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting. Brief Profile of these Directors has been included in the Corporate Governance Report.

Mr. B. K. Syngal, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Board has recommended his re-appointment.

DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE

The Equity Shares of your Company are currently listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). Since the trading volumes of Company's shares in CSE are insignificant and Company's securities are available for trading at BSE & NSE, who have extensive network of nationwide trading terminals, the continued listing of the Equity Shares of the Company on CSE neither serves the interest of the Members/Investors nor that of the Company.

Your Board has therefore proposed delisting of Company's Equity Shares from the Calcutta Stock Exchange. Appropriate resolution seeking Member's approval, for delisting of Company's Equity Shares from CSE has been incorporated in the Notice of the forthcoming Annual General Meeting.

INCREASE IN AUTHORISED SHARE CAPITAL

Since the Company's business of Multi System Operator (MSO) and distribution of TV Channels through Cable network is highly capital intensive, huge amount of financial resources are required to meet the expansion and growth requirements of the Company, from time to time. The Company is currently meeting these requirements through borrowings. With a view to fund its business requirements and expansion plans, it would be imperative to explore various other means of fund raising, including raising of further capital. To facilitate any such capital infusion through further issue of shares, the present authorized capital may need to be augmented.

Your Directors have therefore proposed increase in the Authorised Share Capital of the Company from Rs. 30 crores to Rs. 75 crores. Appropriate resolution seeking member's approval for increase in authorized share capital and consequent alteration to Memorandum of Association of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE

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

SUBSIDIARY COMPANY

Your Company continues to hold:

a) 100% equity stake in Central Bombay Cable Network Limited;

b) 100% equity stake in Siticable Broadband South Limited; and

c) 67.99% equity stake in Indian Cable Net Company Ltd. along with Central Bombay Cable Network Ltd;

During the year under review your Company acquired 51% equity stake comprising of 5,100 equity shares of Rs. 10/- each in Wire and Wireless Tisai Satellite Private Limited, effective June 01, 2007.

Statement pursuant to Section 212 of the Companies Act, 1956, together with Audited Financial Statements, Directors' Report and Auditors' Report of Company's Subsidiaries are attached herewith and forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard AS 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in and forms part of the Annual Report.

AUDITORS

M/s S. R. Batliboi & Associates, Chartered Accountants, Mumbai, the statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

EXPLANATION TO QUALIFICATIONS IN AUDITORS REPORT

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

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

ii) Item No. (i)(b), of the annexure to the Auditors' Report – It may be noted that the Network Equipments are spread over wide geographical areas and it is difficult to conduct the physical verification at greater frequencies. However, during the year the Company has completed Phase I and II of physical verification and remaining portion shall be covered in Phase III in the current year.

iii) Item No. (iv) of the annexure to the Auditors' Report- As per the industry practice written agreements were not insisted from the customers in the case of analogue business. However, during the year the Company has initiated the process of obtaining written agreements from customers for analogue business.

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

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

I. Energy Conservation and Technology Absorption:

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

II. Foreign Exchange Earning and Outgo:

Details of foreign exchange earnings and out go during the year under review is given in Note no. N(iv) of the Notes to Accounts.

PARTICULARS OF EMPLOYEES

Information required to be furnished under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed to and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT U/S. 217 (2AA) OF THE COMPANIES ACT, 1956

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

(i) in the preparation of the Annual Accounts for the year ended March 31, 2008, the applicable Accounting Standards have been followed and there are no material departures;

(ii) they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) they have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental Authorities, mainly Ministry of Information and Broadcasting, Ministry of Communication and Information Technology, Department of Telecommunication (Broadcasting & Cable Services), Telecom and Regulatory Authority of India and other stakeholders including Local Cable Operators, Bankers, Financial Institutions, Viewers, Broadcasters, Vendors and Service Providers.

For and on behalf of the Board

Amit Goenka
Whole-time Director

Sanjay Jain
Director

Place: Mumbai
Date : June 17, 2008

Annexure to Directors' Report

I. Disclosures as stipulated under the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 2003 and forming part of Directors' Report for the year ended March 31, 2008

	Particulars	Grant of Options
a.	Options Granted (Nos.)	2,987,300
b.	Exercise Price (Rs.)	39.75
c.	Options Vested	NIL
d.	Options Exercised	NIL
e.	Total number of Shares arising as a result of Exercise of option	NIL
f.	Option Lapsed (Nos.)	168,500
g.	Variation in terms of Options	NIL
h.	Money realised by exercise of Options	NIL
i.	Total Number of Options in force	2,818,800
j.	Employee wise details of Options granted to:	
	i. Senior Management Personnel	
	Deepak Chandnani	1,297,600
	Harish Katyal	194,600
	Vimal K. Agarawal	122,900
	Devi Prasad Ghosh	129,800
	Ajay Gidh	201,900
	Prasenjit Phukan	104,000
	N. P. Singh	87,800
	ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	NIL
	iii. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with International Accounting Standard (IAS) 33. 'Earning Per Share'	(7.3)

II. Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies and forming part of Directors' Report for the year ended March 31, 2008

Name of the Subsidiary Company			**Indian Cable Net Company Limited**	**Central Bombay Cable Network Limited**	**Siti Cable Broadband South Limited**	**Wire and Wireless Tisai Satellite Private Limited**
The financial Year of the Subsidiary Company ended on			March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
Extent of Holding Company's Interest %			67.99%	100%	100%	51%
Face value of equity shares (per share)			Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
Number of equity shares held by the holding Company and/or its subsidiaries			6,861,000	50,000	10,000	5,100
Net aggregate amount of profits/(losses) of the subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company	For the financial year ended on March 31, 2008	(Amt. Rs. in million)	NIL	NIL	NIL	NIL
	For the previous financial years of the subsidiary since it became a subsidiary.	(Amt. Rs. in million)	NIL	NIL	NIL	NIL
Net aggregate amount of profits/(losses) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company	For the financial year ended on March 31, 2008	(Amt. Rs. in million)	40.18	1.18	(0.74)	1.84
	For the previous financial years of the subsidiary since it became a subsidiary.	(Amt. Rs. in million)	84.37	5.20	(3.69)	NIL

For and on behalf of the Board

Place : Mumbai
Date : June 17, 2008

Amit Goenka
Whole-time Director

Sanjay Jain
Director

III. Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Reports for the year ended March 31, 2008

Sr. No.	Name	Designation	Total Remuneration (Rs.)	Qualification	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Last Employment and Designation
1.	Avnindra Mohan	Executive Vice President	4,520,219	B.Com. (Hon.), FCA, PGDBM	46	24	01.04.2006	Reliance Infocomm Ltd., Vice President Commercial
2	* Harish Katyal	Senior Vice President - Operations & Commercial	2,972,130	B.Com., FCA	44	20	21.05.2007	Broadcast Worldwide Ltd., Executive Vice President - Operations, Finance & Business Development
3.	* Deepak Chandnani	Chief Executive Officer	15,742,986	BA (Eco.), PGDBM (IIM A)	49	27	20.06.2007	NCR Corporation India Pvt. Ltd., Managing Director
4.	* Ajay Gidh	Senior Vice President - Projects	2,368,628	B.Sc., PG (CS)	46	23	30.07.2007	NCR Corporation India Pvt. Ltd., New (Global) Product Development Manager
5.	* Sundaresan Shankar	Vice President - Operations	1,789,532	B.E.	52	29	03.08.2007	Electronics & Controls Power Systems Pvt. Ltd., Director - Marketing
6.	* Narinder Pal Singh	Vice President - Content & Programming	1,903,919	B.A., PG (IR&PM)	38	14	20.08.2007	Star India Pvt. Ltd., Assistant Vice President
7.	* Deviprasad Ghosh	Vice President - Marketing	1,209,600	B.E., MBA (SPJIMR)	39	15	01.10.2007	Reliance Communications Ltd., National Head - Marketing (General Manager)
8.	* C. L. Anand Maj. Gen. (Retd.)	Chief Operating Officer	383,417	B.E.	70	46	01.01.2006	Indus Ind Media & Communications Ltd., Managing Director
9.	* Bimal Bangar	Chief Financial Officer	463,196	B.Com., AICWA, L.L.B., ACS	46	20	28.08.2006	Microcel Infocom India Pvt. Ltd., Director / Co-Entrepreneur
10.	* Jagjit Singh Kohli	Managing Director	2,678,750	Diploma in Textile Technology	47	22	01.12. 2006	ETC Networks Ltd., Managing Director
11.	* Deepak Bajaj	Vice President	690,827	B.E.	42	15	05.04.2006	HFCL Infotel, Punjab, Head - Triple Play Operations
12.	* Sanjeev Kashyap	Chief Technical Officer	1,469,573	B.E., PGDBM - (IIM B)	39	16	26.06.2006	Genus Overseas Electronics Limited, General Manager
13.	* Vinay Agarwal	Chief Financial Officer	1,691,568	B.Com., FCA	43	21	20.07.2007	XPRO India Ltd. (S.K. Birla Group), President - Finance & Accounts

* Indicates remuneration is for part of the year.

Notes :

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

For and on behalf of the Board

Amit Goenka — Whole-time Director

Sanjay Jain — Director

Place : Mumbai
Date : June 17, 2008

Report on Corporate Governance

Company's Governance Philosophy

Corporate Governance at Wire and Wireless (India) Limited (WWIL) is given highest priority in business decision making process. WWIL's Corporate Governance philosophy is based on five (5) basic principles of conscience, openness, fairness, professionalism and accountability, required for building confidence of the stakeholders in it thereby paving way for its long term success.

Your Company has made conscious efforts to institutionalize Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Your Company's corporate structure, business and disclosure practices have been aligned to its Corporate Governance Philosophy. We will continuously endeavour to improve in these aspects on an ongoing basis.

BOARD OF DIRECTORS

a) Composition & Category of Directors

The Company is in strict compliance of Board composition requirement including SEBI circular dated April 8, 2008.

Composition of the Board as on March 31, 2008

Category of Directors	No. of Directors	%of total No. of Directors
Executive Director	1	16.67%
Non-Executive Independent Director	3	50.00%
Other Non-Executive Director	2	33.33%
Total	**6**	**100.00%**

Particulars of Directors, their attendance at Board meetings and the Annual General Meeting held during the financial year 2007-08 and also their other directorships in other Public Companies (excluding Foreign Companies and Section 25 Companies) & membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2008 are as under:

Sr. No	Name of Director	Category	Attendance at		No. of Directorship of other Companies	No. of member-ships of Board Sub Committees
			Board Meetings (Total 6 Meetings)	AGM (Held on 18.09.2007)		
1.	Subhash Chandra	Promoter - Non-Executive Chairman	4	0	7	1
2.	B. K. Syngal	Independent - Non-Executive	5	1	3	4
3.	* Jagjit Singh Kohli	Executive	1	0	3	0
4.	@ Shyam Sunder Goel	Independent - Non-Executive	6	1	–	–
5.	$ D. P. Naganand	Independent - Non-Executive	5	1	2	1
6.	^ Amit Goenka	Executive	2	NA	6	1
7.	# Michael Block	Independent - Non-Executive	1	NA	–	–
8.	## Sanjay Jain	Non-Executive	1	NA	–	–

* Resigned as Managing Director w.e.f. May 31, 2007
@ Resigned as Director w.e.f. February 1, 2008
$ Appointed as Director w.e.f. April 16, 2007
^ Appointed as Whole-time Director w.e.f. October 23, 2007
# Appointed as an Additional Director w.e.f. October 23, 2007
Appointed as an Additional Director w.e.f. January 29, 2008

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

b) Board Meetings and Procedures

During the financial year under review, six (6) meetings of the Board were held on April 21, 2007, June 27, 2007, July 31, 2007, August 17, 2007, October 23, 2007 and January 29, 2008. The intervening period between the Board Meetings were well within the maximum time gap of four (4) months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each year.

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

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

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

B. K. Syngal, 68, is a Non-Executive Independent member of Board of the Company. He was the Vice-Chairman of BPL Communications Limited and Chairman of Internet, broadband and technology solutions businesses at the BPL Innovision Business Group at Bangalore. Mr. Syngal was also the Chairman and Managing Director (1991-98) of VSNL Ltd. Mr. Syngal is regarded as the father of Internet and data services in India, which propelled the growth of software exports from India. In the international telecom arena, he has held the positions of Chairman, Commonwealth Telecommunciations Organisation (CTO) London, Councilor for India INMARSAT Council, London, Vice Chairman and Director, ICO Boards, Chairman of Governance Committee ICO, Cayman Islands and Governor, INTELSAT Board, Washington DC. He has been recipient of many industry awards including Telecom Man of the Decade award by Wisitex Foundation, India, Partners in Progress award by Maharashtra State Government for his contributions in telecommunications both in India and abroad, and he was one of the fifty Stars of Asia, chosen by Business Week magazine for the year, 1998.

Apart from the Company, Mr. Syngal holds directorships in Sonata Software Ltd., Sonata Information Technology Ltd., and Zee Entertainment Enterprises Ltd.

Mr. Syngal does not hold any shares in the Company.

Michael Block, 38, an American national, is a graduate from Columbia College with an AB in History and German and Masters of Business Administration from the University of Chicago. He holds Directorship in Apollo Investments Group, Munich, USA. Mr. Block formed an advisory firm for mergers and acquisitions and also co-founded a start up in the healthcare services sector. Mr. Block has expertise in review of Call Centre and their subsequent restructuring and has been involved in Broadband Investments in numerous jurisdictions.

Mr. Block neither holds Directorship in any other Indian Public Limited Company nor hold any shares in the Company.

Sanjay Jain, 37, is a finance professional with working experience of over 14 years, in the area of Corporate Finance and Business Strategy. He has worked at various senior positions with corporate houses like Gautam Thapar Group (including Pauwels International NV, Belgium), Crompton Greaves Ltd., Ballarpur Industries Ltd., Eicher Group and other companies viz Delphi Automotive Systems Ltd. and IFCI. After completing his B.Sc., from Kurukshetra University with 1st position in the University, Mr. Jain obtained, M.F.C. (Masters of Finance and Control) from University of Delhi. Currently Mr. Jain is associated with Essel Group as President and Group CFO.

Mr. Jain neither holds Directorship in any other Indian Public Limited Company nor hold any shares in the Company.

Amit Goenka, 31, is a Graduate in Business Administration, with rich working experience of over eight years. Mr. Amit Goenka, son of Mr. Subhash Chandra, Chairman of Essel Group, is one of the promoters of the Company and its Whole-time Director with effect from October 23, 2007. Mr. Goenka has been involved in and was part of various business initiatives of Essel Group including India's first online lottery system "Playwin", ITZ Cash Card, Cyquator, SMS No. 7575, Digital Media Convergence Limited, Mumbai Football Club and Play TV.

Apart from the Company, Mr. Amit Goenka holds directorship in six (6) other Indian Public Limited Companies viz. Aplab Ltd., Agrani Wireless Services Ltd., Essel Ship Breaking Ltd., Spras Properties Ltd., Digital Media Convergence Ltd., and Essel Entertainment Media Ltd.

Mr. Goenka does not hold any shares in the Company.

d) Code of Conduct

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

A declaration affirming compliance with the Code of Conduct by the members of the Board and Senior Management is given below:

Declaration

I confirm that the Company has obtained from all Directors and Senior Management of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board of Directors and Senior Management' of the Company for the financial year ended March 31, 2008.

Amit Goenka
Whole-time Director
Mumbai, June 17, 2008

BOARD COMMITTEES

a) Audit Committee

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

The Composition of the Audit Committee as on March 31, 2008, which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement(s), is as under:

Name of Directors	Category
Mr. B. K. Syngal	Non-Executive – Independent
Mr. D. P. Naganand	Non-Executive – Independent
* Shyam Sunder Goel	Non-Executive – Independent
** Mr. Sanjay Jain	Non-Executive

*Resigned as Director and member w.e.f. February 1, 2008
**Appointed as Director and member w.e.f. January 29, 2008

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

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

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

During the year under review, five (5) meetings of Audit Committee were held on April 21, 2007, June 26, 2007, July 31, 2007, October 22, 2007 and January 28, 2008 wherein requisite quorum of Independent Directors were present.

Statutory Auditor, Internal Auditor and Head of Finance & Accounts of the Company were invitees to all meetings of the Committee.

b) Remuneration Committee and Policy

The Remuneration Committee of the Company comprised of Mr. B. K. Syngal, Non-Executive Independent Director as Chairman and Mr. D. P. Naganand, Non Executive Independent Director as Member. Mr. Shyam Sunder Goel, Non-Executive Independent Director was Member of the Committee till January 31, 2008.

The terms of reference of the Remuneration Committee, *inter alia*, consist of reviewing the overall compensation policy, service agreements and other employment conditions of Executive Director(s) and also administers manager and grant of stock options to the employees under Company's ESOP scheme. The remuneration of Executive Director is decided by the Board of Directors on the recommendation of the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling approved by shareholders.

During the year under review, Remuneration Committee met only once on October 22, 2007, which was attended by all Committee members.

Details of the remuneration paid to Executive Director during the year ended March 31, 2008 was as under: -

Name & Designation	Remuneration (Rs.)		
	Salary & Allowances	Employer's Contribution to Provident Fund	Total
Jagjit Singh Kohli, Managing Director (till May 31, 2007)	1,964,750	144,000	**2,108,750**
Amit Goenka, Whole-time Director (w.e.f. October 23, 2007)	Nil	Nil	Nil

Remuneration payable to Non-Executive Director

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

c) Share Transfer and Investor Grievance Committee

As on March 31, 2008, the Share Transfer and Investors Grievance Committee of the Board comprises of Mr. B.K. Syngal, Non Executive Independent Director as Chairman and Mr. D.P. Naganand, Non-Executive Independent Director and Mr. Sanjay Jain, Non-Executive Director as Member. Mr. Jagjit Singh Kohli and Mr. Shyam Sunder Goel were Members of the Committee till May 31, 2007 and January 31, 2008 respectively.

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

Mr. Bhagwant Bhargawe, Company Secretary of the Company, till February 14, 2007, was compliance officer of the Company. Mr. Deepak Chandnani, Chief Executive Officer of the Company is currently the Compliance Officer of the Company.

During the year under review, Share Transfer and Investor Grievance Committee met fourteen (14) times on May 7, 2007, June 18, 2007, July 2, 2007, July 23, 2007, August 3, 2007, August 16, 2007, September 18, 2007, October 22, 2007, November 5, 2007, November 19, 2007, January 21, 2008, February 18, 2008, March 03, 2008 and March 17, 2008. These meetings were attended by all members.

Details of number of requests/complaints received and resolved during the year ended March 31, 2008, are as under:

Nature of Correspondence	Received	Replied/Resolved	Pending
Non-receipt of Share Certificates (Demerger)	1	1	NIL
Non Receipt of Fractional Warrant	6	6	NIL
Non-receipt of Annual Report	5	5	NIL
Total	**12**	**12**	**NIL**

General Meetings

The Second Annual General Meeting of the Company for the financial year 2007-08 will be held on Thursday, July 24, 2008 at 3.00 p.m.at 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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

Meeting	Day, Date and Time of the Meeting	Venue
1st AGM	Tuesday, September 18, 2007, 11.30 a.m.	Auditorium, National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 51.

At the last Annual General Meetings of the Company, the members had passed a Special Resolution under Section 81(1A) of the Companies Act, 1956, approving grant of options and issue/allotment of Shares to Employees of the Company and its Subsidiary and Associates under Employee Stock Option Scheme – 2007 (ESOP-2007). Aforesaid resolution was passed with requisite majority.

No Ordinary or Special resolutions were passed through Postal Ballot during Financial Year 2007-08. None of the resolutions proposed for the ensuing Annual General Meeting needs to be passed by Postal Ballot.

Disclosures

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

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

Means of Communication

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

Management Discussions and Analysis Report forming part of Annual Report is annexed separately.

General Shareholder information

The required information is provided in shareholder information section.

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To,
The Members
Wire and Wireless (India) Limited

I have examined to compliance of conditions of Corporate Governance by Wire and Wireless (India) Limited, ('the Company') for the financial year ended March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

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

Satish K. Shah
Membership No. FCS 1313 CP 3142

Place: Mumbai,
Dated: June 17, 2008

Shareholders' Information

1.	**Date, Time and Venue of Shareholder's Meeting**	Meeting : Annual General Meeting Day & Date : Thursday, July 24, 2008 Time : 3.00 p.m. Venue : Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
2	**Financial Year**	2007-08
3.	**Date of Book Closure**	Saturday, July 19, 2008 to Thursday, July 24, 2008 (both days inclusive)
4.	**Dividend Payment Date**	The Board has not recommended any dividend for the financial year 2007-08
5.	**Address for Correspondence**	**Registered Office** Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai-400 018, India. Tel: +91-22-6697 1234 Fax: +91-22-2490 0302/0213 Website : www.wwil.net **Corporate Office** Madhu Industrial Estate, 4th Floor, Pandurang Budhkar Marg, Worli, Mumbai – 400 018. Tel: 91-22-2499 2020 Fax: 91-22-2499 2000
6.	**ROC Registration no./Company Identification no.**	L64200MH2006PLC160733
7.	**Listing on Stock Exchanges**	The Bombay Stock Exchange Limited (BSE) The National Stock Exchange of India Limited (NSE) The Kolkata Stock Exchange Association Limited (CSE)
8.	**Stock Code**	BSE - 532795 NSE - WWIL EQ
9.	**ISIN No.**	INE965H01011
10.	**Registrar & Share Transfer Agent**	M/s. Sharepro Services (India) Private Limited, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai-400 099, India. Tel: +91-22-6772 0300 Fax: +91-22- 2837 5646 E.Mail: sharepro@shareproservices.com
11.	**Investor Relation Officer**	Mr. Vijay Sawant, Sr. Executive - Legal Wire and Wireless (India) Limited Madhu Industrial Estate 4th Floor, Pandurang Budhkar Marg, Worli, Mumbai – 400 018. Tel: 91-22-6737 2097 Fax: 91-22-2499 2000 E.Mail: csandlegal@wwil.net

12. Change of Address

Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the company's Registrar & Share Transfer Agent, at the address mentioned above.

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

13. Share Transfer System

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

14. Dematerialisation of Equity Shares & Liquidity

To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on date 97.14% of the equity shares of the Company are in the dematerialised form.

15. Shareholders' Correspondence

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

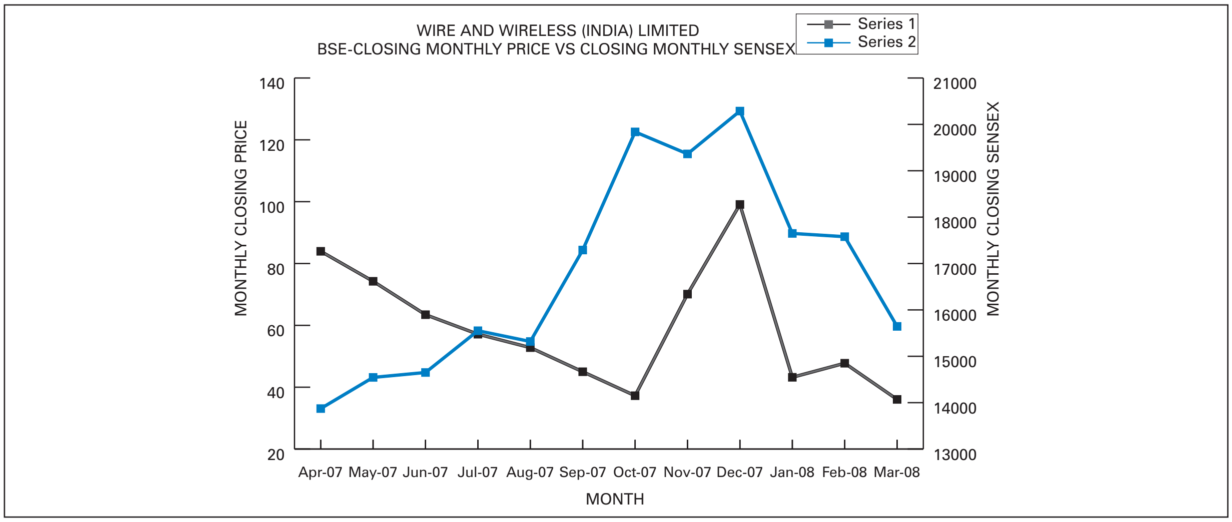
All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

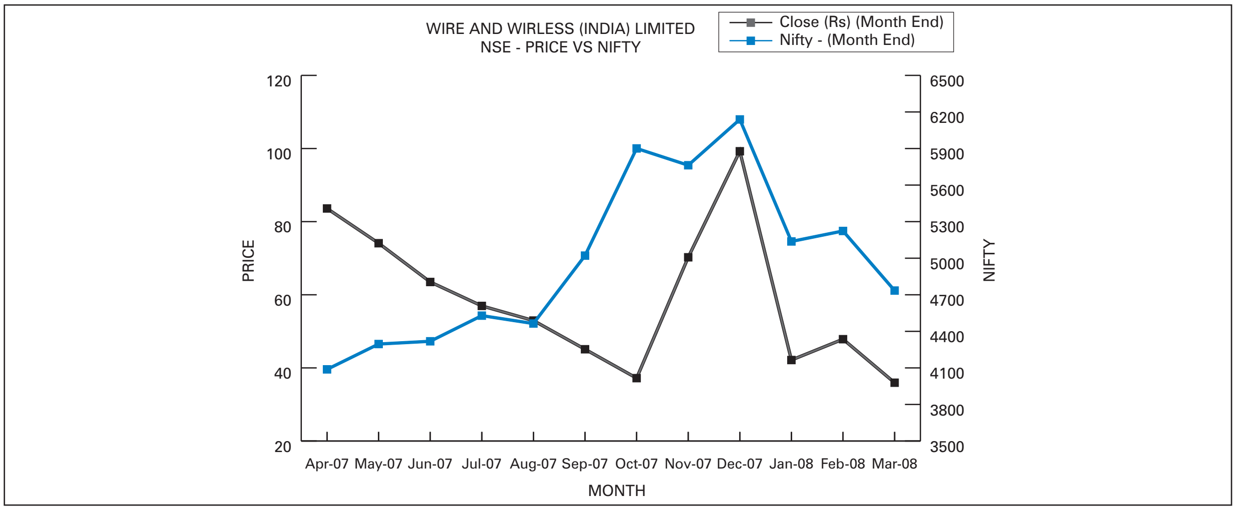
16. Stock Market Data Relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange and National Stock Exchange for financial year 2007-08 are:

	BSE			NSE		
Month	**High (Rs.)**	**Low (Rs.)**	**Volume of Share Traded**	**High (Rs.)**	**Low (Rs.)**	**Volume of Shares Traded**
April, 2007	92.80	80.00	4,177,956	92.50	80.00	7,180,711
May, 2007	87.00	69.00	19,912,007	85.55	68.00	28,936,809
June, 2007	75.40	63.10	8,151,905	76.00	63.10	13,218,471
July, 2007	77.50	55.15	14,497,992	78.40	54.50	30,263,938
August, 2007	61.90	49.15	7,951,890	61.80	44.45	11,651,581
September, 2007	55.35	43.70	11,682,912	55.40	43.80	13,783,786
October, 2007	46.95	32.00	13,201,026	46.90	30.30	16,360,147
November, 2007	71.70	37.40	44,573,267	75.80	36.75	57,255,419
December, 2007	104.00	69.75	95,701,214	107.40	70.00	204,154,265
January, 2008	103.40	35.15	39,280,255	103.40	34.50	94,132,920
February, 2008	56.85	40.80	39,950,005	56.90	40.65	80,332,487
March, 2008	46.90	29.80	17,291,702	47.85	29.85	35,385,703

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



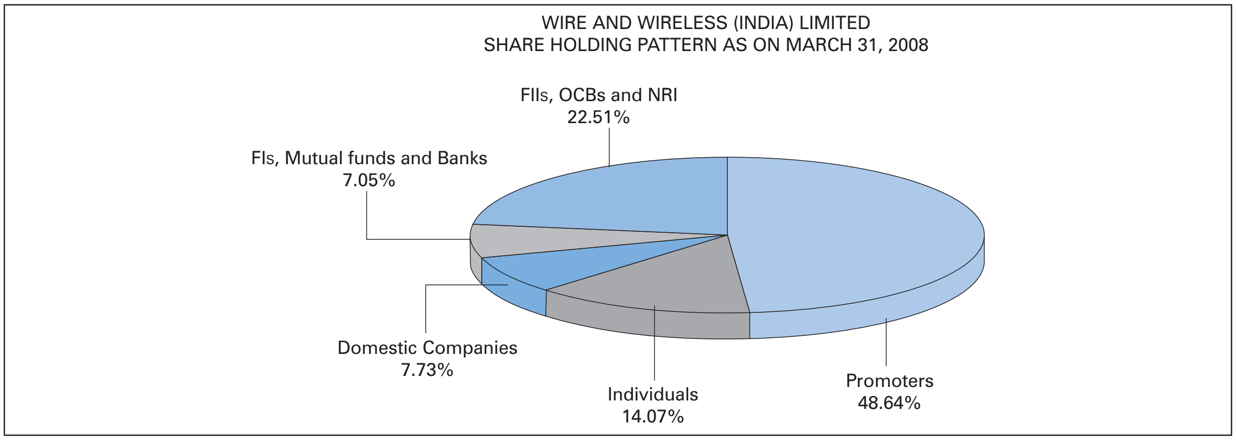


18. Distribution of Shareholding as on March 31, 2008

No. of Equity Share	Shareholders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	153,008	99.45	28,582,479	13.16
5001 - 10000	395	0.26	2,924,475	1.35
10001 - 20000	189	0.12	2,771,015	1.27
20001 - 30000	75	0.05	1,838,351	0.85
30001 - 40000	26	0.02	916,945	0.42
40001 - 50000	19	0.01	886,294	0.40
50001 - 100000	49	0.03	3,534,556	1.63
100001 and Above	91	0.06	175,763,638	80.92
Total	**153,852**	**100.00**	**217,217,753**	**100.00**

19. Categories of Shareholders as on March 31, 2008

Category	March 31, 2008	
	% of shareholding	No. of shares held
Promoters	48.64	105,664,198
Individuals	14.07	30,567,436
Domestic Companies	7.73	16,789,801
FIs, Mutual funds and Banks	7.05	15,314,636
FIIs, OCBs & NRI	22.51	48,881,682
Total	**100.00**	**217,217,753**



20. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2008

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1.	Ambience Advertising Pvt. Ltd.	1,137,500	0.52
2.	Ashok Kurien	1,021,000	0.47
3.	Briggs Trading Co. Pvt. Ltd.	2,696,750	1.24
4.	Churu Trading Co. Pvt. Ltd.	2,025,500	0.93
5.	Delgrada Limited	16,431,000	7.56
6.	Ganjam Trading Co. Pvt. Ltd.	3,283,250	1.51
7.	Jayneer Capital Pvt. Ltd.	6,131,348	28.23
8.	Laxmi Goel	875,000	0.40
9.	Lazarus Investments Limited	5,750,000	2.65
10.	Pan India Paryatan Limited	3,200,000	1.47
11.	Prajatma Trading Co. Pvt. Ltd.	4,162,250	1.92
12.	Premier Finance & Trading Co. Ltd.	3,088,000	1.42
13.	Sushila Devi	125,000	0.06
14.	Sushila Goel	340,000	0.16
15.	Veena Investment Pvt. Ltd.	215,500	0.10
	Total	**105,664,198**	**48.64**

b) Top ten (10) Public Shareholding as on March 31, 2008

Sr. No.	Name of Shareholder	No. of Shares held	% of shareholding
1.	Life Insurance Corporation of India	10,190,905	4.69
2.	Oppenheimer funds Inc. A/c Oppenheimer Global Fund	9,886,622	4.55
3.	Merrill lynch Capital Markets Espana S.A. S.V.	6,087,195	2.80
4.	Matthews India Fund	3,395,454	1.56
5.	Merrill Lynch Global Allocation Fund Inc	3,089,075	1.42
6.	ACACIA II Partners, LLP	2,940,000	1.35
7.	Sandstone Capital India Master Fund Limited	2,683,440	1.24
8.	BSMA Limited	2,500,902	1.15
9.	Oppenheimer funds, inc. A/c Oppenheimer variable account funds for the account of Oppenheimer Global Securities Fund	2,278,650	1.05
10.	ICICI Prudential Power	2,209,190	1.02
	Total	**45,261,433**	**20.83**

Management Discussion and Analysis

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

COMPANY OVERVIEW

Wire and Wireless (India) Limited (WWIL) is India's largest Multi System Operator (MSO) in the cable industry. WWIL is involved in the distribution of TV channels/content received from broadcaster to Local Cable Operators (LCOs) through cable network. Historically, WWIL has been providing content through analogue cable system in 43 cities of the country. With the implementation of CAS (Conditional Access System) in Delhi, Kolkata and Mumbai, WWIL has started providing content through digital cable system.

WWIL delivers approximately 200 digital channels and upto 100 analogue channels on the existing network. As on March 31, 2008 its network reaches to approximately 6.7 million cable homes. WWIL operates from 7 regional offices and has 69 analogue headends and 7 digital headends. WWIL is professionally run with a team of experienced senior management team, responsible for day-to-day functioning for the business functions and supported by a team of qualified executives and engineers for the functional responsibilities, having sufficient relevant experience. WWIL has recruited several professionals with domain expertise in critical areas and has employee strength of over 500.

For the year ended March 31, 2008 the income from operations was Rs. 2,710.06 million, which was 95% of the total revenue of Rs. 2,855.04 million.

1. Company Background

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

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

2. Competitive Strengths

The principal competitive strengths of WWIL are as follows:

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

WWIL is one of India's largest Multi System Operator in the cable business. WWIL is present in 43 cities of the country. It provides input to approximately 4,000 LCOs through its 69 analogue and 7 digital headends. These features give WWIL direct reach of approximately 6.7 million cable homes.

(ii) Strong operational, technical and management team:

WWIL has qualified, experienced and highly successful promoters, management, operations and technical teams who have contributed to its growth and would help it to successfully craft and implement its strategy. WWIL believes that it's competent, experienced and skilled operational and technical team is it's key strength in sustaining business operations and the management team is well placed to provide strategic leadership and direction to explore new emerging opportunities as well as constantly improve the current operations. WWIL has recruited several professionals with domain expertise in critical areas which provides a significant competitive edge. As on March 31, 2008, WWIL has more than 500 employees on its roll.

(iii) '24 x 7' Customer Care:

WWIL lays greater emphasis on customer services. WWIL has set multiple internal benchmarks across its entire customer service centre, for regularly reviewing and assessing quality of response and also to understand the issues customers are facing across the call centres. WWIL has deputed dedicated technical team on the ground to speedily address and resolve customer issues.

(iv) Forward Integration Model:

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

BUSINESS STRATEGY

Cable television has registered an impressive growth over the last decade. There has been a tremendous growth in the C&S household and cable television networks have emerged in an un-regulated and fragmented manner. In such a situation WWIL has identified several opportunities for growth of business and plans to grow and consolidate its position in the cable business by focusing on two key priorities viz. digitalisation of cable TV and transforming itself into a 'B to C' company with the focus on consumer. WWIL has taken multiple initiatives to build all its systems, processes and delivery to provide the consumer with the best TV viewing experience at affordable price with Value added Services like broadband internet and movie-on-demand backed by the outstanding customer service.

1. **Acquisition of subscribers :**

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

2. **Upgrading of the Company's Cable plant :**

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

3. **Launch of Digital Cable TV Distribution System :**

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

4. **Headend in the Sky (HITS) :**

   WWIL would be the first MSO to deliver digital services through HITS platform in India which would enable it to rollout digital services and a sophisticated service network to a larger national market quickly and efficiently. HITS is a satellite based technology that allows high quality digital TV signals to be provided to last mile operators over C band. Using this technology WWIL would be able to provide digital TV services anywhere in India. WWIL plans to use HITS to digitalise cable networks across India. While it will facilitate digitalization of large cities, it will also allow for efficient and speedy digitalsation of cable TV for large housing projects, townships, hotels etc. HITS can also be implemented to service smaller towns/villages, which will increase its scope. The Company would also be able to acquire smaller LCOs and replace their redundant analogue headend with a HITS installation. This will provide the Company a significant advantage to capture the market on a pan-India basis.

5. **Maintain consistently high standards of corporate governance :**

   WWIL firmly believes that good governance is critical in sustaining corporate development, increasing productivity and competitiveness and creating shareholder wealth. The governance process should ensure that the available resources are utilised in a manner that meets the aspirations of all its stakeholders. The Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis.

   With the increasing emphasis on transparency and accountability WWIL has made conscious efforts to institutionalize Corporate Governance practices. WWIL's corporate structure, business and disclosure practices have been aligned to its Corporate Governance Philosophy. The Company would continuously endeavour to take forward the best practices to facilitate effective management and enhance stakeholder's value.

BUSINESS ACTIVITIES

Primary business activities of WWIL are as follows:

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

1. **Cable Subscription:**

   WWIL provides Cable subscription service by using following models :

   (i) Analogue Cable Model:

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

   (ii) CAS Model:

   CAS is a method of bringing in addressability in the distribution system and accurately tracking subscribers. CAS can be implemented in the digital mode. The broadcaster sends encrypted signals via satellite which is captured at the Digital Headend, de-crypted, re-encrypted based on each consumers registered subscription request and delivered to the consumer via the LCOs. Subscribers need a special device called Set Top Box (STB) to decrypt the signals so that these could be viewed on their television set. A Set Top Box allows only those channels to be viewed that have been registered by that subscriber through the subscriber management system and encryption facilities at the MSO's Headend leading to proper discovery of the number of TV sets on which a specific channel is available. CAS is beneficial to subscribers as they pay only for the channels they want to view and to broadcasters since they get paid for every TV on which their channel is made available thereby establishing transparency in the system. It also ensures that the MSO gets paid for all the subscribers to which it is sending TV signals. TRAI has mandated CAS in notified areas of Delhi, Kolkata and Mumbai.

   (iii) Internet over Cable Project:

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

2. **Bandwidth Charges:**

   WWIL is one of the largest MSOs in the country having a presence in 43 cities. WWIL has created infrastructure which is capable of running upto 200 digital channels and upto 100 analogue channels. WWIL has entered into various agreements with broadcasters for channel placement, commanding a premium for different frequencies on which the channels are run. Bandwidth charges are an important source of revenue in both digital and analogue services.

3. **Advertisement:**

   WWIL, being one of the largest networks, had initiated city specific channels and local channels such as Siti Delhi, Siti Noida, Siti Mumbai, Siti Kolkata and so on. These channels are local in content. WWIL has also initiated movie channels across cities. Major advertising revenue comes from Scroll Advertising, Commercials, Stills, Movies Promos, Song Promos.

4. **Leasing Out Infrastructure:**

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

STANDALONE FINANCIALS

A. RESULTS OF OPERATIONS

Non-Consolidated Financial Information for the Year Ended March 31, 2008 compared to the Period Ended March 31, 2007.

Total Revenue

Total revenue increased by Rs. 412.46 million or 21% from Rs. 1,927.02 million to Rs. 2,339.48 million.

Sales/Income from Operations

Revenue from Sales/Income from Operations increased by Rs. 485.98 million or 28% from Rs. 1,736.79 million to Rs. 2,222.77 million.

Other Income

Other income decreased by Rs. 73.52 million or 39% from Rs. 190.23 million to Rs. 116.71 million.

Total Expenditure

Total expenditure increased by Rs. 445.89 million or 22% from Rs. 2,024.48 million to Rs. 2,470.37 million. It includes Operational cost, Personnel cost, Administrative expenses and Selling and Distribution expenses. The major component of total expenditure for the year comprises of distribution charges and pay channel subscription charges.

Operational Cost

Operational Cost increased by Rs. 361.40 million or 23% from Rs. 1,562.10 million to Rs. 1,923.50 million. Major operational cost is due to pay channel subscription charges and distribution charges.

Personnel Cost

Personnel Cost increased by Rs. 67.34 million or 60% from Rs. 113.01 million to Rs. 180.35 million on account of increase in the number of employees.

Administrative Expenses

Administrative Expenses decreased by Rs. 6.69 million or 2% from Rs. 311.98 million to Rs. 305.29 million. Major component for the year is towards provisioning for doubtful debts.

Selling and Distribution Expenses

Selling and Distribution Expenses increased by Rs. 23.84 million or 64% from Rs. 37.39 million to Rs. 61.23 million. Advertisement and publicity expenses on account of new marketing initiatives including promotion of new packages have led to this rise. As a % of sales, it has marginally increased to 2.75% from 2.15%.

Operating Profit/(Loss)

Operating Profit/(Loss) has gone up to Rs. (130.89) million from Rs. (97.46) million, which amounts to (5.89%) of the sales during the year.

Interest and Finance Charges

Interest and Finance charges has gone up by Rs. 201.54 million or 119% from Rs. 169.23 million to Rs. 370.77 million on account of higher interest and borrowing during the year.

Depreciation

Depreciation has decreased by Rs. 41.58 million from Rs. 333.61 to Rs. 292.03 million.

Profit/(Loss) Before Exceptional Items and Tax

Profit/(Loss) before exceptional items and tax has gone up to Rs. (793.69) million from Rs. (600.30) million.

Exceptional Items

Exceptional Items for the year ended March 31, 2008 is Rs. 795.71 million as compared to Rs. 562.76 million during the period ended March 31, 2007.

Profit/(Loss) Before Tax

Profit/(Loss) before tax for the year ended March 31, 2008 has gone up to Rs. (1,589.40) million from Rs. (1,163.06) million.

Provision for Taxation

Provision for taxation for the year ended March 31, 2008 is Rs. 3.51 million as compared to Rs. (51.91) million for the period ended March 31, 2007.

Profit/(Loss) After Tax

Profit/(Loss) after tax for the year ended March 31, 2008 has gone up to Rs. (1,592.91) million from Rs. (1,111.15) million.

B. FINANCIAL POSITION

Non-Consolidated Financial Position as on March 31, 2008 as compared to March 31, 2007.

Sources of Funds

Share Capital, Reserves and Surplus

Equity Share Capital is Rs. 217.24 million as on March 31, 2008 at same level as on March 31, 2007. Reserves and Surplus as on March 31, 2008 has depleted on account of loss for the year ended March 31, 2008.

Loan Funds

Total loan funds as on March 31, 2008 stood at Rs. 3,737.93 million, up from Rs. 2,647.26 million as on March 31, 2007.

Application of Funds

Fixed Assets

During the year the Company's Gross Fixed Assets Block increased by Rs.167.19 million, from Rs. 1802.40 million as on March 31, 2007 to Rs. 1,969.59 million as on March 31, 2008. The Net Block decreased by Rs. 97.63 million from Rs. 1,131.05 million as on March 31, 2007 to Rs. 1,033.42 million as on March 31, 2008. Capital Work-in-Progress including Capital Advances is Rs. 383.86 million as on March 31, 2008 up from Rs. 251.48 million as on March 31, 2007.

Investments

Total Investments of the Company were valued at Rs. 111.79 million as on March 31, 2008 as compared to Rs. 198.17 million as on March 31, 2007.

Net Current Assets

The Net Current Assets has decreased by Rs. 436.17 million during the year ended March 31, 2008 from Rs. 1,557.65 million on March 31, 2007 million to Rs. 1,121.48 million as on March 31, 2008.

Current Assets

Inventories

Inventories of the Company increased from Rs. 720.36 million as on March 31, 2007 to Rs. 860.34 million as on March 31, 2008.

Sundry Debtors

Sundry Debtors have increased to Rs. 1,031.67 million as on March 31, 2008 from Rs. 617.84 million as on March 31, 2007.

Cash and Bank Balances

Cash and Bank Balances lying with the Company, as on March 31, 2008 were Rs. 176.04 million as against Rs. 154.26 million as on March 31, 2007.

Loans and Advances

Loans and Advances as on March 31, 2008 decreased to Rs. 417.43 million from Rs. 1,484.06 million as on March 31, 2007.

Current Liabilities and Provisions

Current Liabilities

Current liabilities stood at Rs. 1,348.55 million as on March 31, 2008 down from Rs. 1,406.89 million as on March 31, 2007.

Provisions

Provisions stood at Rs. 15.45 million as on March 31, 2008 up from Rs. 11.98 million as on March 31, 2007.

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

Miscellaneous Expenditure (to the extent not written off or adjusted) reduced by Rs. 1.11 million from Rs. 10.35 million as on March 31, 2007 to Rs. 9.24 million as on March 31, 2008.

CONSOLIDATED FINANCIALS

A. RESULTS OF OPERATIONS

Consolidated Financial Information for the Year Ended March 31, 2008 compared to the Period Ended March 31, 2007.

Total Revenue

Total revenue increased by Rs. 566.82 million or 25% from Rs. 2,288.22 million to Rs. 2,855.04 million.

Sales/Income from Operations

Revenue from Sales/Income from Operations increased by Rs. 629.42 million or 30% from Rs. 2,080.64 million to Rs. 2,710.06 million.

Other Income

Other income decreased by Rs. 62.60 million or 30% from Rs. 207.58 million to Rs. 144.98 million.

Total Expenditure

Total expenditure increased by Rs. 579.59 million or 25% from Rs. 2,313.94 million to Rs. 2,893.53 million. It includes Operational cost, Personnel cost, Administrative expenses and Selling and Distribution expenses. The major component of total expenditure for the year comprises of distribution charges and pay channel subscription charges.

Operational Cost

Operational Cost increased by Rs. 471.94 million or 26% from Rs. 1,787.56 million to Rs. 2,259.50 million. Major operational cost is due to pay channel subscription charges and distribution charges.

Personnel Cost

Personnel Cost increased by Rs. 75.24 million or 59% from Rs. 127.55 million to Rs. 202.79 million on account of increase in the number of employees.

Administrative Expenses

Administrative Expenses decreased by Rs. 4.10 million or 1% from Rs. 360.65 million to Rs. 364.75 million. Major component for the year is towards provisioning for doubtful debts.

Selling and Distribution Expenses

Selling and Distribution Expenses increased by Rs. 28.31 million or 74% from Rs. 38.18 million to Rs. 66.49 million. Advertisement & publicity expenses on account of new marketing initiatives including promotion of new packages have led to this rise.

Operating Profit/(Loss)

Operating Profit/(Loss) has gone up to Rs. (38.49) million from Rs. (25.72) million, which amounts to (1.42%) of the sales during the year.

Interest and Finance Charges

Interest and Finance charges has gone up by Rs. 202.22 million or 119% from Rs. 169.63 million to Rs. 371.85 million on account of higher interest and borrowing during the year.

Depreciation

Depreciation has decreased by Rs. 35.19 million from Rs. 344.67 to Rs. 309.48 million.

Profit/(Loss) Before Exceptional Items and Tax

Profit/(Loss) before exceptional items and tax has gone up to Rs. (719.82) million from Rs. (540.02) million.

Exceptional Items

Exceptional Item for the year ended March 31, 2008 is Rs. 795.71 million as compared to Rs. 562.75 million during the period ended March 31, 2007.

Profit/(Loss) Before Tax

Profit/(Loss) before tax for the year ended March 31, 2008 has gone up to Rs. (1,515.53) million from Rs. (1,102.77) million.

Provision for Taxation

Provision for taxation for the year ended March 31, 2008 is Rs. 13.48 million as compared to Rs. (29.13) million for the period ended March 31, 2007.

Profit/(Loss) After Tax

Profit/(Loss) after tax for the year ended March 31, 2008 has gone up to Rs. (1,529.01) million from Rs. (1,073.64) million.

B. FINANCIAL POSITION

Consolidated financial position as on March 31, 2008 as compared to March 31, 2007.

Sources of Funds

Share Capital, Reserves and Surplus

Equity Share Capital is Rs. 217.24 million as on March 31, 2008 at same level as on March 31, 2007. Reserves and Surplus as on March 31, 2008 is Rs. 97.51 million as compared to Rs. 309.58 million as on March 31, 2007.

Loan Funds

Total loan funds as on March 31, 2008 stood at Rs. 3,737.93 million, up from Rs. 2,647.26 million as on March 31, 2007.

Application of Funds

Fixed Assets

During the year the Company's Gross Fixed Assets Block increased by Rs. 195.57 million, from Rs. 2,145.34 million as on March 31, 2007 to Rs. 2,340.91 million as on March 31, 2008. The Net Block decreased by Rs. 75.77 million from Rs. 1,394.16 million as on March 31, 2007 to Rs. 1,318.39 million as on March 31, 2008. Capital Work-in-Progress including Capital Advances is Rs. 388.15 million as on March 31, 2008 up from Rs. 251.48 million as on March 31, 2007.

Investments

Total Investments of the Company were valued at NIL million as on March 31, 2008 as compared to Rs. 86.43 million as on March 31, 2007.

Net Current Assets

The Net Current Assets has decreased by Rs. 383.96 million during the year ended March 31, 2008 from Rs. 1,468.30 million on March 31, 2007 million to Rs. 1,084.34 million as on March 31, 2008.

Current Assets

Inventories

Inventories of the Company increased from Rs. 747.11 million as on March 31, 2007 to Rs. 900.05 million as on March 31, 2008.

Sundry Debtors

Sundry Debtors have increased to Rs. 1039.29 million as on March 31, 2008 from Rs. 629.25 million as on March 31, 2007.

Cash and Bank Balances

Cash and Bank Balances lying with the Company, as on March 31, 2008 were Rs. 205.06 million as against Rs. 160.32 million as on March 31, 2007.

Loans and Advances

Loans and Advances as on March 31, 2008 decreased to Rs. 430.93 million from Rs. 1,474.82 million as on March 31, 2007.

Current Liabilities and Provisions

Current Liabilities

Current liabilities stood at Rs. 1,469.11 million as on March 31, 2008 down from Rs. 1,530.15 million as on March 31, 2007.

Provisions

Provisions stood at Rs. 21.88 million as on March 31, 2008 up from Rs. 13.05 million as on March 31, 2007.

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

Miscellaneous Expenditure (to the extent not written off or adjusted) reduced by Rs. 1.09 million from Rs. 10.37 million as on March 31, 2007 to Rs. 9.28 million as on March 31, 2008.

SEGMENTAL PERFORMANCE

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

OTHER COMPANY INFORMATION

1. Internal Control Systems :

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

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

2. Human Resources :

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

RISK FACTORS

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

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

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

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

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

3. Significant Competition from new entrants and existing players.

Significant additional competition in the C&S industry may result in reduced ARPU and thereby negatively affect the Company's revenues and profitability. Further, the introduction of foreign participation in the C&S sector will result in the entry of multinational C&S companies into the Indian market. Some of the competitors are larger than WWIL and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Maintaining or increasing the market share will depend on effective marketing initiatives including advertising and the Company's ability to improve processes. WWIL cannot assure you that it would be able to compete effectively with other players. WWIL's failure to compete effectively could have a material adverse effect on its business and profitability.

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

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

5. **Improved Technology.**

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

6. **Operations in a highly capital intensive sector.**

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

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

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

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

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

9. **The business largely dependent on Broadcasters and LCOs.**

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

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

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

Auditors' Report

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

1. We have audited the attached balance sheet of Wire and Wireless (India) Limited ('the Company') as at March 31, 2008 and also the profit and loss account and the cash flow statement for the year ended March 31, 2008 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   v. On the basis of the written representations received from the Directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008;
      b) in the case of the profit and loss account, of the loss for the year ended March 31, 2008; and
      c) in the case of cash flow statement, of the cash flows for year ended March 31, 2008.

For S. R. Batliboi & Associates
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Re: Wire and Wireless (India) Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for some of the network equipments taken over in the Scheme of Arrangement where the records are maintained for group of similar assets and not for each individual asset. The fixed assets register does not contain item-wise depreciation and accumulated depreciation.*

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification. As informed, no material discrepancies were noticed on such verification. *In our opinion, the frequency of the physical verification of the network equipment needs to be improved having regard to the size of the Company and the nature of its assets*.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act').

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets, sale of set top boxes, sale of advertising, content carriage services and services for digital subscription. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. *However, the internal control system for the sale of services for analogue subscription is inadequate since the Company does not have written agreements with customers in some cases. In our opinion this is a continuing failure to correct major weakness in the internal control system.*

(v) According to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Act for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess have *not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.*

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

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Andhra Pradesh State Entertainment Tax, 1939	Entertainment Tax	133,014	November 2006	25-12-2006	Not paid
		134,392	December 2006	25-01-2007	
		127,856	January 2007	25-02-2007	
		120,020	February 2007	25-03-2007	
		143,238	March 2007	25-04-2007	
		57,238	April 2007	25-05-2007	
		117,893	May 2007	25-06-2007	
		76,119	June 2007	25-07-2007	
		113,190	July 2007	25-08-2007	
		136,610	August 2007	25-09-2007	

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

(x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

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

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. Batliboi & Associates
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	Schedule	2008	2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**217.24**	217.24
Reserves and Surplus	2	**–**	284.19
		217.24	501.43
Loan Funds			
Secured Loans	3	**2,622.69**	2,212.26
Unsecured Loans	4	**1,115.24**	435.00
		3,737.93	2,647.26
TOTAL		**3,955.17**	3,148.69
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	**1,969.59**	1,813.09
Less:Accumulated Depreciation/Amortisation		**936.18**	682.05
Net Block		**1,033.41**	1,131.04
Capital Work-in-Progress including Capital Advances		**383.86**	251.48
		1,417.27	1,382.52
Investments	6	**111.79**	198.17
Current Assets, Loans and Advances			
Inventories	7	**860.34**	720.36
Sundry Debtors	8	**1,031.67**	617.84
Cash and Bank Balances	9	**176.04**	154.26
Loans and Advances	10	**417.43**	1,484.06
		2,485.48	2,976.52
Less: Current Liabilities and Provisions			
Current Liabilities	11	**1,348.55**	1,406.89
Provisions	12	**15.45**	11.98
		1,364.00	1,418.87
Net Current Assets		**1,121.48**	1,557.65
Miscellaneous Expenditure	13	**9.24**	10.35
(to the extent not written off or adjusted)			
Profit and Loss Account		**1,295.39**	–
TOTAL		**3,955.17**	3,148.69
Significant Accounting Policies and Notes to Accounts	21		

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

As per our attached report of even date
For **S. R. Batliboi & Associates**
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	Schedule	2008	For the period from March 24, 2006 to March 31, 2007
INCOME			
Sales/Income from Operations		**2,222.77**	1,736.79
Other Income	14	**116.71**	190.23
		2,339.48	1,927.02
EXPENDITURE			
Operational Cost	15	**1,923.50**	1,562.10
Personnel Cost	16	**180.35**	113.01
Administrative Expenses	17	**305.29**	311.98
Selling and Distribution Expenses	18	**61.23**	37.39
		2,470.37	2,024.48
OPERATING PROFIT/(LOSS)		**(130.89)**	(97.46)
Interest and Finance Charges	19	**370.77**	169.23
Depreciation		**292.03**	333.61
		662.80	502.84
Profit/(Loss) Before Exceptional Items and Tax		**(793.69)**	(600.30)
Exceptional Items	20	**795.71**	562.76
Profit/(Loss) Before Tax		**(1,589.40)**	(1,163.06)
Less: Provision for Tax			
Current Tax		**–**	–
Deferred Tax		**–**	(54.32)
Fringe Benefit Tax		**3.51**	2.41
Profit/(Loss) After Tax		**(1,592.91)**	(1,111.15)
Less: Prior Period Adjustments (Net) (Refer Note 3 M of Schedule 21)		**(13.33)**	–
Net Profit/(Loss) for the year		**(1,579.58)**	(1,111.15)
Add: Adjustment Pursuant to the Scheme		**–**	1,395.34
Add: Balance Brought Forward from Previous Year		**284.19**	–
Balance Carried to Balance Sheet		**(1,295.39)**	284.19
Earnings/(Loss) Per Share : (Rs.)			
Basic/Diluted (Nominal value of shares Re.1 (Previous Period : Re. 1)) (Refer Note 3 G of Schedule 21)		**(7.27)**	(5.21)
Significant Accounting Policies and Notes to Accounts	21		

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

As per our attached report of even date
For **S. R. Batliboi & Associates**
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	2008	2007
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
290,000,000 (Previous Period: 290,000,000) Equity Shares of Re. 1 each	290.00	290.00
10,000,000 (Previous Period: 10,000,000) Preference Shares of Re. 1 each	10.00	10.00
TOTAL	300.00	300.00
Issued, Subscribed and Paid-up		
217,217,753 (Previous Period: 217,217,753) Equity Shares of Re. 1 each fully paid up	217.22	217.22
23,436 (Previous Period: 23,436) 7.25% Non Cumulative Redeemable Preference Shares of Re. 1 fully paid up	0.02	0.02
Notes: 1) 216,717,753 (Previous Period: 216,717,753) Equity Shares of Re. 1 each Fully Paid up are alloted for consideration other than cash pursuant to the scheme of arrangement. 2) 23,436 (Previous Period: 23,436) 7.25% Non Cumulative Redeemable Preference Shares of Re. 1 each Fully Paid up alloted on December 29, 2006 and redeemable at par at the end of two years from the date of allotment for consideration other than cash pursuant to the scheme of arrangement.		
TOTAL	217.24	217.24
SCHEDULE 2 : RESERVES AND SURPLUS		
Profit and Loss Account	–	284.19
TOTAL	–	284.19
SCHEDULE 3 : SECURED LOANS		
Loans and Advances from Bank		
- Working Capital Finance	326.60	305.17
Term Loans	2,275.00	1,903.82
Interest Accrued and Due	13.21	–
Finance Lease Obligation	3.94	–
Hire Purchase	3.94	3.27
(Refer Note 3 A of Schedule 21)		
TOTAL	2,622.69	2,212.26
SCHEDULE 4 : UNSECURED LOANS		
Short Term Loans and Advances		
From Others	–	110.00
Other Loans and Advances		
From Others	1,115.24	299.74
Interest Accrued and Due	–	25.26
TOTAL	1,115.24	435.00

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

SCHEDULE 5 : FIXED ASSETS (at Cost)

(Rs. million)

	Gross Block				Depreciation/Amortisation				Net Block	
Particulars	**At April 01, 2007**	**Additions**	**Deductions**	**At March 31, 2008**	**At April 01, 2007**	**For the Year**	**Deletions**	**At March 31, 2008**	**At March 31, 2008**	**At March 31, 2007**
(A) TANGIBLE ASSETS										
Building	30.28	0.75	–	**31.03**	5.27	0.50	–	**5.77**	**25.26**	25.01
Leasehold Land and Improvements	33.46	0.25	–	**33.71**	4.76	3.42	–	**8.18**	**25.53**	28.70
Plant and Machinery	1,463.92	92.58	61.93	**1,494.57**	576.86	234.40	37.44	**773.82**	**720.75**	887.06
Furniture and Fixture	11.61	2.93	–	**14.54**	5.51	0.75	–	**6.26**	**8.28**	6.10
Studio Equipment	28.00	0.92	0.07	**28.85**	19.46	2.09	0.05	**21.50**	**7.35**	8.54
Computers	42.24	20.90	0.05	**63.09**	22.45	5.18	0.04	**27.59**	**35.50**	19.79
Set Top Boxes	73.93	67.31	–	**141.24**	1.97	24.76	–	**26.73**	**114.51**	71.96
Vehicles	11.68	8.90	1.22	**19.36**	3.81	1.59	0.07	**5.33**	**14.03**	7.87
Office Equipment	27.99	8.12	0.21	**35.90**	8.07	1.53	0.13	**9.47**	**26.43**	19.92
TOTAL - (A)	**1,723.11**	**202.66**	**63.48**	**1,862.29**	**648.16**	**274.22**	**37.73**	**884.65**	**977.64**	**1,074.95**
(B) INTANGIBLE ASSETS										
Goodwill	–	2.27	–	**2.27**	–	0.45	–	**0.45**	**1.82**	–
Cable Rights	50.52	–	0.17	**50.35**	27.73	10.07	0.17	**37.63**	**12.72**	22.79
Software	39.46	15.22	–	**54.68**	6.16	7.29	–	**13.45**	**41.23**	33.30
TOTAL - (B)	**89.98**	**17.49**	**0.17**	**107.30**	**33.89**	**17.81**	**0.17**	**51.53**	**55.77**	**56.09**
TOTAL (A+B)	**1,813.09**	**220.15**	**63.65**	**1,969.59**	**682.04**	**292.03**	**37.90**	**936.18**	**1,033.41**	**1,131.04**
Previous Year 31.03.2007	1,791.55	583.30	561.76	**1,813.09**	617.30	333.61	268.87	**682.05**	**1,131.04**	

Note : Vehicles includes vehicles taken on finance lease:
Gross Block Value Rs. 4.30 million (Previous Period : Rs. Nil)
Net Block Value Rs. 4.08 million (Previous Period : Rs.Nil)

SCHEDULE 6 : INVESTMENTS

Long Term - At Cost

Unquoted - Trade

Equity Shares

(Rs. million)

			2008		2007
480	Equity Shares of Rs. 100/- each fully paid up of Master Ads Pvt. Ltd.	**0.05**		0.05	
	Less: Provision for diminution in value of Investments	**0.05**	**–**	0.05	–
9,500	Equity Shares of Rs.10/- each fully paid up of Dakshin Communication Pvt. Ltd.	**1.77**		1.77	
	Less: Provision for diminution in value of Investments	**1.77**	**–**	1.77	–
3,000	Equity Shares of Rs.10/- each fully paid up of Centre Channel Pvt. Ltd.	**0.23**		0.23	
	Less: Provision for diminution in value of Investments	**0.23**	**–**	0.23	–
	6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up of				
14,080	Haryana Communication Network Pvt. Ltd.	**7.04**		7.04	
	Less: Provision for diminution in value of Investments	**7.04**	**–**	7.04	–
5,430	Bangalore Communication Network Pvt. Ltd. #		**–**		2.71
1,610	Banjara Telelinks Pvt. Ltd. #		**–**		0.80
579	Bargachh Telelinks Pvt. Ltd. #		**–**		0.29
8,420	Chanakya Communications Network Pvt. Ltd. #		**–**		4.21
9,680	Chandigarh Network Systems Pvt. Ltd. #		**–**		4.84
1,230	Chirag Telelinks Pvt. Ltd. #		**–**		0.61
5,489	Condoor Communication Pvt. Ltd. #		**–**		2.75
41,960	Dakhsin Communications Pvt. Ltd. #		**–**		20.98
8,580	Faridabad Entertainment Pvt. Ltd. #		**–**		4.29
6,270	Garden City Communication Pvt. Ltd. #		**–**		3.14

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

SCHEDULE 6 : INVESTMENTS (Contd.)

		2008	2007
14,140	Him Mohini Communications Pvt. Ltd. #	–	7.07
3,659	North Bombay Cable Network Pvt. Ltd. #	–	1.83
12,510	North Delhi Cable Network Pvt. Ltd. #	–	6.25
8,118	Purvalaya Communications Pvt. Ltd. #	–	4.06
15,270	Purvi Communications Pvt. Ltd. #	–	7.64
9,820	Rajdhani Communication Network Pvt. Ltd. #	–	4.91
250	Satellite Communication Pvt. Ltd. #	–	0.13
5,730	Shri Sai Network Pvt. Ltd. #	–	2.87
3,290	Siti Communication Pvt. Ltd. #	–	1.65
1,290	Tirupathy Communication Network Pvt. Ltd. #	–	0.64
2,050	Trans Yamuna Communication Network Pvt. Ltd. #	–	1.02
3,850	Vanasthali Communication Network Pvt. Ltd. #	–	1.92
2,530	West Delhi Cable Network Pvt. Ltd. #	–	1.27
1,100	Zem Communication Pvt. Ltd. #	–	0.55
26,020	Ahmedabad Network System Pvt. Ltd. #	–	–
7,570	Amritsar Communication Network Pvt. Ltd. #	–	–
5,248	Delhi Prime Communication Network Pvt. Ltd. #	–	–
2,420	Divine Cable Visions Pvt. Ltd. #	–	–
4,600	Divya Communications Pvt. Ltd. #	–	–
5,699	Dwarka Telelinks Pvt. Ltd. #	–	–
1,989	East Delhi Communication Network Pvt. Ltd. #	–	–
4,469	East Ludhiana Cable Network Pvt. Ltd. #	–	–
10,280	East Patel Communication Network Pvt. Ltd. #	–	–
4,760	Jabalpur Cable Network Pvt. Ltd. #	–	–
2,990	Jalandhar Multimedia Pvt. Ltd. #	–	–
6,820	Jammu Communications Network Pvt. Ltd. #	–	–
12,930	Karnal Communications Pvt. Ltd. #	–	–
14,220	Mani nagar Network Pvt. Ltd. #	–	–
590	Nizamabad Communication Pvt. Ltd. #	–	–
6,580	Noida Network Systems Pvt. Ltd. #	–	–
10,898	Panchsheel Communication Network Pvt. Ltd. #	–	–
8,880	Panipat Communications Pvt. Ltd. #	–	–
4,180	Pink City Communication Network Pvt. Ltd. #	–	–
23,010	Sabarmati Network Pvt. Ltd. #	–	–
15,440	Space Channel Communication Pvt. Ltd. #	–	–
7,070	Vasant Kunj Cable Network Pvt. Ltd. #	–	–
4,390	Vision Network Pvt. Ltd. #	–	–
		–	86.43
	Less : Provision for diminution in value of Investments	–	–
		–	86.43
	In Subsidiaries - Wholly owned		
10,000	Equity shares of Rs. 10/- each fully paid up of Siticable Broadband South Ltd.	**0.10**	0.10
50,000	Equity Shares of Rs. 10/- each fully paid up of Central Bombay Cable Network Ltd.	**0.50**	0.50
		0.60	0.60
	In Subsidiaries - Others		
6,831,000	Equity Shares of Rs. 10/- each fully paid up of Indian Cable Net Company Ltd.	**111.14**	111.14
5,100	Equity Shares of Rs. 10/- each fully paid up of Wire and Wireless Tisai Satelite Pvt. Ltd.	**0.05**	–
	TOTAL	**111.79**	198.17

Note : Diminution in the value of these investments has been written off.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	2008	2007
SCHEDULE 7 : INVENTORIES (at lower of cost or net realisable value)		
Stock in trade	**798.89**	677.12
Store and Spares	**61.45**	43.24
TOTAL	**860.34**	720.36
SCHEDULE 8 : SUNDRY DEBTORS		
More than six months		
– Unsecured Considered Good	**315.33**	131.67
– Unsecured Considered Doubtful	**628.57**	350.28
	943.90	481.95
Less: Provision for Doubtful Debts	**628.57**	350.28
	315.33	131.67
Others		
– Unsecured Considered Good	**716.34**	486.17
TOTAL	**1,031.67**	617.84
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash on hand	**3.23**	3.86
Balance with Scheduled Banks		
- On Current Accounts	**63.97**	33.63
- On Deposit Accounts (for facilities provided by banks)	**84.68**	100.89
Cheques and Drafts on Hand/Transit	**24.16**	15.88
TOTAL	**176.04**	154.26
SCHEDULE 10 : LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances and Loan to Subsidiaries	**25.09**	24.90
Advances to Distribution Companies	**–**	393.27
Advances Recoverable in cash or in kind or for value to be received	**224.25**	118.03
Inter Corporate Deposits	**7.76**	784.96
Deposit - Others	**85.69**	77.88
Advance Tax	**74.64**	85.02
Unsecured, Considered Doubtful		
Advances to Distribution Companies	**738.38**	136.21
Deposit - Others	**2.81**	2.23
Other Advances	**36.47**	26.24
	1,195.09	1,648.74
Less : Provision for Advances to Distribution Companies	**738.38**	136.21
Provision for Deposits - Others	**2.81**	2.23
Provision for Other Advances	**36.47**	26.24
(Refer Note 3 N (i) of Schedule 21)		
TOTAL	**417.43**	1,484.06

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	2008	2007
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors :		
– For Programs and Goods	**321.13**	392.65
– For Expenses	**484.73**	306.58
– For Other Liabilities	**428.98**	605.00
Trade Advances/Deposits received	**51.64**	56.84
Bank Overdraft	**–**	44.52
Interest Accrued but not Due	**62.07**	1.30
(Refer Note 3 K of Schedule 21)		
TOTAL	**1,348.55**	1,406.89
SCHEDULE 12 : PROVISIONS		
Provision for Fringe Benefit Tax (Net of Advance Tax)	**1.26**	1.89
Provision for Employee Benefits	**14.19**	10.09
TOTAL	**15.45**	11.98
SCHEDULE 13 : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Unamortised Finance Cost	**7.92**	8.58
Preliminary Expenses	**1.32**	1.77
TOTAL	**9.24**	10.35

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	2008	For the period from March 24, 2006 to March 31, 2007
SCHEDULE 14 : OTHER INCOME		
Interest (T.D.S. Rs. 0.98 million (Previous Period Rs. 17.90 million))	**45.74**	79.77
Miscellaneous Income (Refer Note 3 N (v) of Schedule 21)	**70.97**	110.46
TOTAL	**116.71**	190.23
SCHEDULE 15: OPERATIONAL COST		
Program Production Expenses	**31.15**	34.43
Distribution Charges	**834.16**	822.83
Pay Channel Subscription	**669.23**	374.69
Other Operational Cost	**94.07**	89.13
Repairs and Maintenance - Network	**7.34**	13.24
Right of Way Charges	**19.48**	17.75
Rent	**33.97**	16.13
Power and fuel	**9.63**	3.69
Cost of Goods Sold	**224.47**	190.21
TOTAL	**1,923.50**	1,562.10
SCHEDULE 16 : PERSONNEL COST		
Salaries, Allowances and Bonus	**156.64**	95.02
Contribution to Provident and Other Funds	**10.84**	6.60
Staff Welfare Expenses	**12.87**	11.39
TOTAL	**180.35**	113.01
SCHEDULE 17: ADMINISTRATIVE EXPENSES		
Rent	**19.05**	15.93
Rates and Taxes	**3.07**	4.52
Brokerage	**0.69**	2.73
Communication Expenses	**11.07**	8.32
Repairs and Maintenance		
– Building	**2.65**	3.48
– Others	**7.10**	5.69
Electricity Expenses and Water Charges	**13.63**	9.31
Legal, Professional and Consultancy Charges	**41.33**	43.89
Printing and Stationery	**7.33**	4.35
Service Charges	**31.29**	8.24
Travelling and Conveyance Expenses	**20.41**	15.11
Vehicle Expenses	**12.25**	7.58
Miscellaneous Expenses	**20.19**	18.82
Provision for diminution in value of Investments	**–**	7.04
Provision for Doubtful Debts	**112.48**	129.22
Loss on Sale/Discard/Write off of Assets (net) (Refer Note 3 N (ii), (iii) and (vi) of Schedule 21)	**2.75**	27.75
TOTAL	**305.29**	311.98

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	2008	For the period from March 24, 2006 to March 31, 2007
SCHEDULE 18: SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity Expenses	**16.27**	13.77
Commission Charges and Incentives	**29.20**	10.23
Rebate and Discount	**12.47**	10.54
Business and Sales Promotion	**3.29**	2.85
TOTAL	**61.23**	37.39
SCHEDULE 19 : INTEREST AND FINANCIAL CHARGES		
Interest on		
– Term Loan	**247.28**	117.15
– Others	**109.93**	43.03
Financing Expenses	**13.56**	9.05
TOTAL	**370.77**	169.23
SCHEDULE 20 : EXCEPTIONAL ITEMS		
Provision for Doubtful Desbts	**20.82**	153.88
Provision for Loans and Advances	**606.60**	24.66
Investment written off	**86.43**	–
Fixed Assets written off	**73.13**	367.41
Inventory written off	**8.73**	16.80
TOTAL	**795.71**	562.75

SCHEDULE 21 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. a) **Background:**

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

   b) The Company's accumulated losses aggregate to Rs. 1,295.39 million as at March 31, 2008 while the share capital is Rs. 217.24 million at that date. During the year, management has initiated implementation of a new business model of Headend in the Sky (HITS) based on which the Company expects to increase its subscriber base and improve operational efficiency based on which management expects to earn higher revenues and improve profitability which will enable strengthening of the financial position of the Company in the coming years. The Company is considering various options for raising funds including issue of shares as permissible by the regulatory guidelines and raising loans from banks and financial institutions. The management is of the opinion that it is appropriate to prepare these financial statements on the basis of going concern based on above and assurance of financial and operational support by the promoters.

2. **Statement of Significant Accounting Policies:**

   A) **Basis of preparation:**

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

   B) **Use of Estimates:**

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

   C) **Fixed Assets:**

   (i) Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

   (ii) Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

   (iii) Program/Film/Cable rights are stated at the lower of net cost (cost less accumulated amortisation/ impairment) and realisable value. Where the realisable value on the basis of its useful economic life is less than its carrying amount, the difference is impairment, which is expensed. Program/Film/Cable rights are amortised as follows;

   (a) Cost of news/current affairs/chat shows/events including sports events etc. are fully expensed on first telecast.

   (b) Program/Film/Cable rights are amortised on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.

   D) **Intangible Assets:**

   Goodwill on acquisition is amortised using the straight-line method over a period of five years.

   E) **Depreciation/Amortisation:**

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

	% per annum
Building	1.63
Plant and Machinery	10.00 to 20.00
Furniture and Fixtures	6.33
Studio Equipments	4.75

Computers	16.21
Vehicles	9.50
Office Equipments	4.75
Software	16.21

(ii) Leasehold improvements are amortised over the lease period.

(iii) Plant and Machinery taken over under scheme of arrangement in the previous year are depreciated over the management's estimate of remaining useful life, a period of 5 years.

F) Impairment:

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

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

G) Leases:

Where the Company is the Lessee:

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

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

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

Where the Company is the lessor:

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

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

H) Investments:

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

I) Inventories:

Inventories are valued as follows:

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

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

J) Revenue Recognition:

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

Income from Services:

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

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

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

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

Sale of Goods:

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

Interest:

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

K) Miscellaneous Expenditure:

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

L) Foreign Currency Transaction:

(i) Initial Recognition:

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

(ii) Conversion:

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

(iii) Exchange Differences:

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

M) Retirement and other Employee Benefits:

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

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

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

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

N) Income Tax:

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

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

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

O) Earning Per Share:

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

P) Provisions:

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

3. Notes to Accounts:

A) Secured Loans:

i. Working Capital Finance from Banks

Secured by hypothecation of stocks and book debts, both present and future, all ranking first pari passu with other financing banks and certain credits are further secured by charge on control room equipments installed at various places in Delhi. All the loans are further secured by corporate guarantee of Zee Entertainment Enterprises Ltd. (ZEEL).

ii. Term Loan From Banks/Financial Institution

Secured by hypothecation of Company's movable and immovable properties, book debts, bank accounts, operating cash flows, receivables, commissions, revenues of whatsoever nature and whenever arising, intangibles, both present and future, all ranking first pari passu with other financing banks and financial institution. All the loans are further secured by corporate guarantee of ZEEL.

iii. Hire Purchase facility

Secured by hypothecation of vehicles.

B) Leases:

In case of assets taken on lease

Finance Lease

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

Operating Lease

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

(Rs. million)

Particulars	**Finance Lease**		**Operating Lease**	
	2008	2007	**2008**	2007
Total minimum lease payments at the year end	**0.67**	–	**–**	–
Less: Amount representing finance charges	**0.30**	–	**–**	–
Present value of minimum lease payments	**0.37**	–	**–**	–
Lease payment for the year	**–**	–	**9.31**	10.41
Minimum Lease Payments :				
Not later than one year	**1.27**	–	**1.14**	4.39
Later than one year and not later than five years	**3.07**	–	**7.67**	3.95
Later than 5 years	**–**	–	**–**	–

In case of assets given on Lease

Operating Lease

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

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

(Rs. million)

Description of Assets	Gross Block	Depreciation for the year ended March 31, 2008	Accumulated Depreciation
Plant and Machinery	132.70	18.19	104.82
Equipments	0.25	0.01	0.22
Furniture and Fixtures	0.07	*	0.04
Studio Equipments	0.65	0.04	0.35
Air Conditioners	0.39	0.01	0.05
Set Top Boxes	105.58	21.32	23.95
TOTAL	**239.64**	**39.57**	**129.43**
Previous Year	203.30	25.85	44.42

C) **Contingent Liabilities not provided for:**

(i) Claims against the Company not acknowledged as debts Rs. 79.20 million (Previous Period: Rs. 101.54 million)

(ii) The Company has undertaken continuing financial support to subsidiaries.

D) **Related Party Disclosure:**

(i) Names of Related Parties where control exists:

(a) Promoter Group

Ambience Advertising Company Pvt. Ltd., Briggs Trading Company Pvt. Ltd., Churu Trading Company Pvt. Ltd., Delgrada Ltd., Essel Infraprojects Ltd. (formerly known as Pan India Paryatan Ltd.), Ganjam Trading Company Pvt. Ltd., Jayneer Capital Pvt. Ltd., Lazarus Investments Ltd., Prajatma Trading Company Pvt. Ltd., Premier Finance and Trading Company Ltd., Veena Investment Pvt. Ltd., Mr. Ashok Mathai Kurien, Mr. Laxmi Goel and Ms. Sushila Goel.

(b) Subsidiary Companies

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

(ii) Key Management Personnel:

Mr. Subhash Chandra, Director, Mr. Amit Goenka, Whole-time Director (appointed w.e.f. October 23, 2007) and Mr. Deepak Chandnani, Chief Executive Officer (appointed w.e.f. June 16, 2007).

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

Agrani Satellite Services Ltd., Dakshin Media Gaming Solutions Pvt. Ltd., Dish TV India Ltd., Essel Propack Ltd., ETC Networks Ltd., Intrex India Ltd., Pan India Network Infravest Pvt. Ltd., ZEEL, Zee Interactive Learning System, Zee News Ltd., Zee Turner Ltd.

(Rs. million)

Sr. No.	Particulars Nature of Expenses/Names of the Parties	2008	Major Parties 2008	2007	Major Parties 2007
1.	**Sale, Services and other Recoveries (Net)**	**292.95**		545.18	
	Dish TV India Ltd.		**39.16**		2.96
	Indian Cable Net Company Ltd.		**83.33**		45.81
	ZEEL		**121.60**		396.24
	Zee News Ltd.		**2.55**		90.50

Sr. No.	Particulars Nature of Expenses/Names of the Parties	2008	Major Parties 2008	2007	Major Parties 2007
2.	**Purchase of Programmes, Goods & Services**	**78.68**		74.03	
	Indian Cable Net Company Ltd.		**–**		25.99
	Zee Turner Ltd.		**71.74**		46.06
3.	**Purchase of Fixed Assets, Capital Goods and Investments**	**0.10**		3.47	
	Dish TV India Ltd.		**–**		1.86
	ZEEL		**–**		1.34
	Zee Turner Ltd.		**0.10**		–
4.	**Sale of Fixed Assets & Capital Goods**	**–**		0.86	
	Indian Cable Net Company Ltd.		**–**		0.86
5.	**Advances given**	**475.30**		417.04	
	Churu Trading Co.Pvt. Ltd.		**450.00**		250.68
	Dish TV India Ltd.		**22.22**		121.28
6.	**Receipts towards advances given**	**470.25**		416.99	
	Churu Trading Co. Pvt. Ltd.		**450.00**		250.68
	Dish TV India Ltd.		**11.90**		121.68
7.	**Loans/Deposits received from**	**2,145.00**		542.42	
	Churu Trading Co. Pvt. Ltd.		**1,045.00**		–
	ETC Networks Ltd.		**–**		194.90
	ZEEL		**1,070.00**		347.52
8.	**Repayment of Loans/Deposits received**	**1,409.50**		75.28	
	Churu Trading Co.Pvt. Ltd.		**824.50**		–
	ETC Networks Ltd.		**–**		31.82
	ZEEL		**585.00**		43.45
9.	**Expenses Recovered**	**12.83**		49.62	
	Indian Cable Net Company Ltd.		**4.83**		43.49
	Zee News Ltd.		**4.54**		–
	Zee Turner Ltd.		**1.36**		0.99
10.	**Expenses Reimbursed**	**35.21**		133.37	
	Indian Cable Net Company Ltd.		**4.82**		45.07
	ZEEL		**29.51**		80.64
11.	**Balances Outstanding**				
a.	**Sundry Debtors**	**229.20**		128.79	
	Indian Cable Net Company Ltd.		**51.26**		44.94
	Dish TV India Limited		**35.35**		–
	ZEEL		**123.05**		46.75
	Zee News Ltd.		**4.08**		36.95
b.	**Sundry Creditors**	**182.68**		299.51	
	ZEEL		**158.74**		254.41
c.	**Loans/Deposits/Advances given**	**40.25**		37.00	
	Central Bombay Cable Network Ltd.		**21.92**		23.94
	Dish TV India Ltd.		**–**		10.89
	Zee Turner Ltd.		**13.26**		0.29
d.	**Loans/Deposits/Advances received**	**1,130.15**		409.73	
	Churu Trading Co. Pvt. Ltd.		**220.50**		–
	ETC Networks Ltd.		**110.00**		110.00
	ZEEL		**784.74**		299.74
e.	**Interest Accrued on Loans/Deposits/ Advances received**	**59.55**		25.25	
	Churu Trading Co. Pvt. Ltd.		**20.92**		–
	ZEEL		**36.08**		23.15

E) **Employee Benefits:**

Defined Contribution Plan

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

Employer's Contribution to Provident Fund Rs. 10.16 million.

Defined Benefit Plan

The Company has a defined benefit gratuity plan

The following table summarizes the components of net benefit expenses recognised in the Profit and Loss Account and amounts recognised in the Balance Sheet for this plans.

Profit and Loss Account

Net employee benefit expense (recognised in the Employee cost)

(Rs. million)

Particulars	**Gratuity**	
	2008	2007
Current service Cost	**1.74**	0.48
Interest cost on benefit obligation	**0.39**	0.17
Actuarial gain/(loss) recognised in the year	**0.55**	(0.27)
Net benefit expense	**2.68**	0.38

Balance Sheet

Details of Provision for gratuity

(Rs. million)

Particulars	**Gratuity**	
	2008	2007
Defined Benefit Obligations	**6.13**	4.92

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

(Rs. million)

Particulars	**Gratuity**	
	2008	2007
Defined Benefit Obligation at the beginning of the year	**4.93**	4.54
Current service cost	**1.74**	0.48
Interest cost	**0.39**	0.17
Actuarial gain/(loss)	**0.55**	(0.27)
Benefits paid	**(1.47)**	–
Defined Benefit Obligation at the end of the year	**6.13**	4.93

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

(Rs. million)

Particulars	**Gratuity**	
	2008	2007
Opening Fair Value of Plan assets as on March 31	**–**	–
Expected return	**–**	–
Contribution by employers	**1.48**	–
Benefits Paid	**(1.48)**	–
Actuarial gains/(losses)	**–**	–
Closing Fair Value of Plan Assets	**–**	–

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

(Rs. million)

Particulars	**Gratuity**	
	2008	2007
Discount Rate (per annum)	**8.40%**	8.05%
Expected rate of return on assets (per annum)	**–**	–
Rate of escalation in salary (per annum)	**6.00%**	5.00%

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

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

F) Segment Reporting Polices:

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

G) Earning Per Share:

In accordance with AS - 20 "Earnings Per Share" issued by ICAI, basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of shares outstanding during the year.

Particulars	**2008**	2007
Weighted average number of equity shares (no.)	**217,217,753**	213,150,664
Nominal Value of equity shares (Re.)	**1**	1
Profit/(Loss) after Tax (Rs. million)	**(1,579.58)**	(1,111.15)
Basic/Diluted earnings/(loss) per share (Rs.)	**(7.27)**	(5.23)

There are potential equity shares as on March 31, 2008 in the form of stock options granted to employees. As these are anti dilutive they are ignored in the calculation of diluted earning per share and accordingly the diluted earning per share is the same as basic earning per share.

H) Employee Stock Option Plan – ESOP-2007:

The Company instituted the Employee Stock Option Plan – ESOP-2007 to grant equity based incentives to its eligible employees. The ESOP-2007 ("The Scheme") has been approved by the Board of Directors of the Company at their meeting held on June 27, 2007 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on September 18, 2007 to grant aggregating 4,344,355 options (not exceeding 2% of the issued, subscribed and paid up equity share capital of the Company as on March 31, 2007) representing one share for each option upon exercise by the employee of the Company at an exercise price determined by the Board/Remuneration Committee. The Scheme covers grant of options to the specified permanent employees of the Company and Directors of the Company, whether Whole-time Directors or otherwise as may be decided by the Board. Pursuant to the Scheme, the Remuneration Committee has on October 22, 2007 granted 2,987,300 options to specified eligible employees of the Company at the market price determined as per the SEBI Guidelines.

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

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

Particular	**Grant of Options**
Date of Grant	October 22, 2007
Market Value on date of grant of the options (per Share) (Rs.)	39.75
Exercise Price (per share) (Rs.)	39.75
Vesting Period	Five Years
Options Granted (Nos.)	2,987,300
Option Lapsed (Nos.)	168,500
Options Forfeited (Nos.)	NIL
Options Exercised (Nos.)	NIL
Options Expired (Nos.)	NIL
Options Outstanding at end of the period (Nos.)	2,818,800
Options exercisable at the end of the period (Nos.)	NIL

The Company has granted options to the employees at a exercise price of Rs. 39.75 per share being the confirm market price as per SEBI Guidelines. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOS over the exercise price of the option) on the date of grant, the Company is not required to account the accounting value of option as per SEBI Guidelines.

I) Impairment of Assets:

The Company is in the process of building its cable network infrastructure. The assets mainly consist of cable plant, head ends and other equipment necessary for distribution of TV channel signals through cable network. With the implementation of Conditional Access System and demand for digital signals, the Company has transitioned from analogue distribution system to digital distribution system wherein these assets have significant value. Further, with the proposed introduction of HITS, the Company expects to increase its reach and subscriber base. Management has, based on a ten year detailed business plan to expand its presence, carried out an impairment test on these assets using the discounted cash flow method which reflects that the value in use is significantly higher than the assets deployed/to be deployed in the business.

J) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) amounting to Rs. 31.23 million (Previous Period: Rs. 246.80 million)

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

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

L) Derivative Instruments and Unhedged Foreign Currency Exposure:

Foreign currency exposures that are not hedged by derivative instruments as on March 31, 2008 amount to Rs. 84.2 million (US $ 2.106 million @ Closing rate of 1 USD = Rs. 39.97) (Previous Period: Rs. 197.20 million (US $ 4.524 @ Closing rate of 1 USD = Rs. 43.59)) represented by sundry creditors for capital goods.

M) Prior Period Adjustments (net) amounting to Rs. (13.33) million comprise of the following:

(Rs. million)

Particulars	**2008**	2007
Sales/Income from Operation	**13.79**	–
Operational Expenditure	**(27.12)**	–
TOTAL	**(13.33)**	–

N) Supplementary Statutory Information required to be given pursuant to clause 32 of the listing agreement.

i) Loans and Advances to Companies in which Directors are interested:

(Rs. million)

Sr. No.	**Name of the Enterprise**	**Balance as on March 31, 2008**	**Maximum outstanding during the year**	Balance as on March 31, 2007	Maximum outstanding during the year
	Associates/Parties in which directors are interested				
1.	Agrani Satellite Services Ltd.	**0.21**	**0.21**	–	–
2.	Dish TV India Ltd.	**6.03**	**6.04**	10.89	110.65
3.	Essel Infra Projects Ltd.	**–**	**–**	–	40.00
4.	Essel Propack Ltd.	*****	*****	*	*
5.	ETC Networks Ltd.	**–**	**–**	0.03	0.10
6.	Intrex India Ltd.	**0.71**	**0.75**	0.73	0.73
7.	ZEEL	**0.70**	**0.84**	–	273.84

Sr. No.	Name of the Enterprise	Balance as on March 31, 2008	Maximum outstanding during the year	Balance as on March 31, 2007	Maximum outstanding during the year
8.	Zee Interactive Learning Systems Ltd.	**0.44**	**0.44**	0.32	0.32
9.	Zee News Ltd.	**0.34**	**0.39**	–	–
10.	Zee Turner Ltd.	**13.25**	**13.38**	–	–
	Subsidiaries				
1.	Central Bombay Cable Network Ltd.	**21.92**	**23.94**	23.94	27.44
2.	Siticable Broadband South Ltd.	**3.17**	**3.17**	0.95	2.71

(ii) Director's Remuneration:

(Rs. million)

Particulars	2008	2007
Salaries	**1.96**	2.36
Perquisites	**–**	0.01
Contribution to Provident fund	**0.14**	0.25
Sitting Fees	**0.34**	0.10

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

(iii) Auditors' Remuneration:

(Rs. million)

Particulars	2008	2007
Audit fees	**1.50**	1.40
Certifications	**–**	0.05
Other Services	**1.25**	2.10
Out of Pocket Expenses	**–**	0.03

(iv) Foreign currency Transactions:

(Rs. million)

Earnings in foreign currency		
Particulars	**2008**	2007
Carriage Income	–	11.79
Software Development	–	8.39
TOTAL	–	20.18
Expenditure in foreign currency		
Particulars	**2008**	2007
Travelling	**0.46**	0.54
Legal & Professional	**0.21**	–
Others	**5.56**	0.35
TOTAL	**6.23**	0.89
Value of imports calculated on CIF Value		
Particulars	**2008**	2007
Plant and machinery	**347.66**	740.14
Others	**84.07**	106.27
TOTAL	**431.73**	846.41

(v) Foreign Exchange Gain/(Loss) as on March 31, 2008 amounts to Rs. 22.66 million (Previous Period: Rs. 8.01 million)

(vi) Insurance Charges as on March 31, 2008 amounts to Rs. 2.11 (Previous Period: Rs. 0.43 million)

(vii) Quantitative Information:

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

	2008		2007	
Particulars	**Qty. (Nos.)**	**(Rs. million)**	Qty. (Nos.)	(Rs. million)
Opening Stock				
Cable Modem	**463**	**1.22**	297	0.77
VC Cards	**256,706**	**45.06**	–	–
Set Top Boxes	**275,706**	**630.84**	8,367	21.36
TOTAL		**677.12**		22.13
Particulars	**Qty. (Nos.)**	**(Rs. million)**	Qty. (Nos.)	(Rs. million)
Acquisitions/Productions				
Cable Modem	–	–	246	0.65
VC Cards	**13,758**	**2.44**	355,000	62.38
Set Top Boxes	**216,047**	**396.23**	386,025	895.03
TOTAL		**398.67**		958.06
Particulars	**Qty. (Nos.)**	**(Rs. million)**	Qty. (Nos.)	(Rs. million)
Sales				
Cable Modem	**30**	**0.08**	80	0.21
VC Cards	**39,101**	**6.81**	–	–
Set Top Boxes	**82,368**	**184.52**	64,342	62.09
TOTAL		**191.41**		62.30
Particulars	**Qty. (Nos.)**	**(Rs. million)**	Qty. (Nos.)	(Rs. million)
Consumption				
Cable Modem	**310**	**0.81**	–	–
VC Cards	**92,038**	**16.29**	98,294	17.33
Set Top Boxes	**15,933**	**63.15**	54,344	126.18
TOTAL		**80.25**		143.51
Particulars	**Qty. (Nos.)**	**(Rs. million)**	Qty. (Nos.)	(Rs. million)
Closing Stock				
Cable Modem	**123**	**0.33**	463	1.22
VC Cards	**132,975**	**24.36**	256,706	45.06
Set Top Boxes	**393,452**	**774.20**	275,706	630.84
TOTAL		**798.89**		677.12

O) **" * "** denotes amount less than Rs. 0.005 millions.

P) **Previous year Comparatives:**

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

As per our attached report of even date

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

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

Essel GROUP

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

		2008	For ther period from March 24, 2006 to March 31, 2007
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before taxation and exceptional items	**(793.69)**	(600.30)
	Adjustments for:		
	Depreciation/Amortisation	**292.03**	333.61
	Interest Income	**(45.74)**	(79.77)
	Foreign Exchange Fluctuations	**(22.67)**	(4.60)
	Interest and Finance Expenses	**357.20**	167.85
	Provision for Diminution in value/written off of Investment	**86.43**	7.04
	Bad Debt	**–**	24.66
	Liabilities Written Back	**(41.21)**	(2.54)
	Loss on Sale/Discard of Fixed Assets	**2.25**	43.87
	Write off/other adjustments of Fixed Assets and Capital Work in Progress	**82.07**	380.76
	Preliminary Expenses Written Off	**0.44**	0.44
	Finance Cost Amortised	**9.26**	3.92
	Exceptional Items	**(795.71)**	(562.75)
	Operating profit before working capital changes	**(869.34)**	(287.81)
	Movement in Working Capital		
	Decrease/(Increase) in Sundry Debtors	**(692.29)**	(500.71)
	Decrease/(Increase) in Inventories	**(132.50)**	(637.93)
	Decrease/(Increase) in Loans and Advances	**(383.57)**	(3,268.47)
	Increase/(Decrease) in Current Liabilities	**174.65**	3,466.81
	Increase/(Decrease) in Provisions	**744.00**	287.99
	Cash Flow from Operating Activities Before Tax and prior period adjustment	**(1159.05)**	(940.12)
	Net Prior Period Adjustment	**13.33**	–
	Taxes paid	**(4.13)**	(1.33)
	Net Cash Flow from Operating Activities	**(1149.85)**	(941.45)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets/Capital Work in Progress	**(463.70)**	(331.46)
	Proceeds from sale of Fixed Assets	**7.88**	0.08
	Investments in Mutual Funds	**–**	(100.00)
	Redemption of Mutual Funds	**–**	100.00
	Purchase of Investments in Subsidiaries	**(0.05)**	–
	Loans/Advances to Subsidiary Companies (Net)	**(0.19)**	(9.48)
	Short Term Deposit paid to other corporate	**(787.76)**	(1,511.65)
	Repayment of Short Term Deposit paid	**1,562.90**	1,455.73
	Interest Income Received	**10.58**	78.69
	Net Cash Flow from Investing Activities	**329.66**	(318.10)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	2008	For ther period from March 24, 2006 to March 31, 2007
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Finance Expenses paid	**(251.33)**	(142.74)
Miscellaneous Expenditure	**(8.60)**	(14.71)
Proceeds from Long Term Borrowing	**4,272.48**	1,859.73
Repayment of Term Borrowings	**(3,170.58)**	(350.31)
Proceeds from issuance of Share Capital	**–**	0.50
Net Cash Flow from Financing Activities	**841.97**	1,352.47
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**21.78**	92.93
Opening Cash and Cash Equivalents	**154.26**	–
Cash received through Scheme of Arrangement	**–**	61.33
CLOSING CASH AND CASH EQUIVALENTS	**176.04**	154.26
Cash and Cash Equivalents at the end of the year:		
Cash on Hand	**3.23**	3.86
Cheques and Drafts on Hand/Transit	**24.16**	15.88
Balances with Scheduled Banks on Current Accounts	**63.97**	33.63
Balances with Scheduled Banks on Deposit Accounts	**84.68**	100.89
TOTAL	**176.04**	154.26

As per our attached report of even date
For **S. R. Batliboi & Associates**
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

Essel GROUP

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 1 6 0 7 3 3   State Code 1 1

	Date	Month	Year
Balance Sheet date	3 1	0 3	2 0 0 8

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN MILLIONS)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN MILLIONS)

Total Liabilities	3955.17	Total Assets	3955.17

SOURCES OF FUNDS

Paid-up Capital	217.24	Reserves and Surplus	NIL
Share Application Money	NIL	Secured Loans	2622.69
Unsecured Loans	1115.24		

APPLICATION OF FUNDS

Net Fixed Assets	1417.27	Investments	111.79
Net Current Assets	1121.48	Miscellaneous Expenditure	9.24
Profit and Loss Account	1295.39		

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN MILLIONS)

Turnover*	2339.48	Total Expenditure	3133.17

(*includes other income)

+ – Profit/(Loss) Before Tax and exceptional items	– 793.69	+ – Profit/(Loss) After Tax and exceptional items	– 1579.58
Earnings Per Share before Tax and exceptioal items (weighted) (Rs.)	– 7.27	Dividend Rate (%)	NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) NA

Product Description: RECEPTION & TRANSMISSION/ DISTRIBUTION OF TELEVISION SIGNALS IN ANY FORM

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

Place: Mumbai
Date: June 17, 2008

Auditors' Report

To,

The Board of Directors
Wire and Wireless (India) Limited

1) We have audited the attached consolidated Balance Sheet of Wire and Wireless (India) Limited ('the Company') and its subsidiaries (collectively known as 'the Group'), as at March 31, 2008, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 471.38 million as at March 31, 2008, the total revenue of Rs. 579.54 million and the related cash flows for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4) We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, issued by the Institute of Chartered Accountants of India.

5) Reference is drawn to Note 3(M)(i) to Schedule 21 to the financial statements wherein a subsidiary company has not provided for the Amusement Tax liability amounting to Rs. 70.61 million. Had the provision for amusement tax been recorded, the consolidated loss for the year, the provisions and the balance in the Profit and Loss Account as at March 31, 2008 would have been higher by Rs. 70.61 million. This had caused us to qualify our audit opinion on the financial statements relating to preceding year.

6) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and to the best of our information and according to the explanations given to us, *subject to our comment in paragraph 5 above,* we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2008;

   (b) in the case of the consolidated profit and loss Account, of the loss for the year ended on that date; and

   (c) in the case of the consolidated cash flow statement, of the cash flows for year ended on that date.

For S. R. Batliboi & Associates
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

Essel GROUP

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	Schedule	2008	2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**217.24**	217.24
Reserves and Surplus	2	**97.51**	309.58
		314.75	526.82
Minority Interest		**64.28**	43.55
Loan Funds			
Secured Loans	3	**2,622.69**	2,212.26
Unsecured Loans	4	**1,115.24**	435.00
		3,737.93	2,647.26
Deferred Tax Liability		**9.73**	0.02
(Refer Note 3C of Schedule 21)			
TOTAL		**4,126.69**	3,217.65
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	**2,340.91**	2,145.34
Less:Accumulated Depreciation/Amortisation		**1,022.52**	751.18
Net Block		**1,318.39**	1,394.16
Capital Work-in-Progress including Capital Advances		**388.15**	251.48
		1,706.54	1,645.64
Investments	6	**–**	86.43
Deferred Tax Assets		**–**	6.91
(Refer Note 3C of Schedule 21)			
Current Assets, Loans and Advances			
Inventories	7	**900.05**	747.11
Sundry Debtors	8	**1,039.29**	629.25
Cash and Bank Balances	9	**205.06**	160.32
Loans and Advances	10	**430.93**	1,474.82
		2,575.33	3,011.50
Less: **Current Liabilities and Provisions**			
Current Liabilities	11	**1,469.11**	1,530.15
Provisions	12	**21.88**	13.05
		1,490.99	1,543.20
Net Current Assets		**1,084.34**	1,468.30
Miscellaneous Expenditure	13	**9.28**	10.37
(to the extent not written off or adjusted)			
Profit and Loss Account		**1,326.53**	–
TOTAL		**4,126.69**	3,217.65
Significant Accounting Policies and Notes to Accounts	21		

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

As per our attached report of even date
For **S. R. Batliboi & Associates**
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	Schedule	2008	For the period from March 24, 2006 to March 31, 2007
INCOME			
Sales/Income from Operations		**2,710.06**	2,080.64
Other Income	14	**144.98**	207.58
		2,855.04	2,288.22
EXPENDITURE			
Operational Cost	15	**2,259.50**	1,787.56
Personnel Cost	16	**202.79**	127.55
Administrative Expenses	17	**364.75**	360.65
Selling and Distribution Expenses	18	**66.49**	38.18
		2,893.53	2,313.94
OPERATING PROFIT/(LOSS)		**(38.49)**	(25.72)
Interest and Finance Charges	19	**371.85**	169.63
Depreciation		**309.48**	344.67
		681.33	514.30
Profit/(Loss) Before Exceptional Items and Tax		**(719.82)**	(540.02)
Exceptional Items	20	**795.71**	562.75
Profit/(Loss) Before Tax		**(1,515.53)**	(1,102.77)
Less : Provision for Tax			
Current Tax		**(7.86)**	7.02
Deferred Tax		**17.27**	(39.01)
Fringe Benefit Tax		**4.07**	2.86
Profit/(Loss) After Tax		**(1,529.01)**	(1,073.64)
Less : Prior Period Adjustments (Net) (Refer Note 3 M of Schedule 21)		**(12.35)**	0.65
Less : Minority Interest		**20.68**	11.96
Net Profit/(Loss) for the Year		**(1,537.34)**	(1,086.25)
Add : Adjustment Pursuant to the Scheme		**–**	1,395.34
Add : Balance brought forward from previous year		**212.07**	(97.02)
Add : Transitional adjustment on adoption of AS15 (revised-2005)		**(1.26)**	–
Balance Carried to Balance Sheet		**(1,326.53)**	212.07
Earnings/(Loss) Per Share (Rs.)			
Basic/Diluted (Nominal value of shares Re.1 (Previous Period: Re. 1)) (Refer Note 3 H of Schedule 21)		**(7.08)**	(5.10)
Significant Accounting Policies and Notes to Accounts	21		

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

As per our attached report of even date
For **S. R. Batliboi & Associates**
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

Essel GROUP

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	2008	2007
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
290,000,000 (Previous Period : 290,000,000) Equity Shares of Re. 1 each	**290.00**	290.00
10,000,000 (Previous Period 10,000,000) Preference Shares of Re. 1 each	**10.00**	10.00
TOTAL	**300.00**	300.00
Issued, Subscribed and Paid-up		
217,217,753 (Previous Period : 217,217,753) Equity Shares of Re. 1 each fully paid up	**217.22**	217.22
23,436 (Previous Period : 23,436) 7.25% Non Cumulative Redeemable Preference Shares of Re. 1 fully paid up	**0.02**	0.02
Notes: 1) 216,717,753 (Previous Period : 216,717,753) Equity Shares of Re. 1 each Fully Paid up are alloted for consideration other than cash pursuant to the scheme of arrangement. 2) 23,436 (Previous Period : 23,436) 7.25% Non Cumulative Redeemable Preference Shares of Re. 1 each Fully Paid up alloted on December 29, 2006 and redeemable at par at the end of two years from the date of allotment for consideration other than cash pursuant to the scheme of arrangement.		
TOTAL	**217.24**	217.24
SCHEDULE 2 : RESERVES AND SURPLUS		
Securities Premium	**97.51**	97.51
Profit and Loss Account	**–**	212.07
TOTAL	**97.51**	309.58
SCHEDULE 3 : SECURED LOANS		
Loans and Advances from Bank		
– Working Capital Finance	**326.60**	305.17
Term Loans	**2,275.00**	1,903.82
Interest Accrued and Due	**13.21**	–
Finance Lease Obligation	**3.94**	–
Hire Purchase	**3.94**	3.27
(Refer Note 3 A of Schedule 21)		
TOTAL	**2,622.69**	2,212.26
SCHEDULE 4 : UNSECURED LOANS		
Short Term Loans and Advances		
From Others	**–**	110.00
Other Loans and Advances		
From Others	**1,115.24**	299.74
Interest Accrued and Due	**–**	25.26
TOTAL	**1,115.24**	435.00

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

SCHEDULE 5 : FIXED ASSETS (at Cost)

(Rs. million)

	Gross Block				Depreciation/Amortisation				Net Block	
Particulars	**At April 01, 2007**	**Additions**	**Deductions**	**At March 31, 2008**	**At April 01, 2007**	**For the year**	**Deletions**	**At March 31, 2008**	**At March 31, 2008**	**At March 31, 2007**
(A) TANGIBLE ASSETS										
Building	36.82	0.75	–	**37.57**	5.59	0.50	–	**6.09**	**31.48**	31.23
Leasehold Land and Improvements	40.24	0.24	–	**40.48**	5.15	3.49	–	**8.64**	**31.84**	35.09
Plant and Machinery	1,668.19	121.16	63.09	**1,726.26**	638.74	244.96	37.66	**846.04**	**880.22**	1,029.45
Furniture and Fixture	17.63	5.31	0.23	**22.71**	6.79	1.28	0.02	**8.05**	**14.66**	10.84
Studio Equipment	28.00	0.92	0.07	**28.85**	19.46	2.09	0.05	**21.50**	**7.35**	8.54
Computers	53.16	25.48	0.75	**77.89**	26.97	6.58	0.04	**33.51**	**44.38**	26.19
Set Top Boxes	95.38	71.96	–	**167.34**	2.65	29.59	–	**32.24**	**135.10**	92.73
Vehicles	11.88	8.90	1.22	**19.56**	3.87	1.61	0.07	**5.41**	**14.15**	8.01
Office Equipment	27.99	9.08	0.21	**36.86**	8.07	1.58	0.13	**9.52**	**27.34**	19.92
Total - (A)	**1,979.29**	**243.80**	**65.57**	**2,157.52**	**717.29**	**291.68**	**37.97**	**971.00**	**1,186.52**	**1,262.00**
(B) INTANGIBLE ASSETS										
Goodwill	–	2.27	–	**2.27**	–	0.45	–	**0.45**	**1.82**	–
Cable Rights	50.52	–	0.17	**50.35**	27.73	10.07	0.17	**37.63**	**12.72**	22.79
Software	39.47	15.24	–	**54.71**	6.16	7.28	–	**13.44**	**41.27**	33.31
Goodwill on Acquisition	33.47	–	–	**33.47**	–	–	–	**–**	**33.47**	33.47
Goodwill on Consolidation	42.59	–	–	**42.59**	–	–	–	**–**	**42.59**	42.59
TOTAL - (B)	**166.05**	**17.51**	**0.17**	**183.39**	**33.89**	**17.80**	**0.17**	**51.52**	**131.87**	**132.16**
TOTAL (A+B)	**2,145.34**	**261.31**	**65.74**	**2,340.91**	**751.18**	**309.48**	**38.14**	**1,022.52**	**1,318.39**	**1,394.16**
Previous Year 31.03.2007	**2,038.44**	**672.13**	**565.24**	**2,145.34**	**675.67**	**344.67**	**269.16**	**751.18**	**1,394.16**	

Note : Vehicles includes vehicles taken on finance lease:
Gross Block Value Rs. 4.30 million (Previous Period : Rs. Nil)
Net Block Value Rs. 4.08 million (Previous Period : Rs.Nil)

SCHEDULE 6 : INVESTMENTS

Long Term - At Cost

Unquoted - Trade

Equity Shares

(Rs. million)

			2008		2007
480	Equity Shares of Rs. 100/- each fully paid up of Master Ads Pvt. Ltd.	**0.05**		0.05	
	Less: Provision for diminution in value of Investments	**0.05**	**–**	0.05	–
9,500	Equity Shares of Rs.10/- each fully paid up of Dakshin Communication Pvt. Ltd.	**1.77**		1.77	
	Less: Provision for diminution in value of Investments	**1.77**	**–**	1.77	–
3,000	Equity Shares of Rs.10/- each fully paid up of Centre Channel Pvt. Ltd.	**0.23**		0.23	
	Less: Provision for diminution in value of Investments	**0.23**	**–**	0.23	–
	6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up of				
14,080	Haryana Communication Network Pvt. Ltd.	**7.04**		7.04	
	Less: Provision for diminution in value of Investments	**7.04**	**–**	7.04	–
5,430	Bangalore Communication Network Pvt. Ltd. #		**–**		2.71
1,610	Banjara Telelinks Pvt. Ltd. #		**–**		0.80
579	Bargachh Telelinks Pvt. Ltd. #		**–**		0.29
8,420	Chanakya Communications Network Pvt. Ltd. #		**–**		4.21
9,680	Chandigarh Network Systems Pvt. Ltd. #		**–**		4.84
1,230	Chirag Telelinks Pvt. Ltd. #		**–**		0.61
5,489	Condoor Communication Pvt. Ltd. #		**–**		2.75
41,960	Dakhsin Communications Pvt. Ltd. #		**–**		20.98
8,580	Faridabad Entertainment Pvt. Ltd. #		**–**		4.29
6,270	Garden City Communication Pvt. Ltd. #		**–**		3.14

Essel GROUP

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

		2008	2007
SCHEDULE 6 : INVESTMENTS (Contd.)			
14,140	Him Mohini Communications Pvt. Ltd. #	–	7.07
3,659	North Bombay Cable Network Pvt. Ltd. #	–	1.83
12,510	North Delhi Cable Network Pvt. Ltd. #	–	6.25
8,118	Purvalaya Communications Pvt. Ltd. #	–	4.06
15,270	Purvi Communications Pvt. Ltd. #	–	7.64
9,820	Rajdhani Communication Network Pvt. Ltd. #	–	4.91
250	Satellite Communication Pvt. Ltd. #	–	0.13
5,730	Shri Sai Network Pvt. Ltd. #	–	2.87
3,290	Siti Communication Pvt. Ltd. #	–	1.65
1,290	Tirupathy Communication Network Pvt. Ltd. #	–	0.64
2,050	Trans Yamuna Communication Network Pvt. Ltd. #	–	1.02
3,850	Vanasthali Communication Network Pvt. Ltd. #	–	1.92
2,530	West Delhi Cable Network Pvt. Ltd. #	–	1.27
1,100	Zem Communication Pvt. Ltd. #	–	0.55
26,020	Ahmedabad Network System Pvt. Ltd. #	–	–
7,570	Amritsar Communication Network Pvt. Ltd. #	–	–
5,248	Delhi Prime Communication Network Pvt. Ltd. #	–	–
2,420	Divine Cable Visions Pvt. Ltd. #	–	–
4,600	Divya Communications Pvt. Ltd. #	–	–
5,699	Dwarka Telelinks Pvt. Ltd. #	–	–
1,989	East Delhi Communication Network Pvt. Ltd. #	–	–
4,469	East Ludhiana Cable Network Pvt. Ltd. #	–	–
10,280	East Patel Communication Network Pvt. Ltd. #	–	–
4,760	Jabalpur Cable Network Pvt. Ltd. #	–	–
2,990	Jalandhar Multimedia Pvt. Ltd. #	–	–
6,820	Jammu Communications Network Pvt. Ltd. #	–	–
12,930	Karnal Communications Pvt. Ltd. #	–	–
14,220	Mani nagar Network Pvt. Ltd. #	–	–
590	Nizamabad Communication Pvt. Ltd. #	–	–
6,580	Noida Network Systems Pvt. Ltd. #	–	–
10,898	Panchsheel Communication Network Pvt. Ltd. #	–	–
8,880	Panipat Communications Pvt. Ltd. #	–	–
4,180	Pink City Communication Network Pvt. Ltd. #	–	–
23,010	Sabarmati Network Pvt. Ltd. #	–	–
15,440	Space Channel Communication Pvt. Ltd. #	–	–
7,070	Vasant Kunj Cable Network Pvt. Ltd. #	–	–
4,390	Vision Network Pvt. Ltd. #	–	–
	TOTAL	–	86.43
	Less : Provision for diminution in value of Investments	–	–
		–	86.43

Note : Diminution in the value of these investments has been written off.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	2008	2007
SCHEDULE 7 : INVENTORIES (at lower of cost or net realisable value)		
Stock in trade	**826.02**	694.56
Store and Spares	**74.03**	52.55
TOTAL	**900.05**	747.11
SCHEDULE 8 : SUNDRY DEBTORS		
More than Six Months		
– Unsecured Considered Good	**316.93**	154.98
– Unsecured Considered Doubtful	**677.77**	372.79
	994.70	527.77
Less : Provision for Doubtful Debts	**677.77**	372.79
	316.93	154.98
Others		
– Unsecured Considered Good	**722.36**	474.27
– Unsecured Considered Doubtful	**0.88**	0.15
	723.24	474.42
Less : Provision for Doubtful Debts	**0.88**	0.15
	722.36	474.27
TOTAL	**1,039.29**	629.25
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash on hand	**21.19**	7.95
Balance with Scheduled Banks		
- On Current Accounts	**74.05**	35.30
- On Deposit Accounts (for facilities provided by banks)	**85.66**	101.19
Cheques and Drafts on Hand/Transit	**24.16**	15.88
TOTAL	**205.06**	160.32
SCHEDULE 10 : LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances to Distribution Companies	**–**	393.27
Advances Recoverable in cash or in kind or for value to be received	**231.57**	129.16
Inter Corporate Deposits	**7.76**	784.96
Deposit - Others	**88.55**	82.41
Advance Tax (Net of Provision)	**103.05**	85.02
Unsecured, Considered Doubtful		
Advances to Distribution Companies	**738.38**	136.21
Deposit - Others	**2.81**	2.23
Other Advances	**37.20**	26.24
	1,209.32	1,639.50
Less : Provision for Advances to Distribution Companies	**738.38**	136.21
Provision for Deposits - Others	**2.81**	2.23
Provision for Other Advances	**37.20**	26.24
TOTAL	**430.93**	1,474.82

Essel GROUP

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

(Rs. million)

	2008	2007
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors :		
– For Programs and Goods	**331.45**	387.39
– For Expenses	**484.43**	357.42
– For Other Liabilities	**470.88**	639.20
Trade Advances/Deposits received	**114.04**	99.53
Bank Overdraft	**6.24**	45.31
Interest Accrued but not Due	**62.07**	1.30
TOTAL	**1,469.11**	1,530.15
SCHEDULE 12 : PROVISIONS		
Provision for Fringe Benefit Tax (Net of Advance Tax)	**1.37**	1.89
Provision for Employee Benefits	**18.12**	10.64
Provision for Taxation (Net of Advance Tax Payments)	**2.39**	0.52
TOTAL	**21.88**	13.05
SCHEDULE 13 : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Unamortised Finance Cost	**7.92**	8.58
Preliminary Expenses	**1.36**	1.79
TOTAL	**9.28**	10.37

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	2008	For the period from March 24, 2006 to March 31, 2007
SCHEDULE 14 : OTHER INCOME		
Interest (T.D.S. Rs. 1.02 million (Previous Period Rs. 17.90 million))	**45.95**	79.78
Miscellaneous Income	**99.03**	127.80
TOTAL	**144.98**	207.58
SCHEDULE 15: OPERATIONAL COST		
Program Production Expenses	**31.15**	34.43
Distribution Charges	**871.26**	822.83
Pay Channel Subscription	**923.02**	573.57
Other Operational Cost	**137.27**	96.95
Repairs and Maintenance - Network	**21.61**	18.23
Right of Way Charges	**19.49**	17.75
Rent	**35.15**	16.98
Power and Fuel	**9.85**	3.74
Cost of Goods Sold	**210.70**	203.08
TOTAL	**2,259.50**	1,787.56
SCHEDULE 16 : PERSONNEL COST		
Salaries, Allowances and Bonus	**176.02**	107.71
Contribution to Provident and Other Funds	**12.37**	7.57
Staff Welfare Expenses	**14.40**	12.27
TOTAL	**202.79**	127.55
SCHEDULE 17: ADMINISTRATIVE EXPENSES		
Rent	**24.46**	17.61
Rates and Taxes	**5.12**	4.63
Brokerage	**0.69**	2.73
Communication Expenses	**12.78**	9.26
Repairs and Maintenance		
– Building	**2.83**	3.60
– Others	**11.02**	10.45
Electricity Expenses and Water Charges	**17.36**	11.53
Legal, Professional and Consultancy Charges	**44.59**	45.45
Printing and Stationery	**7.87**	5.09
Service Charges	**33.88**	11.32
Travelling and Conveyance Expenses	**21.87**	15.93
Vehicle Expenses	**15.46**	9.35
Miscellaneous Expenses	**22.48**	19.87
Provision for diminution in value of Investments	**–**	7.04
Provision for Doubtful Debts	**140.65**	157.58
Loss on Sale/Discard/Write off of Assets (net) (Refer Note 3 N (i), (ii) and (iii) of Schedule 21)	**3.69**	29.21
TOTAL	**364.75**	360.65

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	2008	For the period from March 24, 2006 to March 31, 2007
SCHEDULE 18: SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity Expenses	**20.47**	14.10
Commission Charges and Incentives	**29.34**	10.32
Rebate and Discount	**12.47**	10.54
Business and Sales Promotion	**4.21**	3.22
TOTAL	**66.49**	38.18
SCHEDULE 19 : INTEREST AND FINANCIAL CHARGES		
Interest on		
– Term Loan	**247.28**	117.14
– Others	**110.91**	43.34
Financing Expenses	**13.66**	9.15
TOTAL	**371.85**	169.63
SCHEDULE 20 : EXCEPTIONAL ITEMS		
Provision for Doubtful Debts	**20.82**	153.88
Provision for Loans and Advances	**606.60**	24.66
Investment written off	**86.43**	–
Fixed Assets written off	**73.13**	367.41
Inventory written off	**8.73**	16.80
TOTAL	**795.71**	562.75

SCHEDULE 21 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. a) **Background:**

Wire and Wireless (India) Limited (hereinafter referred to as 'the Company' or 'WWIL') was incorporated in the state of Maharashtra, India, to engage in cable television distribution and other related business.

WWIL along with its subsidiaries (collectively known as "the Group") is engaged in Distribution of Television Channels through analogue and digital cable distribution network, primary internet and allied services.

b) The Group's accumulated losses aggregate to Rs. 1,326.53 million as at March 31, 2008 while the share capital is Rs 217.24 million at that date. During the year, management has initiated implementation of a new business model of Headend in the Sky (HITS) based on which the Group expects to increase its subscriber base and improve operational efficiency based on which management expects to earn higher revenues and improve profitability which will enable strengthening of the financial position of the Group in the coming years. The Group is considering various options for raising funds including issue of shares as permissible by the regulatory guidelines and raising loans from banks and financial institutions. The management is of the opinion that it is appropriate to prepare these financial statements on the basis of going concern based on above and assurance of financial and operational support by promoters.

2. **Statement of Significant Accounting Policies:**

A) **Basis of preparation:**

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

The consolidation of the financial statements of the parent company and its subsidiaries is done, to the extent possible, on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All inter-group transactions, balances and unrealized inter-company profits have been eliminated in the process of consolidation and the consolidated financials statement have been prepared using uniform accounting policies except that in case of fixed assets are depreciated using written down value method instead of straight line method. The total amount of net block of these items of fixed assets represents 2.59 % of the total consolidated fixed assets of the group at year end.

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

Name of the Subsidiaries	**Extent of holding %**
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")	68
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	100
Siticable Broadband South Limited (hereinafter referred as "SBSL")	100
Wire and Wireless Tisai Satellite Private Limited (hereinafter referred as "WWTSPL" (with effect from June 01, 2007)	51

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

B) **Use of Estimates:**

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

C) **Fixed Assets:**

(i) Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(iii) Program/Film/Cable rights are stated at the lower of net cost (cost less accumulated amortisation/impairment) and realisable value. Where the realisable value on the basis of its useful economic life is less than its carrying amount, the difference is impairment, which is expensed. Program/Film/Cable rights are amortised as follows:

(a) Cost of news/current affairs/chat shows/events including sports events etc. are fully expensed on first telecast.

(b) Program/Film/Cable rights are amortised on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.

D) Intangible Assets:

Goodwill on acquisition is amortised using the straight-line method over a period of five years.

E) Depreciation/Amortisation:

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

	% per annum
Building	1.63
Plant and Machinery	10.00 to 20.00
Furniture and Fixtures	6.33
Studio Equipments	4.75
Computers	16.21
Vehicles	9.50
Office Equipments	4.75
Software	16.21

(ii) Leasehold improvements are amortised over the lease period.

(iii) Plant and Machinery taken over under scheme of arrangement in the previous year are depreciated over the management's estimate of remaining useful life, a period of 5 years.

F) Impairment:

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

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

G) Leases:

Where the Group is the Lessee:

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

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

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

Where the Group is the lessor:

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

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

H) Investments:

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

I) Inventories:

Inventories are valued as follows:

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

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

J) Revenue Recognition:

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

Income from Services:

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

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

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

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

Sale of Goods:

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

Interest:

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

K) Miscellaneous Expenditure:

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

L) Foreign Currency Transaction:

(i) Initial Recognition:

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

(ii) **Conversion:**

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

(iii) **Exchange Differences:**

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

M) **Retirement and other Employee Benefits:**

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

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

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

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

N) **Income Tax:**

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

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

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

O) **Earning Per Share:**

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

P) **Provisions:**

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

3. **Notes to Accounts:**

A) **Secured Loans:**

(i) Working Capital Finance From Banks

Secured by hypothecation of stocks and book debts, both present and future, all ranking first pari passu with other financing banks and certain credits are further secured by charge on control room equipments installed at various places in Delhi. All the loans are further secured by corporate guarantee of Zee Entertainment Enterprises Ltd. (ZEEL).

(ii) Term Loan from Banks/Financial Institution

Secured by hypothecation of Company's movable and immovable properties, book debts, bank accounts, operating cash flows, receivables, commissions, revenues of whatsoever nature and whenever arising, intangibles, both present and future, all ranking first pari-passu with other financing banks and financial institution. All the loans are further secured by corporate guarantee of ZEEL.

(iii) Hire Purchase facility

Secured by hypothecation of vehicles.

B) Leases:

In case of assets taken on lease

Finance Lease

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

Operating Lease

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

(Rs. million)

Particulars	**Finance Lease**		**Operating Lease**	
	2008	2007	**2008**	2007
Total minimum lease payments at the year end	**0.67**	–	**–**	–
Less : Amount representing finance charges	**0.30**	–	**–**	–
Present value of minimum lease payments	**0.37**	–	**–**	–
Lease payment for the year	**–**	–	**10.05**	11.27
Minimum Lease Payments :				
Not later than one year	**1.27**	–	**1.53**	4.75
Later than one year and not later than five years	**3.07**	–	**8.60**	4.46
Later than 5 years	**–**	–	**–**	–

In case of assets given on Lease

Operating Lease

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

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

(Rs. million)

Description of Assets	**Gross Block**	**Depreciation for the year ended March 31, 2008**	**Accumulated Depreciation**
Plant and Machinery	132.70	18.19	104.82
Equipments	0.25	0.01	0.22
Furniture and Fixtures	0.07	*	0.04
Studio Equipments	0.64	0.04	0.35
Air Conditioners	0.39	0.01	0.05
Set Top Boxes	130.68	26.14	29.45
TOTAL	**264.73**	**44.39**	**134.93**
Previous Year	224.75	26.52	45.10

C) Taxation:

In accordance with the Accounting Standard 22 on "Accounting for taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability should be recognised for all timing differences in accordance with the said standard. Further, Deferred Tax Assets are not recognised since it is not virtually certain that Deferred Tax Assets can be realised against future taxable profits.

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

(Rs. million)

Deferred Tax Assets	**2008**	2007
Opening Balance	**0.02**	0.03
Unabsorbed Business Loss	**–**	2.34
Unabsorbed Depreciation	**2.73**	32.36
Provision for Amusement Tax	**0.15**	0.15
Liabilities that are deducted for the tax purpose when paid	**1.32**	0.18
Provision for doubtful debts and advances	**17.19**	–
Disallowance u/s 40(a)(ia) capable of reversal during the next year	**–**	0.25
Disallowance u/s 43B capable of reversal during the next year	**–**	1.95
TOTAL (A)	**21.44**	37.28
Difference between Tax Depreciation and Book Depreciation	**31.15**	30.35
TOTAL (B)	**31.15**	30.35
Net Deferred Tax Liability/(Asset)	**9.73**	(6.89)

D) Contingent Liabilities not provided for:

i) Claims against the Group not acknowledged as debts Rs. 157.39 million (Previous Period Rs. 173.77 million)

E) Related Party Disclosure:

(i) Names of Related Parties where control exists:

(a) Promoter Group

Ambience Advertising Company Pvt. Ltd., Briggs Trading Company Pvt. Ltd., Churu Trading Company Pvt. Ltd., Delgrada Ltd., Essel Infraprojects Ltd. (formerly known as Pan India Paryatan Ltd.), Ganjam Trading Company Pvt. Ltd., Jayneer Capital Pvt. Ltd., Lazarus Investments Ltd., Prajatma Trading Company Pvt. Ltd., Premier Finance and Trading Company Ltd., Veena Investment Pvt. Ltd., Mr. Ashok Mathai Kurien, Mr. Laxmi Goel and Ms. Sushila Goel.

(b) Subsidiary Companies

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

(ii) Key Management Personnel:

Mr. Subhash Chandra, Director, Mr. Amit Goenka, Whole-time Director (appointed w.e.f. October 23, 2007) and Mr. Deepak Chandnani, Chief Executive Officer (appointed w.e.f. June 16, 2007).

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

Agrani Satellite Services Ltd., Dakshin Media Gaming Solutions Pvt. Ltd., Dish TV India Ltd., Essel Propack Ltd., ETC Networks Ltd., Intrex India Ltd., Pan India Network Infravest Pvt. Ltd., ZEEL, Zee Interactive Learning System, Zee News Ltd., Zee Turner Ltd.

(Rs. million)

Sr. No.	Particulars Nature of Expenses/Names of the Parties	2008	Major Parties 2008	2007	Major Parties 2007
1.	**Sale. Services and other Recoveries (Net)**	**187.15**		499.37	
	Dish TV India Ltd.		**39.15**		2.96
	ZEEL		**121.59**		396.23
	Zee News Ltd.		**2.55**		90.50
	Zee Turner Ltd.		**22.52**		9.28
2.	**Purchase of Program, Goods & Services**	**78.67**		48.05	
	Zee Turner Ltd.		**71.73**		46.06
3.	**Purchase of Fixed Assets, Capital Goods and Investments**	**0.10**		3.33	
	Zee Turner Ltd.		**0.10**		–
	Dish TV India Ltd.		**–**		1.85
	ZEEL		**–**		1.34
4.	**Sale of Fixed Assets & Capital Goods**		**–**	–	–
5.	**Advances given**	**472.22**		412.36	
	Churu Trading Co. Pvt. Ltd.		**450.00**		250.68
	Dish TV India Ltd.		**22.22**		121.28
	Essel Infraprojects Ltd.		**–**		40.29
6.	**Receipts towards advances given**	**461.89**		412.77	
	Churu Trading Co. Pvt. Ltd.		**450.00**		250.68
	Dish TV India Ltd.		**11.89**		121.68
	Essel Infraprojects Ltd.		**–**		40.29
7.	**Loans/Deposits received from**	**2.12**		542.42	
	ETC Networks Ltd.		**–**		194.90
	Churu Trading Co. Pvt. Ltd.		**1.04**		–
	ZEEL		**1.07**		347.51
8.	**Repayment of Loans/Deposits received**	**1,409.50**		75.28	
	Churu Trading Co. Pvt. Ltd.		**824.50**		–
	ETC Networks Ltd.		**–**		31.82
	ZEEL		**585.00**		43.45
9.	**Expenses Recovered**	**7.97**		4.88	
	ZEEL		**0.83**		2.50
	Zee News Ltd.		**4.53**		–
	Zee Turner Ltd.		**1.35**		0.99
10.	**Expenses Reimbursed**	**30.39**		83.62	
	ZEEL		**29.51**		80.64
11.	**Balances Outstanding as on March 31, 2008**				
a.	**Sundry Debtors**	**168.16**		83.84	
	Dish TV India Limited		**35.35**		–
	ZEE		**123.04**		46.75
b.	**Sundry Creditors**	**182.68**		282.64	
	ZEEL		**158.74**		254.41
	Zee Turner Ltd.		**16.73**		15.55
c.	**Loans/Deposits/Advances given**	**15.15**		37.00	
	Zee Turner Ltd.		**13.25**		0.02
d.	**Loans/Deposits/Advances received**	**1,115.24**		409.73	
	ETC Networks Ltd.		**110.00**		110.00
	Churu Trading Co. Pvt. Ltd.		**220.50**		–
	ZEEL		**784.73**		299.73
e.	**Interest Accrued on Loans/Deposits/ Advances received**	**59.55**		25.25	
	Churu trading Co. Pvt. Ltd.		**20.91**		–
	ZEEL		**36.080**		23.15

F) **Employee Benefits:**

Defined Contribution Plan

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

Employer's Contribution to Provident Fund Rs. 11.49 million.

Defined Benefit Plan

The Group has a defined benefit gratuity plan.

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

Profit and Loss account

Net employee benefit expense (recognised in the Employee cost)

(Rs. million)

Particulars	Gratuity	
	2008	2007
Current service Cost	**2.00**	0.53
Interest cost on benefit obligation	**0.48**	0.17
Expected Return on Plan Asset	**(0.07)**	–
Actuarial gain / (loss) recognised in the year	**0.62**	(0.27)
Net benefit expense	**3.03**	0.43
Actual return on plan asset	**0.09**	–

Balance Sheet

Details of Provision for gratuity

(Rs. million)

Particulars	Gratuity	
	2008	2007
Defined Benefit Obligations	**7.50**	5.93
Fair Value of Plan Assets	**(1.06)**	(0.98)
	6.44	4.95
Less : Unrecognized past service cost	**–**	–
Plan Asset / (Liability)	**6.44**	4.95

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

(Rs. million)

Particulars	Gratuity	
	2008	2007
Defined Benefit Obligation at the beginning of the year	**4.93**	4.54
Current service cost	**1.74**	0.53
Interest cost	**0.39**	0.17
Actuarial gain / (loss)	**0.55**	(0.27)
Benefits paid	**(1.48)**	–
Defined Benefit Obligation at the end of the year	**7.58**	4.97

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

(Rs. million)

Particulars	Gratuity	
	2008	2007
Opening Fair Value of Plan assets as on March 31	**0.98**	–
Expected return	**0.08**	–
Contribution by employers	**1.48**	–
Benefits Paid	**(1.48)**	–
Actuarial gains / (losses)	**0.01**	–
Assets acquired on acquisition	**(0.01)**	–
Closing Fair Value of Plan Assets	**1.06**	–

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

Particulars	Gratuity	
	2008	2007
Discount Rate (per annum)	**8.40%**	8.05%
Expected rate of return on assets (per annum)	**–**	–
Rate of escalation in salary (per annum)	**6.00%**	5.00%

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

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

G) Segment Reporting Polices:

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

H) Earning Per Share:

In accordance with AS - 20 "Earnings Per Share" issued by ICAI, basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of shares outstanding during the year.

Particulars	2008	2007
Weighted average number of equity shares (no.)	217,217,753	213,150,664
Nominal Value of equity shares (Re.)	1	1
Profit/(Loss) after Tax (Rs.)	(1,537.34)	(1,086.25)
Basic/Diluted earnings/(loss) per share (Rs.)	(7.08)	(5.10)

There are potential equity shares as on March 31, 2008 in the form of stock options granted to employees. As these are anti dilutive they are ignored in the calculation of diluted earning per share and accordingly the diluted earning per share is the same as basic earning per share.

I) Employee Stock Option Plan –ESOP-2007:

The Company instituted the Employee Stock Option Plan – ESOP-2007 to grant equity based incentives to its eligible employees. Pursuant to the Scheme, the Company has granted 2,987,300 options to specified eligible employees of the Company at an exercise price of Rs. 39.75 being the price as determined as per the SEBI Guidelines. Out of the options granted, 168,500 options have lapsed during the year leaving 2,818,800 options outstanding as at March 31, 2008.

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

As there is no difference between the market price of share under ESOS over the exercise price of the option on the date of grant, the company is not required to account the accounting value of option as per SEBI Guidelines.

J) Impairment of Assets:

The Group is in the process of building its cable network infrastructure. The assets mainly consist of cable plant, head ends and other equipment necessary for distribution of TV channel signals through cable network. With the implementation of Conditional Access System and demand for digital signals, the Group has transitioned from analogue distribution system to digital distribution system wherein these assets have significant value. Further, with the proposed introduction of HITS, the Group expects to increase its reach and subscriber base. Management has based on a ten year detailed business plan to expand its presence carried out an impairment test on these assets using the discounted cash flow method which reflects that the value in use is significantly higher than the assets deployed/to be deployed in the business.

K) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) amounting to Rs. 31.23 million (Previous Period : Rs. 246.80 million)

L) Derivative Instruments and Unhedged Foreign Currency Exposure

Foreign currency exposures that are not hedged by derivative instruments as on March 31, 2008 amount to Rs. 84.2 million (US $ 2.106 million @ Closing rate of 1 USD = Rs. 39.97) (Previous Period: Rs. 197.20 million (US $ 4.524 @ Closing rate of 1 USD = Rs. 43.59)) represented by sundry creditors for capital goods.

M) Prior Period million Adjustments (net) amounting to Rs. (12.35) million comprise of the following:

(Rs. million)

Particulars	**2008**	2007
Sales/Income from Operation	**15.67**	–
Operational Expenditure	**(28.02)**	0.65
TOTAL	**(12.35)**	0.65

N) Supplementary Statutory Information required to be given pursuant to clause 32 of the listing agreement:

i) Insurance Charges as on March 31, 2008 amounts to Rs. 2.45 million (Previous Period Rs. 0.57 million)

ii) Director's Remuneration:

(Rs. million)

Particulars	**2008**	2007
Salaries	**3.99**	4.22
Perquisites	**0.74**	0.12
Contribution to Provident fund	**0.27**	0.71
Sitting Fees	**0.34**	0.10

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

iii) Auditors' Remuneration:

(Rs. million)

Particulars	**2008**	2007
Audit fees	**1.68**	1.49
Certifications	**0.14**	0.08
Other Services	**2.01**	2.14
Out of Pocket Expenses	**0.01**	0.03

O) Provision for Taxation

i) Under the West Bengal Entertainment-cum-Amusement Tax Act 1982, as amended, entertainment / amusement tax, inter alia had been levied on Multi System Operators (MSOs) as a percentage of gross receipts from Cable TV service from April. 1998, Aggrieved by the levy of Amusement Tax, a local MSO has filed a petition before Hon'ble West Bengal Taxation Tribunal wherein the petitioner's application was not upheld. The local MSO then moved the Hon'ble Kolkata High Court challenging the order of the Hon'ble Tribunal where upon the Hon'ble High Court declared the levy of Amusement Tax on the MSO as illegal and invalid. Thereafter, the State of West Bengal filed a Special Leave Petition before the Hon'ble Supreme Court. The Hon'ble Supreme Court in its order dated March 30. 2001 granted a stay on the Order of the High Court and held that assessment proceedings may continue but no order therein could be passed. pending disposal of the appeal. The Subsidiary Company. Indian Cable Net Company Limited, being similarly circumstanced as the petitioner MSO as aforesaid. moved an application before the Hon'ble West Bengal Taxation Tribunal on November 5. 2001 and the Hon'ble Tribunal has granted a similar interim order dated December 10. 2001 as that of the Hon'ble Supreme Court and that the matter will be finally heard upon disposal of the identical matter pending before the Hon'ble Supreme Court. In view of the identical issues pending before the Hon'ble Supreme Court. ICNCL filed an intervention application on May 29, 2003 which has been allowed by the Hon'ble Supreme Court. The matter has since been adjudicated upon by the Hon'ble Supreme Court vide its order dated March 16, 2005 and has allowed the petition of state of West Bengal, thereby subjecting the MSOs to the levy of amusement tax.

Subsequently Entertainment Tax Department has made Assessments up to March 31, 2006 and raised a demand of Rs.72.61 million towards Amusement Tax payable. Accordingly no provision has been made for the said liability of Rs. 72.61 million up to March 31, 2006. Against this ICNCL has paid Rs. 2 million during the year and the same has been debited to profit and loss account and balance of Rs. 70.61 million is not yet provided.

ICNCL has also filed a plea with the appropriate authority that its business along with business of all other MSO's operating in the state since the date of the imposition of the tax will be irreparably damaged of the tax is collected retrospectively. It is expected that the appropriate authority will shortly decide on the plea on its merits.

ICNCL has however made provision for the amusement tax liability for the period Aril, 2006 to December, 2006 by raising supplementary bills on the respective debtors. And from January, 2006, ICNCL has started billing amusement tax in its regular invoice.

ii) The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the ICNCL's income from cable TV services. ICNCL has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003. Seeking, inter alia, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned. pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognised by ICNCL in the books of accounts..

P) **" * "** denotes amount less than 0.005 million

Q) **Previous year Comparatives:**

Previous year's figures are regrouped, where necessary to confirm to this year's classification.

As per our attached report of even date

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

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

		2008	For ther period from March 24, 2006 to March 31, 2007
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before taxation and exceptional items	**(719.82)**	(540.41)
	Adjustments for:		
	Depreciation/Amortisation	**309.49**	344.66
	Interest Income	**(45.95)**	(79.77)
	Foreign Exchange Fluctuations	**(22.67)**	(4.60)
	Interest and Finance Expenses	**357.31**	167.85
	Provision for Diminution in value/written off of Investment	**86.43**	7.04
	Bad Debt	**–**	24.66
	Liabilities Written Back	**(67.87)**	(2.54)
	Loss on Sale/Discard of Fixed Assets	**3.05**	44.70
	Write off/other adjustments of Fixed Assets and Capital Work-in-Progress	**82.07**	380.76
	Preliminary Expenses Written Off	**0.50**	0.45
	Finance Cost Amortised	**9.26**	3.92
	Exceptional Items	**(795.71)**	(562.75)
	Operating profit before working capital changes	**(803.91)**	(216.03)
	Movement in Working Capital		
	Decrease/(Increase) in Sundry Debtors	**(712.12)**	(541.46)
	Decrease/(Increase) in Inventories	**(145.76)**	(652.74)
	Decrease/(Increase) in Loans and Advances	**(423.02)**	(3,268.65)
	Increase/(Decrease) in Current Liabilities	**215.64**	3,488.35
	Increase/(Decrease) in Provisions	**773.64**	287.57
	Cash Flow from Operating Activities Before tax and Prior period adjustment	**(1,095.53)**	(902.96)
	Net Prior Period Adjustment	**12.35**	–
	Taxes paid	**(19.98)**	(5.82)
	Net Cash Flow from Operating Activities	**(1,103.16)**	(908.78)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets/Capital Work-in-Progress	**(506.77)**	(377.69)
	Proceeds from sale of Fixed Assets	**8.94**	0.08
	Investments in Mutual Funds	**–**	(100.00)
	Redemption of Mutual Funds	**–**	100.00
	Purchase of Investments in Subsidiaries	**(0.05)**	–
	Purchase of Investments	**(2.10)**	–
	Short Term Deposit paid to other corporate	**(787.76)**	(1,511.65)
	Repayment of Short Term Deposit paid	**1,582.90**	1,455.73
	Decapitalisation of Ground Distribution Network	**–**	2.35
	Interest Income Received	**10.80**	78.69
	Net Cash Flow from Investing Activities	**305.96**	(352.49)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. million)

	2008	For ther period from March 24, 2006 to March 31, 2007
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Finance Expenses paid	**(251.44)**	(142.74)
Miscellaneous Expenditure	**(8.62)**	(14.71)
Proceeds from Long Term Borrowing	**4,272.48**	1,859.73
Repayment of Term borrowings	**(3,170.58)**	(350.30)
Proceeds from issuance of Share Capital	**0.10**	0.50
Net Cash Flow from Financing Activities	**841.94**	1,352.48
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**44.74**	91.21
Opening Cash and Cash Equivalents	**160.32**	7.78
Cash received through Scheme of Arrangement	**–**	61.33
CLOSING CASH AND CASH EQUIVALENTS	**205.06**	160.32
Cash and cash equivalents at the end of the year:		
Cash on hand	**21.19**	7.95
Cheques and Drafts on Hand/Transit	**24.16**	15.88
Balances with Scheduled Banks on Current Accounts	**74.05**	35.30
Balances with Scheduled Banks on Deposit Accounts	**85.66**	101.19
TOTAL	**205.06**	160.32

As per our attached report of even date
For **S. R. Batliboi & Associates**
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: June 17, 2008

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

Amit Goenka
Whole-time Director

Sanjay Jain
Director

V. K. Agarawal
Sr. Vice President - Strategy,
Merger & Acquisition

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report along with the Audited Financial Statement for the year ending on March 31, 2008.

FINANCIAL RESULTS

(Rs. in '000)

Particulars	2007-08	2006-07
Gross Income	**4,84,242**	3,53,686
Expenditures	**4,16,838**	2,93,415
Profit before Tax	**67,404**	60,272
Add: MAT Credit	**17,887**	NIL
Less: Deferred Tax	**17,205**	15,327
Income Tax	**7,637**	6,762
Fringe Benefit Tax	**462**	438
Prior Period Adjustments	**887**	386
Profit/(Loss) after Tax & Prior Period Items	**59,100**	37,357

During the financial year ended on March 31, 2008 the gross income of the Company has increased to Rs. 48.42 crores as compared to Rs.35.36 crores during the last preceding financial year ended on March 31, 2007, whereas the Net Profit of the Company during the financial year ended on March 31, 2008 has decreased to Rs.5.91 crores, as compared to Rs. 3.74 crores in the last preceding financial year ended on March 31, 2007. Your Directors are hopeful that the Company will do well in the current financial year.

BUSINESS OUTLOOK

Your Company is considering to expand its business operation by way of strategic acquisition of LCOs and/or MSOs whose resources, capabilities and strategies are complementary to and likely to enhance its business operations.

DIVIDEND

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

DIRECTORS

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

AUDIT COMMITTEE

During the period under review, there is no change in constitution of the Audit Committee.

REMUNERATION COMMITTEE

During the period under review, there is no change in constitution of the Remuneration Committee.

AUDITORS

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

AUDITORS' REPORT

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

PUBLIC DEPOSITS

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

DIRECTORS’ RESPONSIBILITY STATEMENT

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

i. followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;

ii. selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that Year;

iii. 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 your Company and for preventing and detecting fraud and other irregularities; and

iv. prepared the Annual Accounts on a going concern basis.

PERSONNEL

The Statutory statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is as follows:

Sl. No.	Name	Designation/ Nature of Duties	Gross Remuneration (Rupees)	Qualification	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Last Employment and Designation
1.	Amit Nag	Manager – re-designated as Chief Executive Officer	29,01,983 /-	M.Com, LLB, ICWAI	53	30	July 30, 2003	Modi Entertainment Ltd., Chief Executive

Notes:
1. His appointment is contractual and terminable by notice on either side.
2. The employee is not related to any of the Directors.
3. Remuneration includes Salary, Bonus, Incentive awards, Commission, Allowances, Leave Travel assistance, Medical benefits, Gratuity, Company's contribution to Provident fund and on the basis of Income-tax Rules, 1962.

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

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

a) **Conservation of energy**

Your Company's operation does not involve high level energy consumption. Efforts to conserve and optimise the use of energy through improved operational methods, are always being made.

b) **Technology absorption**

Not Applicable. The Company is providing Services only.

c) **Foreign exchange earnings and outgo**

The particulars regarding foreign exchange earnings and outgo are given in Schedule 14 Note 5(c) to the Notes to the Accounts forming part of the Annual Accounts.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Central Government, Bankers and other concerned agencies for their continued co-operation extended to the Company.

Your Directors also wish to place on record their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

For and on behalf of the Board

Sd/-	Sd/-
(V. K. Agarawal)	**(Suresh Kumar)**
Director	Director

Place: Kolkata
Date: June 12, 2008

Auditors' Report

To,
The Members of **Indian Cable Net Company Limited** (Formerly RPG Netcom Ltd.)

We have audited the attached Balance Sheet of **Indian Cable Net Company Limited** (Formerly RPG Netcom Ltd.) as at March 31, 2008, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

3. Further to our comments in the Annexure to para 2 above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books of account;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;

   e) Based on the written representations received from the Directors of the Company as on March 31, 2008 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified, as on March 31, 2008, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and subject to Note No. 9 to Notes to Accounts regarding non provision of Amusement Tax liability amounting to Rs. 70,611 thousands, give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2008; and

      ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date;

      iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

(A.K. Tekriwal)
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

Annexure referred to in paragraph 2 of our report of even date on the accounts for the year ended March 31, 2008 of Indian Cable Net Company Ltd. (Formerly RPG Netcom Ltd.)

i) (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company *except those in ground distribution network and Set Top Boxes including smart cards with Subscribers* for which physical verification is not practicable, have been physically verified by the management during the year and no material discrepancies between book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed asset has not been disposed of by the Company during the year

ii) (a) Physical verification of inventory *except Set Top Boxes including smart cards with local cable operators of non-CAS area* has been conducted by the Management at reasonable intervals.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No material discrepancies were noticed in the physical stock as compared with the book records.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, Firms or other parties covered in Register 301 of the Companies Act, 1956. Hence paragraphs 4(iii) (a) to 4(iii)(g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

vi) The Company has not accepted any deposits from the Public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.

vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

viii) The maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956, is not applicable to the Company.

ix) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, and other material statutory dues with the appropriate authorities. In respect of amusement tax an amount of Rs. 7,54,01,483/- (including Rs. 7,06,10,672/- not provided in the books of accounts) is outstanding as at the last day of the financial year for a period of more than six months from the date it became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the dues of amusement tax, service tax, and trade tax as at March 31, 2008 which have not been deposited on account of dispute, are as follows:-

Name of the statute	Nature of Dues	Period to which the amount relates	Amount in (Rs.)	Forum where the dispute is pending
Service Tax Act, 1994	Service Tax	1998-99	79,675/-	Central Excise Commissionerate – I, Kolkata

x) Company has no accumulated losses at the end of the year. The Company has neither incurred cash loss during the financial year under audit nor in the immediately preceding financial year.

xi) According to the records of the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, paragraph 4(xiii) of the order is not applicable to the Company.

xiv) In our opinion, Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, paragraph 4(xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi) As no fresh term loan has been obtained by the Company during the year, paragraph 4(xvi) of the Order is not applicable.

xvii) On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice versa.

xviii) The Company has not made any preferential allotment of shares to parties and Companies concerned in the Register maintained u/s 301 of the Act during the year and therefore, paragraph 4(xviii) of the Order is not applicable.

xix) The Company did not issue any debenture during the year and therefore, paragraph 4(xix) of the Order is not applicable.

xx) The Company has not raised any money by public issues during the year and therefore, paragraph 4(xx) of the Order is not applicable.

xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

(A.K. Tekriwal)
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

BALANCE SHEET AS AT MARCH 31, 2008

(Rs. in '000)

	Schedule	As at March 31, 2008	As at March 31, 2007
Sources of Funds			
Shareholders' Fund			
Share Capital	1	**100,911**	100,911
Reserves and Surplus	2	**96,798**	96,798
Deferred Tax Liability (Net)		**9,643**	–
TOTAL		**207,351**	197,709
Application of Funds			
Fixed Assets			
Gross Block	3	**289,100**	254,011
Less: Accumulated depreciation		**85,222**	68,283
Net Block		**203,878**	185,728
Add: Capital work in progress		**550**	300
		204,428	186,028
Current Assets, Loans & Advances	4		
Inventories		**39,958**	26,453
Sundry Debtors		**76,881**	61,573
Cash and Bank Balances		**26,637**	5,983
Loans and Advances		**53,698**	27,446
		197,174	121,454
Less: **Current Liabilities & Provisions**	5		
Current Liabilities		**175,452**	167,099
Provisions		**22,618**	11,244
		198,070	178,343
Net Current Assets		**(896)**	(56,889)
Deferred Tax Asset (Net)		**–**	6,912
Profit and Loss Account		**3,820**	61,659
TOTAL		**207,351**	197,709
Notes to Accounts	13		

Balance Sheet referred in our report of even date.
Schedules referred to above form an integral part of the Balance Sheet.

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

A. K. Tekriwal
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

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

Suresh Kumar
Director

V. K. Agarawal
Director

Amit Nag
Manager

Essel GROUP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in '000)

	Schedule	For year ended March 31, 2008	For year ended March 31, 2007
Income			
Sales/Income from Services	6	**456,979**	338,732
Other Income	7	**27,263**	14,955
TOTAL		**484,242**	353,686
Expenditure			
Operational Expenses	8	**294,986**	209,005
Cost of Goods Sold	9	**22,709**	11,867
Personnel Cost	10	**19,282**	13,096
Administrative and Other Expenses	11	**61,709**	48,175
Financial Expenses	12	**975**	403
Depreciation	3	**17,177**	10,870
TOTAL		**416,838**	293,415
Profit/(Loss) Before Tax		**67,404**	60,272
Provision for Taxation			
– Current Tax		**7,637**	6,762
– MAT Credit		**(17,887)**	–
– Deferred Tax		**17,205**	15,327
– Fringe Benefit Tax		**462**	438
Profit/(Loss) After Tax		**59,987**	37,744
Prior Period Adjustments (Net)		**887**	386
Profit/(Loss) After Tax & Prior Period Items		**59,100**	37,357
Balance Brought Forward		**(61,659)**	(99,016)
		(2,558)	(61,659)
Appropriations			
Transitional adjustment on adoption of AS-15 (revised-2005) (Net of Deferred Tax of Rs. 650 thousand) (Refer Note no.- I (e) of Schedule - 13)		**1,262**	–
Balance Carried to Balance Sheet		**(3,820)**	(61,659)
		(2,558)	(61,659)
Basic and diluted earning per share Before Prior Period Item		**5.94**	3.74
Basic and diluted earning per share After Prior Period Item (Refer Note - 4 of Schedule 13)		**5.86**	3.70
Nominal value per share		**10**	10
Notes to Accounts	13		

Profit & Loss A/c referred in our report of even date.

Schedules referred to above form an integral part of the balance sheet.

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

A. K. Tekriwal
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

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

Suresh Kumar
Director

V. K. Agarawal
Director

Amit Nag
Manager

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Rs. in '000)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
120,00,000 Equity Shares of Rs.10/- each	**120,000**	120,000
	120,000	120,000
Issued, Subscribed & Paid Up		
100,91,070 (100,91,070) Equity Shares of Rs. 10/- each fully paid up in cash	**100,911**	100,911
TOTAL	**100,911**	100,911
SCHEDULE 2: RESERVES & SURPLUS		
Securities Premium	**96,798**	96,798
TOTAL	**96,798**	96,798

SCHEDULE 3:

(Rs. in '000)

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at April 1, 2007	Addition during the year	Sale/ Adjustments during the year	As at March 31, 2008	As at April 1, 2007	For the year	Sale/ Adjustments during the year	As at March 31, 2008	As at March 31, 2008	As at March 31, 2007
Leasehold Land	6,779	–	–	**6,779**	385	64	–	**450**	**6,329**	6,393
Building	6,537	–	–	**6,537**	322	3	–	**325**	**6,212**	6,214
Plant & Machinery	38,363	8,099	323	**46,139**	13,729	2,160	3	**15,886**	**30,253**	24,634
Ground Distribution Network	163,752	18,943	834	**181,861**	47,312	8,201	218	**55,295**	**126,566**	116,440
Furniture, Fixture & Equipment	6,021	2,076	229	**7,867**	1,280	518	17	**1,781**	**6,086**	4,740
Computers	10,916	4,412	709	**14,619**	4,521	1,391	–	**5,912**	**8,708**	6,395
Motor Vehicle	192	–	–	**192**	57	18	–	**74**	**118**	136
STB on Operating lease	21,452	3,654	–	**25,106**	677	4,823	–	**5,499**	**19,607**	20,775
TOTAL	**254,011**	**37,184**	**2,095**	**289,100**	**68,283**	**17,177**	**238**	**85,222**	**203,878**	**185,728**
Previous Year ('000)	211,256	46,233	3,478	254,011	57,705	10,870	292	68,283	185,728	–

Notes 1. Leasehold land amounting to Rs.1,905 thousand at Greater Noida is pending registration in the Company's name and no amortisation has been made by the Company in respect of the said lease.

2. Building of the value of Rs. 6,380 thousand located at Kolkata have been demolished and being Developed in pursuance of a development agreement with another company, and therefore no depreciation has been charged (Refer Note no.-14 of Schedule 14)

(Rs. in '000)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE 4 : CURRENT ASSETS, LOANS & ADVANCES		
A) Current Assets		
Inventories		
(As valued and certified by management)		
Capital Network Inventory	**12,830**	9,020
Stock of Set Top Boxes	**27,128**	17,433
TOTAL	**39,958**	26,453

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Rs. in '000)

		As at March 31, 2008	As at March 31, 2007
SCHEDULE 4 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)			
	Sundry Debtors		
	(Unsecured, Considered good unless otherwise stated)		
	More than six months		
	– Considered Good	**16,363**	23,308
	– Considered Doubtful	**48,963**	22,419
	Others		
	– Considered Good	**60,518**	38,265
	– Considered Doubtful	**884**	–
		126,728	83,991
	Less : Provision for Doubtful Debts	**49,847**	22,419
		76,881	61,573
	TOTAL	**76,881**	61,573
	Cash and Bank Balances		
	Cash in hand	**16,941**	4,062
	(Includes Cheque in Hand of Rs.15,804 ('000)) (2006-07--Rs. 3,623 ('000))		
	Balance with Scheduled Banks		
	In Current accounts	**8,711**	1,619
	In Deposits accounts	**120**	91
	(Rs. 23 ('000) (2006-07- Nil) pledged as performance guarantee)		
	In Margin Money (held as margin against bank guarantee)	**866**	211
	TOTAL	**26,637**	5,983
B)	**Loans And Advances**		
	(Unsecured, Considered Good unless otherwise stated)		
	Deposits	**2,539**	4,281
	Advances		
	(Recoverable in cash or in kind or for value to be received)		
	To Others		
	– Considered Good	**6,566**	10,148
	– Considered Doubtful	**735**	
		7,300	10,148
	Less: Provision for doubtful advances	**735**	–
		6,566	10,148
	Advance Tax/Income Tax refundable	**24,524**	10,715
	MAT credit entitlement	**17,887**	–
	Balance with Sales Tax Department	**2,182**	2,303
	TOTAL	**53,698**	27,446
	TOTAL CURRENT ASSET	**197,174**	121,454
SCHEDULE 5 : CURRENT LIABILITIES & PROVISIONS			
A)	**Current Liabilities**		
	Sundry Creditors - For Programmes and Goods	**10,326**	27,174
	- For Expenses and other Liabilities	**98,926**	97,344
	Trade Advances and Deposits Received	**29,957**	31,791
	Temporary Overdraft	**6,243**	790
	Security Deposit Received against land (Refer Note no. 14)	**30,000**	10,000
		175,452	167,099
B)	**Provisions**		
	For Employee Benefits	**3,816**	541
	For Taxation (Including Fringe Benefit Tax)	**18,802**	10,703
		22,618	11,244
	TOTAL	**198,070**	178,343

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2008

(Rs. in '000)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE 6 : SALES/INCOME FROM SERVICES		
Income from Services	**436,261**	329,097
Sale of STBs	**20,719**	9,635
TOTAL	**456,979**	338,732
SCHEDULE 7 : OTHER INCOME		
Interest	**151**	14
(TDS - Rs. 31 thousand (1))		
Miscellaneous and Other Income	**446**	818
Liabilities Wriitten back	**26,665**	14,123
TOTAL	**27,263**	14,955
SCHEDULE 8 : OPERATIONAL EXPENSES		
Subscription - Pay Channels	**201,717**	197,988
Network Management Charges	**30,000**	–
Carriage Fee Service Charges	**37,093**	–
Repair and Maintenance - Plant and Machinery	**9,732**	4,072
Other Operational Expenses	**16,445**	6,944
TOTAL	**294,986**	209,005
SCHEDULE 9 : COST OF GOODS SOLD		
Opening Stock	17,433	568
Less: Vat input credit on Opening Stock	–	42
Add: Purchases	**38,760**	53,450
Less: Capitalised during year	**6,356**	24,675
Less: Closing Stock	**27,128**	17,433
TOTAL	**22,709**	11,867
SCHEDULE 10 : PERSONNEL COST		
Salaries, Allowances and Bonus	**16,743**	11,309
Contributions to Provident and Other Funds	**1,135**	915
Employees Welfare Expenses	**1,404**	872
TOTAL	**19,282**	13,096

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2008

(Rs. in '000)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE 11 : ADMINISTRATIVE AND OTHER EXPENSES		
Rent	**4,992**	1,661
Rates & Taxes	**2,056**	93
Insurance	**338**	135
Electricity Charges	**3,311**	2,220
Legal, Professional & consultancy	**2,010**	1,091
Printing & Stationery	**473**	729
Travelling & Conveyance Expenses	**1,401**	725
Communication Expenses	**1,346**	937
Vehicle Hire Expenses	**3,201**	1,771
Sundry Expenses	**1,547**	940
Repairs & Maintenance - Building	**7**	121
- Others	**3,918**	4,761
SMS start up & Usage Charges	**1,931**	75
Security Service Charges	**879**	635
Advertisement & Publicity	**4,139**	329
Commission & Brokerage	**138**	90
Sales Promotion	**920**	376
Debts written off	**–**	7,961
Inventory w/off	**–**	1,456
Cost of scrap inventory sold	**144**	1,004
Provision for doubtful loans and advances	**735**	–
Provision for doubtful debts	**27,428**	20,227
Loss on sale of fixed asset/decapitalisation	**797**	836
TOTAL	**61,709**	48,175
SCHEDULE 12 : FINANCIAL EXPENSES		
Interest on :		
Fixed Loan	**–**	–
Others	**883**	313
Discounting and Financing Expenses	**92**	90
TOTAL	**975**	403

SCHEDULE 13 : NOTES TO ACCOUNTS

I. **Significant Accounting Policies**

a) Accounting Convention

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

b) Fixed Assets and Depreciation

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

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

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

Leasehold land is amortized over the effective period of lease.

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

c) Foreign Currency Transaction

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

d) Use of estimates

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

e) Employee Benefits

The Company has adopted the revised Accounting Standard 15-Employee Benefits (revised AS 15) prescribed by Companies (Accounting Standards) Rules, 2006 with effect from 1 April, 2007.

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

Short term benefits:

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

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

Post employment benefit

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

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

Other Long term benefits

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

Termination benefit

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

Transition

In accordance with the requirements of the aforesaid revised AS15, shortfall of obligation as at April1, 2007 towards employee benefits ascertained in accordance with pre-revised AS-15-accounting of retirement benefits in the financial statement of employer, over aggregate obligation at that date towards employee benefits ascertained in accordance with revised AS15, aggregating Rs. 1,262 thousand (Net of deferred Tax of Rs. 650 thousand) have been considered as payable and has been adjusted against Profit and Loss Account balance since there is no revenue reserve.

f) Borrowing Costs

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

g) Inventories

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

ii. Stock of Set Top Box is valued at cost on simple yearly weighted average method or net realisable value whichever is lower.

h) Revenue Recognition

(i) Subscription Income from Cable Service

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

(ii) Other Services

a. Telecast fees are recognized as evenly accruing over the term of the contract of telecast, unless the contracts specify a different basis of recognition of such telecast fees.

b. Income from insertion of advertisements is recognized on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.

c. Income from rendering technical services is recognized on accrual basis.

d. Income from dark fiber leasing is recognized on accrual basis as per terms of the respective contracts.

e. Carriage Income is recognized on accrual basis as evenly accruing over the term of the contract of carriage.

(iii) Leases

Assets given under Operating Leases are capitalized at an amount equal to cost arrived on simple average method and the rental income is recognized on a equal monthly rental billed to subscriber. The initial security deposit received has been recognized as current liability net of statutory monthly deduction. The statutory monthly deduction has been recognized as other income.

(iv) Sales of Set Top Box

Sale of Set Top Box is net of VAT and recognized at the time of effecting the delivery.

i) Miscellaneous Expenditure to the extent not written off or adjusted.

Miscellaneous expenditure are generally charged to the Profit & Loss Account over a period of five years from the year in which they are incurred, save and except in cases where such expenses are not expected to yield any benefits in the foreseeable future, they are fully charged to the Profit & Loss Account.

j) Taxation

Income Tax expense (i.e., Current Tax and Fringe Benefit Tax) is determined and provided in the accounts on tax payable method.

Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of un-absorbed depreciation and carry forward losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) Impairment of Assets

The Carrying of the fixed assets and capital work in progress are reviewed at each Balance Sheet date in accordance with Accounting Standard-28 on “Impairment of Assets” prescribed by the Companies (Accounting Standard) Rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date and impairment loss is recognized whenever carrying amount of an assets or cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognized in the Profit and Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

l) Earnings Per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti dilutive.

II) Notes to Accounts:

(Rs. in '000)

Sr. No.	Particulars	**As at March 31, 2008**		As at March 31, 2007
1.	Contingent liabilities:			
	(i) for counter guarantees in respect of outstanding bank guarantees and FD pledged	**873**		281
	(ii) Claims against the companies not acknowledged as debts (including subjudice matters) to the extent ascertainable (including assessed amusement tax liabilities) (referred to notes 8 below)	**78,191**		68,416
	(iii) In respect of unexpired contracts	**3,833**		3,822
2.	Break up of Prior period Adjustment:	**Exp.**	**Inc.**	Exp.
	LCO expense	**10**	**–**	–
	Reversal Lease Rental income	**272**	**–**	–
	Reversal Pay Channel Expenses	**–**	**907**	–
	Reversal Sale of STB	**1,553**	**–**	–
	Subscription income	**–**	**42**	–
	Interest on TDS of FY 1999-00, 2000-01, 2001-02 as per order of IT department	**–**	**–**	386
		1,835	**949**	386
3.	Managerial Remuneration:			
	Salaries and Allowances	**2,032**		1,855
	Contribution to provident and other funds	**127**		110
	Perquisites and other benefits	**742**		459
		2,901		2,424

Sr. No.	Particulars	As at March 31, 2008	As at March 31, 2007
4.	Basis of computation of Earning Per Share:		
	(i) Net Profit/(Loss) before prior period item for the year attributable to equity shareholders (A)	**59,987**	37,744
	(ii) Net Profit/(Loss) after prior period item for the year attributable to equity shareholders (B)	**59,100**	37,357
	(iii) Weighted average number of equity shares of Rs.10 each outstanding during the year (C)	**10,091,070**	10,091,070
	(iv) Basic and Diluted Earnings Per Share of Rs.10 each before prior period item (Rs.) (A)/(C)	**5.94**	3.74
	(v) Basic and Diluted Earning Per Share of Rs.10 each after prior period item (Rs.) (B)/(C)	**5.86**	3.70

	(vi) Calculation of weighted average no. of equity shares for 2007-08				
		No. of shares		Days	Proportionate No. of shares
		Allotted	Outstanding		
	Balance at the beginning of the year Add: Allotment of shares		10,091,070	365	3,683,240,550
				365	3,683,240,550

5. Quantitative Information:

(Rs. in '000)

Particulars	**FY 2007-08**		FY 2006-07	
	QTY	**Amount**	QTY	Amount
Opening Stock:				
Set Top Boxes (net of Vat input taken in FY 2006-07 on opening stock)	**7,876**	**15,634**	297	526
Viewing Cards	**8,996**	**1,799**	–	–
TOTAL		**17,433**		526
Acquisitions/Productions:				
Set Top Boxes	**17,930**	**36,760**	24,406	48,450
Viewing Cards	**10,000**	**2,000**	25,000	5,000
TOTAL		**38,760**		53,450
Sales:				
Set Top Boxes	**10,910**	**22,709**	6,008	11,867
Viewing Cards	**–**	**–**	–	–
TOTAL		**22,709**		11,867
Consumption:				
Set Top Boxes	**1,804**	**3,654**	10,819	21,474
Viewing Cards	**13,512**	**2,702**	16,004	3,201
TOTAL		**6,356**		24,675
Closing Stock:				
Set Top Boxes	**13,092**	**26,031**	7,876	15,634
Viewing Cards	**5,484**	**1,097**	8,996	1,799
TOTAL		**27,128**		17,433

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

a. Component of employer expense

(Rs. in '000)

Particulars	As at March 31, 2008	As at March 31, 2007
Current Service Cost	**187**	–
Interest on defined benefit obligation	**96**	–
Expected Return on plan assets	**(74)**	–
Net Accrual losses/(gains) recognized in the year	**74**	–
Past Service Cost	**–**	–
Losses/(Gains) on "Curtailment & Settlement"	**–**	–
Losses/(Gains) on "Acquisition & Divestiture"	**–**	–
Effect of the limit Para 59(b)	**–**	–
Total Included in employer benefit	**283**	–
Actual Return on plan assets	**88**	–

b. Net Asset/(Liability) recognized in the Balance Sheet as at March 31, 2008.

Particulars	As at March 31, 2008	As at March 31, 2007
Present Value of Funded Obligation	**1,368**	1,012
Fair Value of Plan Assets	**(1,057)**	(984)
Present Value of Unfunded Obligation	**–**	–
Unrecognized Past Service Cost	**–**	–
Amount not recognized as asset	**–**	–
Net Liability	**311**	28
Amount in Balance Sheet		
Liability	**311**	28
Assets	**–**	–
Net Liability	**311**	28

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

Particulars	As at March 31, 2008	As at March 31, 2007
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**1,012**	–
Current Service Cost	**187**	–
Interest Cost	**96**	–
Actuarial Losses/(Gain)	**88**	–
Past Service Cost	**–**	–
Acturial Losses/(Gains) due to curtailment	**–**	–
Liabilities Extinguished on the settlement	**–**	–
Liabilities assumed on Acquisition/(Settled on Divestiture)	**(15)**	–
Exchange Difference on Foreign Plans	**–**	–
Benefits Paid	**–**	–
Closing Defined Benefit Oligation	**1,368**	1,012
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	**984**	–
Expected Return on plan assets	**74**	–
Actuarial Gain/(Losses)	**14**	–
Assets Distributed on Settlements	**–**	–

Particulars	As at March 31, 2008	As at March 31, 2007
Contribution by Employer	–	–
Assets acquired on acquisition/(distributed on Divestiture	(15)	–
Exchange Difference on Foreign Plans	–	–
Benefits Paid	–	–
Closing Fair Value on Plan Assets	1,057	983
Expected Employer Contribution Next Year	300	25

d. Asset Information of Plan Assets

Category of Assets	As at March 31, 2008	As at March 31, 2007
Insurer Managed Fund	100%	100%

(ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave and Sick Leave are Rs. 2,632 (thousand) and Rs. 872 (thousand) respectively.

(iii) Actuarial Assumptions

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Discount Rate (p.a.)	8.40%	8.05%
Expected rate of return on Assets	7.50%	7.50%
Salary Escalation Rate (p.a.)	8.00%	8.00%

a. Discount Rate- is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.

b. Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of obligations.

c. Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.

7. The Company has timing differences between taxable Income & Accounting Income that originates in one year and is capable of reversal in one or more subsequent years. Accordingly in keeping with the requirement of Accounting Standard (AS-22) on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company has provided deferred tax assets and liabilities as on March 31, 2008.

The break-up of year-end deferred tax assets and liabilities into major components of the respective balance is as under:

(Rs. in '000)

Deferred Tax Assets	As at March 31, 2008	As at March 31, 2007
Unabsorbed Business Loss	–	2,341
Unabsorbed Depreciation	2,728	32,366
Provision for Amusement Tax	154	153
Provision for Leave Encashment	895	182
Provision for Gratuity	106	–
Provision for Sick Leave	296	–
Provision for Bonus	45	–
Provision for doubtful debts & Advances	17,193	–
Disallowance u/s 40(a)(ia) capable of reversal during the next year	–	257
Disallowance u/s 43B capable of reversal during the next year	–	1,958

Deferred Tax Assets	As at March 31, 2008	As at March 31, 2007
TOTAL (A)	**21,417**	37,257
Difference between Tax Depreciation and Book Depreciation	**31,060**	30,345
TOTAL (B)	**31,060**	30,345
Net Deferred Tax Liability (Asset in PY) (B-A)	**9,643**	6,912

8. The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the Company's income from cable TV services. The Company has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, inter alia, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized by the Company in the books of accounts.

9. The West Bengal Entertainment-cum-Amusement Tax Act, 1982, as amended, has imposed entertainment/ amusement tax, inter alia, on Multi System Operators (MSOs) as a percentage of gross receipts from Cable TV service from April, 1998. Aggrieved by the levy of Amusement Tax, a local MSO has filed a petition before Hon'ble West Bengal Taxation Tribunal wherein the petitioner's application was not upheld. The local MSO then moved the Hon'ble Kolkata High Court challenging the order of the Hon'ble Tribunal where upon the Hon'ble High Court declared the levy of Amusement Tax on the MSO as illegal and invalid. Thereafter, the State of West Bengal filed a Special Leave Petition before the Hon'ble Supreme Court. The Hon'ble Supreme Court in its order dated March 30, 2001 granted a stay on the Order of the High Court and held that assessment proceedings may continue but no order therein could be passed, pending disposal of the appeal. The Company, being similarly circumstanced as the petitioner MSO as aforesaid, moved an application before the Hon'ble West Bengal Taxation Tribunal on November 5, 2001 and the Hon'ble Tribunal has granted a similar interim order dated December 10, 2001 as that of the Hon'ble Supreme Court and that the matter will be finally heard upon disposal of the identical matter pending before the Hon'ble Supreme Court. In view of the identical issues pending before the Hon'ble Supreme Court, the Company filed an intervention application on May 29, 2003 which has been allowed by the Hon'ble Supreme Court. The matter has since been adjudicated upon by the Hon'ble Supreme Court vide its order dated:16/03/05, and has allowed the petition of state of West Bengal, thereby subjecting the MSOs to the levy of amusement tax.

   Subsequently Entertainment Tax Department has made Assessments up to March 31, 2006 and raised a demand of Rs. 72,611 (thousand) towards Amusement Tax payable. Accordingly no provision has been made for the said liability of Rs. 72,611 (thousand) up to March 31, 2006. Against this company has paid Rs. 2,000 (thousand) during the year and the same has been debited to profit and loss account and balance of Rs. 70,611 (thousand) is not yet provided.

   The company has also filed a plea with the appropriate authority that the company's business along with business of all other MSOs operating in the state since the date of the imposition of the tax will be irreparably damaged if the tax is collected retrospectively. It is expected that the appropriate authority will shortly decide on the plea on its merits.

   The Company has however made provision for the amusement tax liability for the period April 2006 – December 2006 amounting to Rs. 6,549 (thousand) up to December 2006 by raising supplementary bills on the respective debtors. And from January 2006 the Company has started billing amusement tax in its regular invoice.

10. The Company has sold Set Top Boxes under Operating Lease, particulars of which as required under AS-19 are disclosed here under:

(Rs. in '000)

Assets Given at Lease	**As at March 31, 2008**
i) Total Gross Investment in the leases	**23,246**
Not later than 1 year	**6,107**
Later than 1 year but not later than 5 years	**17,139**
Later than 5 years	**Nil**

ii) (Rs. in '000)

Gross Carrying Amount	Depreciation charged to P/L	Net Carrying Amount	Impairment Loss	Revenue Recognized in P/L
25,106	5,499	19,607	NIL	4,823

iii) Significant leasing arrangements :

a) No covenant for contingent rent

b) The Company has leased out Set Top Boxes. The Lease period is 5 years after which the legal title will be passed to lessee.

c) No restrictive covenants relating to dividend, additional debt and further leasing.

iv) The Company has been leasing out certain portion of its Ground Distribution Network to various Parties on terms and conditions as to value and length of the lease set out in the respective contract with the said parties which is flexible. The total lease rental income out of such lease is aggregating to Rs.11418 (thousand), (previous year Rs.11,220 (thousand)). The Capital value of such Assets are not separately identifiable as the same network is also used by the Company for its own cable distributions. The said leases are in the nature of Operating Lease.

(Rs. in '000)

11. Auditors' remuneration (Including Service Tax)	**2007-08**	2006-07
Audit Fees	**110**	73
Limited Review Fees	**11**	
Tax Audit Fees	**36**	28
Certification, taxation, reports and others	**143**	
Reimbursement of Expenses	**10**	Nil
	310	135

12. There is no amount due to any Small Scale Industrial Undertakings as at March 31, 2008.

13. The Company has not received intimation from vendor regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. And hence disclosures relating to amount unpaid as on March 31, 2008 together with interest paid or payable under this Act have not been given.

14. The Company (ICNCL) has entered into an Development Agreement (DA) with another company for demolition of the existing building of ICNCL and construction of another building thereon at the terms and conditions set forth in the said DA. ICNCL has received a sum of Rs. 30,000 (thousand) as deposit refundable in terms of the said MOU.

15. In pursuance of the direction/regulation of Telephone Regulatory Authority of India (TRAI) during the year under review, the Company has implemented Conditional Access System (CAS) in the notified areas and accordingly the bills for subscription charges have been raised in terms of said regulations.

16. The Company has acquired a cable business entity with effect from November 26, 2007 for Rs. 21 lacs on the basis of slump sale agreement executed as on December 3, 2007 in between parties. The same has been recorded in the books of account as per the valuation reports of a registered valuer. A brief detail of business acquired is as follows:

Head of the fixed Asset	**Valuation as per valuer**
Control room & Head end equipment	Rs. 1,950 (thousand)
Ground distribution network	Rs. 150 (thousand)
Total	Rs. 2,100 (thousand)

17. Balances of Debtors & Creditors are subject to confirmation.

18. The Company operates in single business segment (cable networking and signal distribution) and therefore there is no reportable segment as per AS-17.

19. In the opinion of the Board of Directors the current assets, loans and advances shown in he Balance Sheet as on March 31, 2008 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

20. Related Party Disclosure:

List of parties where control Exists.

a. Holding Company
   - Wire and Wireless India Limited

b. Fellow Subsidiary Companies
   - Siticable Broadband South Limited
   - Central Bombay Cable Network Limited
   - Wire and Wireless Tisai Satellite Private Limited

c. Key Managerial Personnels
   - Mr. Avnindra Mohan — Director
   - Mr. V. K. Agarawal — Director
   - Mr. Suresh Kumar — Director
   - Mr. Suresh Kumar Sethia — Director (w.e.f. 07/06/2007)
   - Mr. Amit Nag — Manager

Transactions with related parties.

a) Transaction with holding Company

(Rs. in '000)

Particulars	**Holding Company**
Expenses paid by	7,638
Expenses paid on behalf of	3,902
Expenses reimbursed to	114
Expenses reimbursed by	763
Payment for purchase of material/services	79,004
Purchases from material/services	76,552
Payment on behalf of	
Sale of service/material	751
Recoveries on a/c of sales	7,053
Outstanding as on March 31,2008 (Credit)	36,345

b) Transaction with key managerial persons

Remuneration paid to manager	2,901

21. Previous year's figures have been regrouped and/or rearranged wherever necessary.

Notes to account referred to in our report of even date.

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

A. K. Tekriwal
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

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

Suresh Kumar
Director

V. K. Agarawal
Director

Amit Nag
Manager

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in '000)

PARTICULARS	2007-08	2006-07
A. Cash Flow from operating activities:		
Net Profit before taxation and exceptional item	**67,404**	60,272
Adjustment for :		
Depreciation	**17,177**	10,870
Loss on sale/disposal/decapitalisation of Fixed Assets	**797**	836
Provision for leave encashment	**814**	–
Provision for gratuity	**283**	–
Provision for Sick leave	**267**	–
Liability no longer required written back	**(26,665)**	(14,123)
Provision for doubtful debts & Advances	**28,162**	20,227
Misc. Balances written off	**46**	–
Reversal of Provision for leave encashement	**–**	(140)
Reversal of Provision for gratuity	**–**	(20)
Interest on Fixed Deposit	**(151)**	(14)
Operating profit before working capital changes	**88,133**	77,907
Change in working capital		
Trade and other receivable	**(38,195)**	(60,265)
Inventories	**(13,505)**	(14,806)
Trade payable and other liabilities	**15,018**	34,596
Cash Generation from Operating Activities	**51,450**	37,432
Net Prior Period Adjustment	**(887)**	(386)
Income Tax Paid (including TDS)	**(13,164)**	(4,570)
FBT Paid	**(523)**	(230)
Net Cash Generation from Operating Activities	**36,877**	32,246
B. Cashflow from Investing Activities:		
Purchase of Fixed Assets	**(35,334)**	(46,233)
Purchase of cable business	**(2,100)**	–
Sale of Fixed Assets/Decapitalisation	**1,061**	2,350
Interest on FD	**151**	14
Deposits	**20,000**	10,000
Net Cash deployed in Investing Activities	**(16,222)**	(33,869)
C. Cashflow from Financing Activities:		
Net Cash Generation from Financing Activities	**–**	–
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	**20,654**	(1,622)
Cash & Cash Equivalent at the beginning of the year	**5,983**	7,605
Cash & Cash Equivalent at the end of the year	**26,637**	5,983

Notes To Cash Flow Statement:

1. Cash & Cash Equivalent includes Cheques in Hand of Rs. 15,804 thousands (3,623 thousand).
2. Figures of previous year has been regrouped and rearranged wherever necessary.

Cash Flow Statement referred in our report of even date.

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

A. K. Tekriwal
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

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

Suresh Kumar
Director

V. K. Agarawal
Director

Amit Nag
Manager

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 21-75754 State Code 21

Balance Sheet date: Date 31, Month 03, Year 2008

Ii. Capital Raised During the year (Amount Rs. in thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

Iii. Position of Mobilisation and Deployment of Funds (Amount Rs. in thousands)

Total Liabilities	Total Assets
207351	207351

Sources of Funds

Paid-up Capital	Reserves and Surplus
100911	96798
Secured Loans	Unsecured Loans
NIL	NIL
Deferred Tax Liability (Net)	
9643	

Application of Funds

Net Fixed Assets	Miscellaneous Expenditure
203878	NIL
Net Current Assets	Investments
(896)	NIL
Accmulated Losses	
3820	

Iv. Performance of Company (Amount Rs. in thousands)

Turnover	Total Expenditure
484242	416838
(including other income)	
+ - Profit Before Tax	+ - Profit After Tax
+ 66517	+ 59100
Earnings Per Share of Rs.	Dividend Rate (%)
+ 5.86	NIL

V. Generic Names of Principal Products/SERVICES of the Company (As Per Monetary Terms)

Item Code No. (ITC Code) NOT SPECIFIED

Description of Services CABLE TV SERVICE

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

A. K. Tekriwal
Partner
Membership No.: 56362

Place: Kolkata
Date: June 12, 2008

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

Suresh Kumar
Director

V. K. Agarawal
Director

Amit Nag
Manager

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Ninth Annual Report along with the Audited Financial Statement for the year ending on 31st March, 2008.

FINANCIAL HIGHLIGHTS

Amount in (Rs.)

Particulars	31.03.2008	31.03.2007
Total Gross Income	**42,00,000**	55,50,000
Profit/(loss) before depreciation and tax	**18,26,179**	14,83,992
Less: Depreciation	**1,14,277**	1,34,968
Profit/(Loss) before tax	**17,11,902**	13,49,024
Less: Provision for taxation Less: Provisions for Deferred Tax Assets	**5,39,607** **11,400**	2,54,576 14,400
Prior Period Adjustments (Net)	**Nil**	2,61,300
Profit/(Loss) after tax	**11,83,695**	847,548
Balance Brought Forward	**51,95,751**	43,48,203
Balance carried forward	**63,79,446**	51,95,751

During the financial year ended on March 31, 2008 the gross income of the Company has decreased to Rs. 42 lakhs as compared to Rs. 55.50 lakhs during the last preceding financial year ended on March 31, 2007. Whereas the Net Profit after Tax of the Company during the financial year ended on March 31, 2008 has increased to Rs.11.84 lakhs as compared to Rs.8.48 lakhs in the last preceding financial year ended on March 31, 2007. Your Directors are hopeful that the Company will do well in the current financial year.

DIVIDEND

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

DIRECTORS

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

Further, Mr. S. K.Gupta has been inducted in the Board as an Additional Director on 15th May, 2008 and pursuant to the provisions of Section 260 of the Companies Act, 1956, his office shall expire on the date of the ensuing Annual General Meeting, but he is eligible for re-appointment and also a notice has been received by the Company proposing his candidature for the office of the Director.

AUDITORS’

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

AUDITORS REPORT

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

DEPOSIT(S)

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

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, the Board hereby certifies and confirms that:

i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

iv. The Directors had prepared the annual accounts on a going concern basis.

PERSONNEL

Employees information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended. During the year under review there was no employee drawing a salary of not less than Rs. 24 lakhs, if employed throughout the financial year, or Rs.2 lakhs per month, if employed for a part of the financial year.

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

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

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

b) **Technology absorption:** Not Applicable. The Company is providing service only.

c) **Foreign exchange earnings and outgo:** NIL

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Central Government, Bankers and other concerned agencies for their continued co-operation extended to the Company.

Your Directors also wish to place on records their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

For and on behalf of the board

Sd/-	Sd/-
S. K. Gupta	**B. K. Singh Deo**
Director	Director

Place: New Delhi
Date: May 24, 2008

Auditors' Report

The Members,

Central Bombay Cable Network Limited

Ladies and Gentlemen,

1. We have audited the attached Balance Sheet of **Central Bombay Cable Network Limited**, as at March 31, 2008 and also the Profit & Loss Account and Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standard Generally Accepted in India. Those standards require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials mis-statement. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) order 2003 issued by the central Government of India in term of Sub-Section (4A) of Section 227 of Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.

4. Further to our comment in the annexure referred to above, we report that :

   (i) We have obtained all the information's and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (ii) In our opinion proper books of account as required by law have kept by the Company so far as appear from our examination of books.

   (iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report is in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with accounting standard referred to Sub-section (3c) of Section 211 of the Companies Act, 1956;

   (v) On the basis of written representation received from the Directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2008 from being appointed as director in term of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956,

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India;

      a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008.

      b) In the case of Profit & Loss account, of the profit/loss for the year ended on that date.

      c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726

Place: New Delhi
Date: May 24, 2008

ANNEXURE

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   b) All the assets have been physically verified by the management during the year but there is no regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
   c) During the year the company has not disposed of any plant and machinery.
2. a) The Company is not maintaining any inventory.
   b) –N.A–
   C) –N.A–
3. a) The Company had taken unsecured loan from its holding company i.e Wire and Wireless (India) Ltd. The maximum amount involved during the year was Rs. 2,37,80,000/-.
   b) The Company has not taken any interest bearing loan.
   c) –N.A–
   d) –N.A–
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) Based on the audit procedure applied by us and according to the information and explanation provided by management, we are of the opinion that the transaction that need to be entered in to the register maintained under Section 301 have been so entered.
   b) –N.A–
6. In our opinion and according to information and explanations given to us there are no transaction exceeding Rs. 5.0 lakhs made in pursuance of contract or arrangements entered in the Register maintained u/s 301 of the Companies Act, 1956.
7. The Company has not accepted any deposits from public under the provision of Section 58 A and 58 AA of Companies Act, 1956 and Companies (Acceptance of Deposits) Rule, 1975.
8. The Company is not having paid up capital exceeding Rs. 50 lakhs and average annual turnover doesn't exceed Rs. 5 crore for a period three consecutive financial year therefore the clause regarding internal audit system doesn't apply to the Company.
9. The Central Government has not prescribed for the maintenance of cost records under Section 209 (1) d of the Companies Act, 1956.
10. a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues.
    b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at March 31, 2008 for a period of more than six months from the date they became payable.
11. There is no accumulated losses of the Company at March 31, 2008.
12 The Company has not availed any secured loan from Bank, financial institution and debenture holders.
13. Based on our audit procedure and on the information and explanation given by management, we are of the opinion that Company has not granted loans and advances on the basis of security by way of pledge of share, debenture and other securities.
14. –N.A–
15. The Company has not given any guarantee for loans taken by others from bank or financial institution.
16. The Company has not taken any term loan.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term fund have been used to finance short term assets .
18. Based on our examination of record and information provided to us by management, we report that the Company has not made preferential allotment of share to parties and companies covered in the register maintained under Section (301) of the Act.
19. During the period covered by our audit report, the company has not issued any debentures. The question of creation of any security in respect of these debenture doesn't arise.
20. The Company has not raised any money by public issue.
21. Based upon the audit procedure performed and information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726

Place: New Delhi
Date: May 24, 2008

BALANCE SHEET AS AT MARCH 31, 2008

(Amount in Rs.)

	Schedule		March 31, 2008		March 31, 2007
SOURCES OF FUNDS					
Shareholder's Fund					
Share Capital	A		**500,000**		500,000
Reserve and Surplus					
Profit and Loss A/c	B		**6,379,446**		5,195,751
Loans Fund					
Unsecured Loan	C		**21,755,000**		23,780,000
Deferred Tax Liability (Net)			**8,280**		19,680
			28,642,726		29,495,431
APPLICATION OF FUNDS					
Fixed Assets	D				
Net Block					
Gross Block		**34,982,595**		34,982,595	
Less : Depreciation		**876,249**	**34,106,346**	761,972	34,220,623
Investments	E		**60,150**		60,150
Current Assets, Loan and Advances	F				
a. Sundry Debtors		**350,000**		1,700,000	
b. Cash and Bank Balance		**630,460**		6,914	
c. TDS Recoverable		**712,841**		–	
		1,693,301		1,706,914	
Less : Current Liabilities and Provisions	G	**7,217,602**	**(5,524,301)**	6,493,319	(4,786,405)
Miscellaneous Expenditure (to the extent not written off or adjusted)	H		**531**		1,063
			28,642,726		29,495,431

In terms seperate Audit Report of even date.
For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726

Place: New Delhi
Date: May 24, 2008

For **Central Bombay Cable Network Ltd.**

S. K. Gupta
Director

B. K. Singh Deo
Director

PROFIT AND LOSS ACCOUNT FOR THE PERIOD APRIL 1, 2007 TO MARCH 31, 2008

(Amount in Rs.)

	Schedule	March 31, 2008	March 31, 2007
Right to use Charges	I	**4,200,000**	5,550,000
		4,200,000	5,550,000
EXPENDITURE	J		
Operating Expenses		**753,772**	906,770
Administrative and Other Expenses		**1,620,049**	3,159,238
Depreciation		**114,277**	134,968
		2,488,098	4,200,976
Profit before Taxation		**1,711,902**	1,349,024
Less : Provision for Current Year Tax		**539,607**	254,576
Profit after Current Year Tax		**1,172,295**	1,094,448
Add: Provision for Deferred Tax Assets		**11,400**	14,400
Profit after Deferred Tax		**1,183,695**	1,108,848
Prior Period Adjustments (Net)		**–**	261,300
Net Profit after Tax		**1,183,695**	847,548
Balance brought forward		**5,195,751**	4,348,203
B/F Loss of Last Year		**–**	–
Balance Carried to Balance Sheet		**6,379,446**	5,195,751

In terms seperate Audit Report of even date.
For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726

Place: New Delhi
Date: May 24, 2008

For **Central Bombay Cable Network Ltd.**

S. K. Gupta
Director

B. K. Singh Deo
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

(Amount in Rs.)

	Annexure		As at March 31, 2008	As at March 31, 2007
SCHEDULE A : SHARE CAPITAL				
AUTHORISED SHARE CAPITAL				
50,000 Equity Shares of Rs. 10/- each			**500,000**	500,000
ISSUED, SUBSCRIBED & PAID UP				
50,000 Equity Shares of Rs. 10/- each			**500,000**	500,000
(Held by Wire and Wireless (India) Ltd., the Holding Company)				
SCHEDULE B : RESERVES AND SURPLUS				
Profit and Loss Account			**6,379,446**	5,195,751
SCHEDULE C : LOANS FUND				
Unsecured Loan			**21,755,000**	23,780,000
Loan from Holding Company - Wire and Wireless (India) Ltd.				
SCHEDULE D : FIXED ASSETS				
NET BLOCK	1			
Gross Block		**34,982,595**		
Less: Depreciation		**876,249**	**34,106,346**	34,220,623
SCHEDULE E : INVESTMENTS				
30,000 Equity Shares of Rs. 2/- each fully paid in			**60,150**	60,150
Indian Cable Net Co. Ltd.				
SCHEDULE F : CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets				
a) Sundry Debtors				
More than six months		**–**		
Less than six months		**350,000**	**350,000**	1,700,000
b) Cash and Bank Balance				
Cash in hand		**550**		
Balance with Scheduled Bank				
In HDFC		**629,910**	**630,460**	6,914
c) Loans & Advances				
TDS Recoverble			**712,841**	–
			1,693,301	1,706,914
SCHEDULE G : CURRENT LIABILITIES				
Creditors for Expenses				
Gaba and Associates		**12,479**		12,479
Sundry Creditors		**3,224,833**		5,084,833
Expenses Payable (06-07)		**5,867**		5,867
Expenses Payable (07-08)		**2,300,765**		–
WWIL - Expenses A/c		**167,431**		161,531
			5,711,375	5,264,710
Security Deposit			**900,000**	900,000
TDS Payable			**66,620**	74,033
Provision for Taxation			**539,607**	254,576
			7,217,602	6,493,319
SCHEDULE H : MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)				
Preliminary Expenses		**1,063.00**		
Less: W/o during the year		**532.00**	**531**	1,063

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(Amount in Rs.)

	March 31, 2008	March 31, 2007
SCHEDULE I : INCOME		
Right to use Fee	**4,200,000**	5,550,000
SCHEDULE J : EXPENDITURE		
Operating Expenses		
Repairs and Maintenance-Network	**753,772**	906,770
Administrative Expenses		
Auditors Remuneration		
– Audit Fees	**6,742**	6,734
– Taxation Matter	**2,500**	2,500
Bank Charges	**–**	337
Filing Fees	**1,200**	900
Preliminary Expenses W/o	**532**	532
Pre-Operative Expenses W/o	**–**	997
Legal Expenses	**9,704**	9,393
Printing and Stationery	**600**	600
Capital Issue Expenses W/o	**–**	2,400
Salaries and Service Charges	**1,598,771**	3,134,845
	1,620,049	3,159,238

Annexure 1

(Amount in Rs.)

DETAIL OF FIXED ASSETS AS ON MARCH 31, 2008.

	Gross Block					Depreciation			Net Block	
Description of Assets	**As At 31.03.2007**	**Addition during the year**	**Deduction during the Year**	**As At 31.03.2008**	**Rate of Dep.**	**Upto 31.03.2007**	**Dep. till 31.03.2008**	**Upto 31.03.2008**	**As At 31.03.2008**	**As At 31.03.2007**
Goodwill	33,475,175	–	–	**33,475,175**	–	–	**–**	**–**	**33,475,175**	33,475,175
Networking Assets	1,507,420	–	–	**1,507,420**	15.33%	761,972	**114,277**	**876,249**	**631,171**	745,448
	34,982,595	–		**34,982,595**		761,972	**114,277**	**876,249**	**34,106,346**	34,220,623

SCHEDULE I : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2008

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Accounting Convention**
   The Accounts of the Company are prepared under the historic cost convention and on going concern basis.
2. **Revenue Recognition**
   All incomes and expenses are recognized on Accrual basis in accordance with generally accepted accounting principles.
3. **Fixed Assets**
   Fixed assets are stated at cost less depreciation.
4. **Depreciation**
   Depreciation has been provided as per written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.
5. **Miscellaneous Expenditure**
   The Company amortizes preliminary expenses over 10 years and pre-operative expenses and deferred revenue expenditures etc. over a period of 5 years.
6. **Taxation**
   The provision for current year income tax is made as per the provisions of the Income Tax Act, 1961. The Company has been following Accounting Statndard 22, "Accounting for Tax on Income." Accordingly, the net difference of deferred tax assets/liability for the year has been recognized in the Profit and Loss Account.

B. NOTES TO ACCOUNTS

1. Claims against the Company not acknowledged as debt - NIL
2. Previous year figures have been regrouped/rearranged wherever necessary.
3. Contingent liabilities not provided for - NIL
4. In the opinion of Board, Current Assets are realisable approximately at the value stated in the ordinary course of business.
5. **Payment to Auditors**

For Statutory Audit	Rs. 4,495/- (Including Service Tax)
For Tax Audit	Rs. 2,247/- (Including Service Tax)
For Taxation Matters	Rs. 2,500/-

6. Expenditure in Foreign currency is Rs. NIL and Company earning in Foreign Exchange is Rs. NIL.
7. **Related Party Transactions**

Sr. No.	Name of the Related Party	Description of Relationship	Nature of Transaction	Amount of Transaction	Balance as on Balance Sheet Date
1.	Wire and Wireless (India) Ltd.	Holding Co.	Repayment of Interest free loan	20,25,000/	2,17,55,000/-
2.	Wire and Wireless (India) Ltd.	Holding Co.	a) Reimbursement of Expenses	5,900/-	1,67,431/-

8. **Accounting for Tax on Income** – (AS-22)
   Components of Deferred tax balance are as under:
   1. Depreciation:

Depreciation as per Income Tax Act, 1961	Rs. 80,407/-
Depreciation as per Companies Act, 1956	Rs. 114,277/-
Excess amount of Depreciation as per Companies Act, 1956	Rs. 33,870/-
Net Deferred tax Assets for the year	Rs. 11,400/-

9. Schedule "9" forms an integral part of the Balance Sheet and has been duly authenticated.

In terms seperate Audit Report of even date.
For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726
Place: New Delhi
Date: May 24, 2008

For **Central Bombay Cable Network Ltd.**

S. K. Gupta
Director

B. K. Singh Deo
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rs.)

	Year ended March 31, 2008	Year ended March 31, 2007
Cash Flow from Operating Activities		
Net Income/(Loss) Before Tax	**1,711,902**	1,349,024
Adjustments for:		
Depreciation	**114,277**	134,968
Amortisation of Preliminary Expenses	**532**	3,929
Operating Profit before working capital changes	**1,826,711**	1,487,921
Adjustments for:		
(Increase)/Decrease in accounts receivable	**1,350,000**	750,000
(Increase)/Decrease in prepaid and other current assets	**(712,841)**	–
Increase/(Decrease) in accounts payable	**439,252**	1,915,365
Cash Flow from Operating Activities before Taxes	**2,903,122**	4,153,286
Taxes Paid	**(254,576)**	(951,600)
Net Cash provided by Operating Activities	**2,648,546**	3,201,686
Cash Flow from Investing Activities		
Purchase/(Sale) of property, plant and equipment	**–**	–
Purchase of Investment	**–**	–
Increase/(Decrease) in Miscellaneous Expenditure	**–**	–
Net Cash utilised in Investing Activities	**–**	–
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	**–**	–
Loan from Holding Company	**–**	–
Loan repaid to Holding Company	**(2,025,000)**	(3,270,000)
Net Cash provided by Financing Activities	**(2,025,000)**	(3,270,000)
Net increase in Cash and Cash equivalents	**623,546**	(68,314)
Cash and Cash equivalents as at 01.04.2007	**6,914**	75,228
Cash and Cash equivalents as at 31.03.2008	**630,460**	6,914

In terms seperate Audit Report of even date.
For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726

Place: New Delhi
Date: May 24, 2008

For **Central Bombay Cable Network Ltd.**

S. K. Gupta
Director

B. K. Singh Deo
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information Pursuant to of Part IV of Schedue VI of the Companies Act, 1956.

I.	**Registration Details**		
1.	Registration No.	:	102012
2.	State code	:	55
3.	Balance Sheet date	:	31.03.2008
II.	**Capital Raised during the period (Rs. in Thousand)**		
	*Public Issue	:	Nil
	*Right Issue	:	Nil
	*Bonus Issue	:	Nil
	*Private Placement	:	Nil
III.	**Position of Mobilisation and Deployment of Funds (Rs. in Thousand)**		
1.	Total Liabilities	:	35,861.00
2.	Total Assets	:	35,861.00
3.	Source of Funds:-	:	
	*Paid up capital	:	500.00
	*Reserves and Surplus	:	6,380.00
	*Secured loans	:	–
	*Unsecured loans	:	21,755.00
			28,635
4.	Application of Funds	:	
	*Net Fixed Assets	:	34,106.00
	*Investment	:	60.00
	*Net Current Assets	:	(5,524.00)
	*Miscellaneous Expenditure	:	1.00
	*Net Deferred Tax Liability	:	(8.00)
			28,635.00
IV.	**Performance of Company (Rs. in Thousand)**		
1.	Turnover	:	4,200.00
2.	Total Expenditure	:	2,488.00
3.	Profit Before Tax	:	1,712.00
4.	Profit after tax	:	1,184.00
5.	Dividend Rate (in %)	:	Nil
6.	Earning Per Share (in Rs.)	:	23.67
V.	**Generic Names of principal products/services of company (As per monetary terms)**	:	
1.	Item code No. (ITC code)	:	N.A
	Product Description	:	N.A

In terms seperate Audit Report of even date.
For **M/s. Gaba & Associates**
Chartered Accountants

Gulshan Gaba
Proprietor
Membership No.: 88726

Place: New Delhi
Date: May 24, 2008

For **Central Bombay Cable Network Ltd.**

S. K. Gupta
Director

B. K. Singh Deo
Director

Directors' Report

To,
The Members

Your Directors take pleasure in presenting the Seventh Annual Report together with the audited statement of the Accounts for the year ended March 31, 2008.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

Particulars	March 31, 2008	March 31, 2007
Total Gross Income	**17,70,506**	19,70,975
Profit/(Loss) before depreciation and tax	**(6,89,011)**	(12,91,634)
Depreciation	**45,770**	45,769
Profit/(Loss) before tax	**(7,34,781)**	(13,37,403)
Provision for taxation (FBT)	**334**	7,242
Profit/(Loss) after tax	**(7,35,115)**	(13,44,645)
Balance brought forward	**(36,94,062)**	(23,49,417)
Balance carried forward	**(44,29,177)**	(36,94,062)

During the financial year ended on March 31, 2008 the gross income of the Company has decreased to Rs.17.71 lakhs as compared to Rs.19.71 lakhs during the last preceding financial year ended on March 31, 2007, whereas the Net Loss of the Company during the financial year ended on March 31, 2008 has decreased to Rs.7.35 lakhs as compared to Rs.13.45 lakhs in the last preceding financial year ended on March 31, 2007. Your directors are hopeful that the company will do well in the current financial year.

BUSINESS OUTLOOK

Your Company is focusing on growth of the business and planning to consolidate its position in the cable business by focusing on digitalization and transforming itself into a B2C (Business to Customer) company with the acquisition of direct points from the cable operators.

DIVIDEND

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

PUBLIC DEPOSITS

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

DIRECTORS

During the period under review, Mr. R. K. Singh, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Board of Directors has recommended his re-appointment.

Further, Mr. P. Kailasam had resigned on September 21, 2007 and Mr.Sandeep Kumar Jain has been inducted on the Board as an Additional Director on September 21, 2007 and pursuant to the provisions of Section 260 of the Companies Act, 1956 his office shall expire on the date of the ensuing Annual General Meeting, but he is eligible for re-appointment and also a notice has been received by the Company proposing his candidature for the office of the Director.

AUDITORS

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

AUDITORS' REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Board hereby certifies and confirms that:

i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that year;

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities; and

iv. The Directors have prepared the annual accounts on a going concern basis.

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

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

a) Conservation of energy

During the year under review, no activity relating to conservation of energy has been applicable to the Company.

b) Technology absorption

Your Company has not imported technical know-how and not yet established any separate Research and Development facilities.

c) Foreign exchange earnings and outgo

During the year under review, there were no Foreign Exchange Earnings and Outgo.

COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956

Pursuant to Section 383A of the Companies Act, 1956, your Company has obtained a Certificate of Compliance from Sunita Mohanty & Associates, Company Secretaries in Whole-Time Practice. The findings of the compliance certificate were entirely satisfactory.

PERSONNEL

Your Directors place on record their appreciation of the contribution made by the employees at all levels who, through their competence, diligence, solidarity, co-operation and support, have enabled the Company to achieve phenomenal growth during the period.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

During the year under review there was no employee drawing a salary of not less than Rs. 24 lakhs, if employed throughout the financial year, or Rs. 2 lakhs per month, if employed for a part of the financial year.

ACKNOWLEDGEMENTS

The Company is grateful to its shareholders, bankers, vendors and employees for reposing their support and faith in the Company, which has helped in smooth business operations of the Company.

For and on behalf of the board

Sd/-	Sd/-
Sandeep Kumar Jain	**R. K. Singh**
Director	Director

Place: Bangalore
Date: May 15, 2008

Auditors' Report

To,
The Members,
Siticable Broadband South Limited,

1. We have audited the attached Balance Sheet of **Siticable Broadband South Limited** as at March 31, 2008, and also the Profit and Loss Account of the company and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 ('the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ("the Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of accounts as required by Law have been kept by the company, so far as appears from our examination of those books;

   c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   e) On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and other notes thereon as per Schedule-7, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

      ii) in the case of the Profit and Loss Account, of the loss for the year ended on March 31, 2008;

      iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **MGB & Co.**
Chartered Accountants

(L.K. Shrishrimal)
Partner
Membership No. : 72664

Place : New Delhi
Date: May 15, 2008

Essel GROUP

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT TO THE MEMBERS OF SITICABLE BROADBAND SOUTH LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008.

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management at the end of the year and no discrepancy was noticed on such verification.

(c) The company has not disposed off a substantial part of the fixed assets.

(ii) The Company does not have any inventory during the year, hence clause (ii) is not applicable to the Company.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, the requirements of clause (iii.b), (iii.c) and (iii.d) of paragraph 4 of the Order are not applicable to the Company.

(b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, the requirements of Clause (iii.f) and (iii.g) of paragraph 4 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of stores, fixed assets and for sale of services. We have not observed any continuing failure to correct major weakness in internal control system.

(v) (a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.

(v) (b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

(vi) The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. We are informed that no Order has been passed by the Company Law Board.

(vii) The clause on internal audit system is not applicable on the Company.

(viii) We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

(ix) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other statutory dues, as applicable, with appropriate authorities *though there have been a delay in few cases*.

According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess and other statutory dues, as applicable, with appropriate authorities were outstanding as at March 31, 2008 for a period of more than six months from the date they became payable, *except following*:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment
Service Tax	Service Tax	5848	June 2007	05.07.07	--
		592	July 2007	05.08.07	--

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

(x) The Company has accumulated losses exceeding fifty percent of its net worth as at March 31, 2008 and has incurred cash losses in the current as well as in the immediately preceding financial year.

(xi) The Company has not taken any loan from any financial institution or bank or on debenture.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Societies. Therefore, the provisions of the Clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.

(xvi) The Company has not taken any term loan during the year, as such clause 4(xvi) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, we report that the no fund raised on short term basis have been used for long term investment and vice versa.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) The Company has not issued any debenture during the year.

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

(xxi) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year.

For **MGB & Co.**
Chartered Accountants

(L.K. Shrishrimal)
Partner
Membership No. : 72664

Place: New Delhi
Date: May 15, 2008

BALANCE SHEET AS AT MARCH 31, 2008

(Amount in Rs.)

	Schedule	As at March 31, 2008	As at March 31, 2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**2,327,500**	2,327,500
TOTAL		**2,327,500**	2,327,500
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block (At Cost)	2	**652,184**	652,184
Less: Depreciation		**128,232**	82,462
Net Block		**523,952**	569,722
Current Assets, Loans and Advances	3		
Sundry Debtors		**251,159**	136,248
Cash & Bank Balances		**240,651**	67,838
Loans & Advances		**310,942**	545,726
		802,752	749,812
Less: Current Liabilities and Provisions	4	**3,446,986**	2,710,903
Net Current Assets		**(2,644,234)**	(1,961,091)
Miscellaneous Expenditure			
(to the extent not written off or adjusted) Preliminary Expenses		**18,605**	24,807
Profit and Loss Account		**4,429,177**	3,694,062
Deferred Tax (Net) [Refer Note 4]		**–**	–
TOTAL		**2,327,500**	2,327,500
Notes on Accounts and Significant Accounting Policies	7		

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

L. K. Shrishrimal
Partner
Membership No.: 72664

Place: New Delhi
Date: May 15, 2008

For and on behalf of the Board

Sandeep Kumar Jain
Director

R. K. Singh
Director

Essel GROUP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rs.)

	Schedule	Year ended March 31, 2008	Year ended March 31, 2007
INCOME			
Subscription Income		**1,686,623**	1,968,975
Other Income		**83,883**	1,078
TOTAL		**1,770,506**	1,970,053
EXPENDITURE			
Operational Expenses	5	**1,520,628**	1,803,756
Administrative and Other Expenses	6	**938,889**	1,457,931
Depreciation	2	**45,770**	45,769
TOTAL		**2,505,287**	3,307,456
Loss Before Taxation		**734,781**	1,337,403
Provision for Taxation			
- Current Tax		**–**	–
- Fringe Benefit Tax		**334**	7,242
- Deferred Tax (Refer Note 4)		**–**	–
LOSS AFTER TAX		**735,115**	1,344,645
Add: Loss Brought forward from Previous Year		**3,694,062**	2,349,417
Balance Carried to Balance Sheet		**4,429,177**	3,694,062
Basic/Diluted Earning per Share		**(73.51)**	**(134.46)**
Notes on Accounts and Significant Accounting Policies	7		

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

L. K. Shrishrimal
Partner
Membership No.: 72664

Place: New Delhi
Date: May 15, 2008

For and on behalf of the Board

Sandeep Kumar Jain
Director

R. K. Singh
Director

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

SCHEDULE : 1 SHARE CAPITAL

	As at March 31, 2008	As at March 31, 2007
Authorised:		
10,000 Equity Share of Rs. 10/- each	**100,000**	100,000
23,000 Preference Shares of Rs. 100/- each	**2,300,000**	2,300,000
TOTAL	**2,400,000**	2,400,000
Issued, Subscribed & Paid-up;		
10,000 Equity Share of Rs.10/- each fully Paid up (Held by Wire and Wireless (India) Ltd., the Holding Company and it's Nominee's)	**100,000**	100,000
22,275 0.00% Fully Convertible Preference Shares of Rs. 100/- each Fully Paid Up	**2,227,500**	2,227,500
Notes: 0.00% Fully Convertible Preference Shares have been issued for a consideration other than cash and are convertibile into Equity Shares of Rs. 10/- each fully paid up after 180 months from May 9, 2001		
TOTAL	**2,327,500**	2,327,500

SCHEDULE 2: FIXED ASSETS (At Cost)

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April, 2007	Addition	Deductions	As at 31st March 2008	Up to 1st April, 2007	For the year	Deductions	As at 31st March 2007	As at 31st March 2008	As at 31st March 2007
Plant & Machinery	652,184	–	–	**652,184**	82,462	45,770	–	128,232	**523,952**	569,722
CURRENT PERIOD TOTAL	**652,184**	**–**	**–**	**652,184**	**82,462**	**45,770**	**–**	**128,232**	**523,952**	**569,722**
PREVIOUS YEAR TOTAL	652,184			**652,184**	36,993	45,769		82,462	**569,722**	

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2008

(Amount in Rs.)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE 3 : CURRENT ASSETS, LOANS AND ADVANCES		
A) CURRENT ASSETS		
(a) SUNDRY DEBTORS		
(Unsecured; Considered good)		
More than six months	240,600	92,135
Others	251,160	284,714
	491,760	376,849
Less: Provision for Doubtful Debts	240,601	240,601
TOTAL (a)	251,159	136,248
(b) CASH AND BANK BALANCES		
Cash in hand	14,319	20,460
Balance with Scheduled Banks		
In Current Accounts	226,332	47,378
TOTAL (b)	240,651	67,838
TOTAL [A = (a+b)]	491,810	204,086
B) LOANS AND ADVANCES		
(Unsecured; Considered Good)		
(a) Security Deposits	250,000	250,000
(b) Advances (Recoverable in cash or in kind or for value to be received)	60,942	295,726
TOTAL (B)	310,942	545,726
TOTAL (A+B)	802,752	749,812
SCHEDULE 4 : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	3,439,360	2,703,661
[Includes Rs. 3,174,640 (Previous Year Rs. 959,353) due to holding Company]		
Advance from Customers	7,292	–
PROVISIONS		
Fringe Benefit Tax	334	7,242
TOTAL	3,446,986	2,710,903

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rs.)

	Year ended March 31, 2008	Year ended March 31, 2007
SCHEDULE 5 : OPERATIONAL EXPENSES		
Subscription Charges	**732,888**	891,315
Repairs and Maintenance - Network	**8,382**	19,654
Lease Rent	**741,000**	846,148
Power & Fuel	**38,358**	46,639
TOTAL	**1,520,628**	1,803,756

	Year ended March 31, 2008	Year ended March 31, 2007
SCHEDULE 6 : ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, Allowances and Ex-gratia (Net)	**–**	690,788
Licence and Permission	**500**	54,184
Travelling and Conveyance Expenses	**1,230**	94,511
Printing and Stationary	**–**	4,621
Rent	**18,000**	22,200
Rates and Taxes	**2,585**	17,676
Communication Expenses	**3,000**	3,058
Staff Welfare Expenses	**675**	11,105
Legal and Professional Charges	**764,873**	319,618
Provision for doubtful debt	**–**	178,583
Auditors' Remuneration:	**17,500**	18,750
Preliminary Expenses Written off	**6,202**	6,202
Bank Charges	**3,615**	5,591
Sundry Expenses	**24,880**	20,244
Prior Period Expenses	**94,909**	10,800
Interest Paid	**920**	–
TOTAL	**938,889**	1,457,931

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2008

SCHEDULE 7 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Background

The Company is a wholly owned subsidiary of Wire and Wireless (India) Ltd. The Company is in the business of providing cable TV services to the end consumers.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

a) The financial statements are prepared on historical cost convention and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

b) The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

2. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost comprises of the acquisition price, installation and all attributable costs of bringing the asset to its working condition for its intended use.

3. Depreciation

a) Depreciation on Fixed Assets is provided at rates prescribed in Schedule XIV of the Companies Act, 1956 (except otherwise stated below) on straight line method.

b) The cable network (other than cable cost) has been considered as continuous process plant.

c) Assets other than cable network equipment costing below Rs. 5,000/- are depreciated at 100%.

d) Plant & Machinery (cost of cable) is depreciated equally over a period of 10 years.

4. Revenue Recognition

Subscription Income is recognized when the service is rendered.

5. Miscellaneous Expenditure

Preliminary Expenses are written off over a period of ten accounting years.

6. Operating Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with respective lease agreements.

7. Taxation on Income

Income Taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India. Tax expense comprises current, fringe benefit and deferred. Current tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities, using the applicable tax rate. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent period and are measured using relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

8. Earning Per Share

Basic earning per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the results would be anti dilutive.

B. NOTES ON ACCOUNTS

1. Going Concern :

The accompanying financial statements have been prepared assuming the Company will continue as going concern. The paid up capital of the Company as at the balance sheet date is Rs. 23,27,500 and accumulated losses are Rs. 44,29,177. As per the business plan, the Company is in the process of acquiring new networks which will generate sufficient fund to meet future requirements. Further the holding company has assured financial support to the Company to implement its future business plan and meet its fund requirement. Hence, the management believes that it is appropriate to prepare these financial statements on a going concern basis.

2. In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as at March 31, 2008 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities is made in the accounts.

3. The Company's significant lease arrangements are in respect of operating leases taken for net-work and equipments. These leases are cancellable/non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease generally is for 1 to 60 months.

Particulars	**Year ended March 31, 2008 Amount (Rs.)**	Year ended March 31, 2007 Amount (Rs.)
Lease rental charges for the year	**7,41,000**	8,68,348
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	**3,90,510**	3,60,000
Later than one year but not later than five years	**9,21,382**	5,10,000
Later than five years	**–**	–

4. **Income Tax**
   a) In view of current year loss and brought forward losses and allowances under the Income Tax Act 1961, no provision for current taxation is considered necessary.
   b) In accordance with the Accounting Standard 22 on " Accounting for taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position and requirement of the Accounting Standard regarding certainty/virtual certainty, the deferred tax assets and liabilities as on March 31, 2008 have not been recognized. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid Accounting Standard.

5. **Micro, Small and Medium Enterprises**

   Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are nil, based on the information available with the Company.

6. Additional information required to be given pursuant to Part II of Schedule VI to the Companies Act, 1956 are nil or not applicable.

7. **Retirement benefits to the employees**

   Since there was no employee during end of the year, no provision for the retirement benefits has been considered.

8. **Auditors' Remuneration**

Particulars	**Year ended March 31, 2008 Amount (Rs.)**	Year ended March 31, 2007 Amount (Rs.)
Audit Fees	**15,000**	15,000
Tax Matters	**2,500**	2,500
Others including Service Tax	**2,163**	2,780

9. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) is Rs. Nil (Previous year Rs. Nil).

10. Expenditure in the Foreign Currency :

Particulars	**Year ended March 31, 2008 Amount (Rs.)**	Year ended March 31, 2007 Amount (Rs.)
Travelling Expenses	**NIL**	14,100

11. The expenses under the Administrative Expenses are net of Rs. NIL (Previous year: Rs 46,77,606) shared with holding company.

12. **Related Party Disclosures :**

(A) Year ended March 31, 2008:

(i) List of Parties where control exists

a) Holding Company

- Wire and Wireless (India) Limited (Extent of holding 100%)

b) Fellow Subsidiary Companies

- Central Bombay Cable Network Ltd.
- Wire and Wireless Tisai Satellite Private Ltd.
- Indian Cable Net Company Ltd.

c) Partnership firm of Holding Company

- Cable Broadcasting Network

d) Key Managerial Personnel

- Mr. B. K. Singh Deo — Director
- Mr. R. K. Singh — Director
- Mr. Sandeep Kumar Jain — Director (w.e.f. September 21, 2007)
- Mr. P. Kailasam — Director (Till September 21, 2007)

ii. Transactions with Related Parties – Holding Company

Particulars	**Year ended March 31, 2008 Amount (Rs.)**
Advances Received from	**27,21,113**
Expenses Reimbursement by	**800**
Repayment of Advances Received	**5,06,806**
Balance Outstanding as on March 31, 2008 Sundry Creditors	**31,74,640**

(B) Year ended March 31, 2007:

(i) List of Parties where control exists

a) Holding Company

- Wire and Wireless (India) Ltd. (Extent of Holding 100%)

b) Fellow Subsidiary Companies

- Central Bombay Cable Network Ltd.
- Indian Cable Net Company Ltd.

c) Partnership firm of Holding Company

- Cable Broadcasting Network

d) Key Managerial Personnel

- Mr. P. Kailasam — Director
- Mr. B. K. Singh Deo — Director
- Mr. R. K. Singh — Director

(ii) Transactions with Related Parties – Holding Company

Particulars	**Amount (Rs.)**
Advances Received from	46,70,276
Expenses reimbursement by	5,66,180
Repayment of Advances Received	25,000
Expenses Reimbursed to	46,77,606
Balance Outstanding as on March 31, 2007 Sundry Creditors	9,59,533

13. Earning per share (EPS)

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
	Amount (Rs.)	Amount (Rs.)
Profit/(Loss) after Tax	**(7,35,115)**	(1,344,645)
Number of Equity Shares	**10,000**	10,000
Nominal Value of Equity Shares	**10**	10
Basic/Diluted Earning Per Share	**(73.51)**	(134.46)

14. Segmental Reporting

The Company is in the business of providing Cable Television Services to the end consumers, which as per Accounting Standard 17 is considered the only reportable business segment.

Signature to Schedule

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

For and on behalf of the Board

L. K. Shrishrimal
Partner
Membership No.: 72664

Sandeep Kumar Jain
Director

R. K. Singh
Director

Place: New Delhi
Date: May 15, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rs.)

	Year ended March 31, 2008	Year ended March 31, 2007
Cash Flow from Operating Activities		
Net Income/(Loss) before Tax	**(734,781)**	(1,337,403)
Adjustments for :		
Depreciation	**45,770**	45,769
Provision for Doubtful Debts	**–**	178,583
Amortisation of Preliminary Expenses	**6,202**	6,202
Operating Profit before working capital changes	**(682,809)**	(1,106,849)
Adjustments for :		
(Increase)/decrease in accounts receivable	**(114,911)**	(205,035)
(Increase)/decrease in prepaid and other current assets	**234,784**	(182,039)
Increase/(decrease) in accounts payable	**(1,472,296)**	931,271
Cash Flow from Operating Activities before Taxes	**(2,035,232)**	(562,652)
Taxes Paid	**(7,242)**	(3,472)
Net Cash Flow from Operating Activities	**(2,042,474)**	(566,124)
Cash Flow from Investing Activities		
Increase/(decrease) in Capital Work in Progress	**–**	–
Net Cash utilised in Investing Activities	**–**	–
Cash Flow from Financing Activities		
Loan/Advance from Holding Company	**2,722,092**	5,256,456
Loan/Advance repaid to Holding Company	**(506,806)**	(4,722,606)
Net Cash provided by Financing Activities	**2,215,286**	533,850
Net increase in Cash and Cash Equivalents	**172,812**	(32,274)
Cash and Cash Equivalents at the beginning of the year	**67,838**	100,112
Cash and Cash Equivalents at the end of the year	**240,650**	67,838

Note :

1. Previous year figures have been regrouped/rearranged wherever necessary.
2. Components of Cash and Cash equivalents at the end of the year :

Cash in hand	**14,319**	20,460
Balances with Scheduled Banks in Current Accounts	**226,332**	47,378
	240,651	67,838

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

L. K. Shrishrimal
Partner
Membership No.: 72664

Place: New Delhi
Date: May 15, 2008

For and on behalf of the Board

Sandeep Kumar Jain
Director

R. K. Singh
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 28870 State Code 08

	Date	Month	Year
Balance Sheet date	31	03	2008

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

Total Liabilities	Total Assets
5774.486	5774.486

SOURCES OF FUNDS

Paid-up Capital	Reserves and Surplus
2327.500	NIL
Share Application Money	Secured Loans
NIL	NIL
Unsecured Loans	
NIL	

APPLICATION OF FUNDS

Net Fixed Assets	Investments
523.952	NIL
Net Current Assets	Miscellaneous Expenditure
(-) 2644.234	NIL
Accumulated Losses	
4429.177	

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover	Total Expenditure
1770.506	2505.287
+ – Profit/(Loss) Before Tax	+ – Profit/(Loss) After Tax
– ✓ 734.781	– ✓ 735.115

(Please tick Appropriate box + for Profit – for Loss)

Earnings Per Share in Rs.10/-	Dividend
NIL	NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) NA

Product Description NA

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

L. K. Shrishrimal
Partner
Membership No.: 72664
Place: New Delhi
Date: May 15, 2008

For and on behalf of the Board

Sandeep Kumar Jain
Director

R. K. Singh
Director

Directors' Report

To
The Members of
Wire and Wireless Tisai Satellite Private Limited

Your Directors have the pleasure in presenting the First Annual Report together with Audited Annual Accounts for the period commencing from June 1, 2007 to March 31, 2008.

FINANCIAL HIGHLIGHTS

The Company was incorporated on June 1, 2007, therefore the financial statements are prepared for the period from June 1, 2007 to March 31, 2008.

The financial highlights are as under:

(Rs. in '000)

Particulars	March 31, 2008
Total Gross Income	**1,17,602**
Operating Profit	**5,864**
Less: Depreciation	**122**
Less: Interest and Finance Charges	**111**
Profit before tax	**5,631**
Less: Provision for Tax	
Current Tax	**1,846**
Deferred Tax	**77**
Fringe Benefit Tax	**104**
Net Profit after Tax	**3,604**

DIVIDEND

With a view to conserve resources for future growth, your Directors are of the view that the profit should be ploughed back into the operations and hence no dividend is recommended for the period under review.

SHARE CAPITAL

The Comany has been formed and promoted by Wire and Wireless (India) Limited, who along with its nominees holds 51% equity shares of the Company.

As per the provisions of the Companies Act, 1956 your Company, being the subsidiary of Wire and Wireless (India) Limited, has become a public Company and all the provisions of the Companies Act, 1956 as are applicable to the public Company would also be applicable to your Company. Necessary amendments in the Articles of Association of the Company are being carried out as detailed in the notice convening the first Annual General Meeting of the Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and pursuant to article 19 of Aritcles of Association of the Company Mr. Ganpat K. Gaikwad, Mrs. Sulbha Gaikwad, Mr. Devendra Naik and Mr. Bimal Bangar were appointed as first Directors of the Company and accordingly they hold the office of Directors up to the ensuing Annual General Meeting. Of these Mr. Devendra Naik and Mr. Bimal Bangar resigned as Directors with effect from October 15, 2007 and October 26, 2007, respectively. Your Director wish to placed on record its appreciations for the services rendered by them.

Mr. Sumit Ranjan Bose and Mr. Atul D. Jayavant have been inducted in the Board as Additional Directors on March 3, 2008 and pursuant to the provisions of Section 260 of the Companies Act, 1956 their office shall expire on the date of the ensuing Annual General Meeting, and they are eligible for re-appointment. Being the First Annual General Meeting all the directors are appointed in accordance with Section 255 of the Companies Act, 1956. Notices under Section 257 of the companies Act, 1956, have been received from members, intending to propose Mr. Ganpat K. Gaikwad, Mrs. Sulbha G. Gaikwad, Mr. Sumit Ranjan Bose and Mr. Atul D. Jayavant as candidates for office of Directors.

AUDITORS

M/s A. R. Raorane, Chartered Accountants, Mumbai, first statutory auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting and being eligible offered themselves for reappointment as Statutory Auditors of the Company for the year 2008-09.

AUDITORS' REPORT

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

DEPOSIT(S)

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, the Board hereby certifies and confirms that:

i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the period ended and of the profit of your Company for that period;

iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

iv. The Directors had prepared the annual accounts on a going concern basis.

PERSONNEL

Employees information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

During the period under review there was no employee drawing a salary of not less than, Rs. 2 Lakhs per month, if employed throughout the period.

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

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

a. **Conservation of energy :** Your Company's operations do not involve high level energy consumption. Efforts to conserve and optimise the use of energy through improved operational methods, is always being made.

b. **Technology absorption :** Not Applicable. The Company is providing service only.

c. **Foreign exchange earnings and outgo :** NIL

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Holding Company, Central Government, Bankers, Local Cable Operators and other concerned agencies for their continued co-operation extended to the Company.

Your Directors also wish to place on record their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

For and on behalf of the board

Sumit R. Bose — Director
Atul D. Jayavant — Director

Place: Mumbai
Date: June 17, 2008

Auditor's Report

To,
The Members of,
Wire and Wireless Tisai Satellite Private Limited,

We have audited the attached Balance Sheet of WIRE AND WIRELESS TISAI SATELLITE PRIVATE LIMITED as at March 31, 2008 and also annexed Profit and Loss Account and the Cash Flow Statement for the period ended on March 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standard auditing practices 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 amount & disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Section (4A) of Section 227 of the Companies Act,1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. Further to our comments in the statement referred to in paragraph (1) above, in accordance with provision of Section 227 of the Companies Act, 1956, we report that

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.

   c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement are in agreement with the books of account.

   d. In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956.

   e. On the basis of written representation received from directors as on March 31, 2008 & taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March 31, 2008 from being appointed as director under Section 274(1)(g) 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 notes thereon give the information required by 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 so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31,2008;

      ii. In so far as it relates to the Profit & Loss Account, of profit of the Company for the period ended on that date, and;

      iii. In so far as it relates to the Cash Flow Statement, of the cash flows for the period ended on that date.

For **A. R. Raorane & Co.**
Chartered Accountants

(A. R. Raorane)
Proprietor
Membership No. : 40595

Place : Mumbai
Date: June 17, 2008

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

On the basis of records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As per information and explanation given to us the Management has conducted physical verification of fixed assets during the period and no material discrepancies have been noticed on such physical verification. The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) The Company has obtained unsecured interest free loan from one of the directors. During the period, at any point of time the maximum balance of the said loan was Rs. 9,09,016/-. The said loan is fully repaid as on the Balance Sheet date.
   b) No interest is paid on such loan. In our opinion and according to the information and explanations given to us, the other terms and conditions are not prima facie prejudicial to the interest of the Company.
   c) The above loan was repayable on demand.
   d) As per the information and explanation given to us and the records produced to us for our verification, the Company has not granted loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
3. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of components, fixed assets and for sale of goods and services. During the course of audit, we have not observed any continuing major weaknesses in the aforesaid internal controls.
4. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangement referred to in Section 301 of the Companies Act,1956 have been entered into the register as required to be maintained under that section.
   b) The transactions so entered, aggregating in excess of Rs. 5,00,000/- in respect of each party during the year, have been, in our opinion and according to the information and explanations given to us, made at prices, which are reasonable, having regard to the prevailing market prices available with the Company for such transactions at the relevant time.
5. As the Company has not accepted any deposits from the public within the provisions of Section 58A and 58AA of the Companies Act,1956 and rules made thereunder, clause 4 (vi) of the order is not applicable to the Company.
6. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)of the Companies Act,1956.
7. a] According to the information and explanations given to us, except entertainment tax the company is not regular in depositing with appropriate authorities undisputed statutory dues in respect of provident fund, employees state insurance, income tax, service tax, professional tax .
   b) According to the information and explanation given to us, the payable and outstanding for the period of more than six months from the date they became payable, are as under.

Particulars	Amount
ESIC	Rs. 13,737/-
Provident Fund	Rs. 144,319/-
Profession tax	Rs. 32,360/-
Income Tax	Rs. 738,400/-

   c) As per the information and explanation given to us the Company does not have any disputed amounts payable in respect of income tax, wealth tax, service tax, and professional tax, entertainment tax, cess outstanding for a period of more than six months from the date they became payable.
8. There are no accumulated losses of the Company. The Company has not incurred any cash losses during the financial period covered by our audit.
9. As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a bank.
10. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion and according to the information and explanations given to us, Clause (xv) of the order is not applicable as the Company is not dealing or trading in shares, securities, debentures and other investments,
12. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
13. To the best of our knowledge and according to information and explanations given to us the Company has not availed any term loans during the year.
14. In our opinion and according to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that the Company has not made any long term Investments out of funds raised on short term basis or vice versa.
15. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

    In view of the nature of activities carried on by the company clause no. (ii) of CARO, 2003 is not applicable to the Company. Further in view of the absence of conditions pre-requisite to the reporting requirements of Clauses (vii), (xiii), (xix) and (xx) of the said are, at present, not applicable.

For **A. R. Raorane & Co.**
Chartered Accountants

(A. R. Raorane)
Proprietor
Membership No. : 40595

Place : Mumbai
Date: June 17, 2008

BALANCE SHEET AS AT MARCH 31, 2008

(Amount in Rs. '000)

	Schedule	2008
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	100
Reserves and Surplus	2	3,604
		3,704
Deferred Tax Liability (Net)		77
TOTAL		3,781
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	3	3,998
Less: Accumulated Depreciation/Amortisation		122
Net Block		3,876
Capital Work-in-Progress		3,733
		7,609
Current Assets, Loans and Advances		
Sundry Debtors	4	21,068
Cash and Bank Balances	5	1,516
Loans and Advances	6	2,672
		25,256
Less: Current Liabilities and Provisions		
Current Liabilities	7	27,029
Provisions	8	2,070
		29,099
Net Current Assets		(3,843)
Miscellaneous Expenditure	9	15
(to the extent not written off or adjusted)		
TOTAL		3,781
Significant Accounting Policies and Notes to Accounts	16	

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

As per our attached report of even date
For **A.R. Raorane & Co.**
Chartered Accountants

Avinash Raorane
Proprietor
Membership No.: 40595

Place: Mumbai
Date: June 17, 2008

For and on behalf of the Board

Sumit R. Bose
Director

Atul D. Jayavant
Director

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

(Amount in Rs. '000)

	Schedule	2008
INCOME		
Income from Operations		**116,676**
Other Income	10	**926**
		117,602
EXPENDITURE		
Operational Cost	11	**106,107**
Personnel Cost	12	**3,162**
Administrative Expenses	13	**2,411**
Selling and Distribution Expenses	14	**58**
		111,738
OPERATING PROFIT/(LOSS)		**5,864**
Interest and Finance Charges	15	**111**
Depreciation		**122**
		233
Profit/(Loss) Before Tax		**5,631**
Less : Provision for Tax		
Current Tax		**1,846**
Deferred Tax		**77**
Fringe Benefit Tax		**104**
Net Profit/(Loss) after Tax for the Period		**3,604**
Balance Carried to Balance Sheet		**3,604**
Earning/(Loss) Per Share : (Rs.)		
Basic/Diluted (Nominal value of shares Rs. 10 each)		
Basic and Diluted earnings per share (Refer Note 2 D of Schedule 16)		**360**
Significant Accounting Policies and Notes to Accounts	16	

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

As per our attached report of even date
For **A.R.Raorane & Co.**
Chartered Accountants

Avinash Raorane
Proprietor
Membership No.: 40595

Place: Mumbai
Date: June 17, 2008

For and on behalf of the Board

Sumit R. Bose
Director

Atul D. Jayavant
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,2008

(Amount in Rs. '000)

	2008
SCHEDULE 1 : SHARE CAPITAL	
Authorised:	
10,000 Equity Share of Rs. 10/- each	**100**
TOTAL	**100**
Issued, Subscribed & Paid-up	
10,000 Equity Share of Rs.10/- each	**100**
TOTAL	**100**
SCHEDULE 2 : RESERVES AND SURPLUS	
Profit and Loss Account	**3,604**
TOTAL	**3,604**

SCHEDULE 3 : FIXED ASSETS (At Cost)

Particulars	Gross Block				Depreciation			Net Block
	At June 01, 2007	Additions during the Period	Deductions during the Period	At March 31, 2008	For the Period	Deduction during the Period	At March 31, 2008	At March 31, 2008
(A) Tangible Assets								
Plant and Machinery	–	1,539	–	**1,539**	38	–	**38**	**1,501**
Furniture and Fixtures	–	308	–	**308**	11	–	**11**	**297**
Air Conditioners	–	317	–	**317**	1	–	**1**	**316**
Computers	–	173	–	**173**	9	–	**9**	**164**
Office Equipments	–	648	–	**648**	54	–	**54**	**594**
Modulators	–	994	–	**994**	8	–	**8**	**986**
Total - (A)	–	3,979	–	**3,979**	121	–	**121**	**3,858**
(B) Intangible Assets								
Software	–	19	–	**19**	1	–	**1**	**18**
Total - (B)	–	19	–	**19**	1	–	**1**	**18**
Total (A+B)	–	3,998	–	**3,998**	122	–	**122**	**3,876**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,2008

(Amount in Rs. '000)

	2008
SCHEDULE : 4 SUNDRY DEBTORS	
(Unsecured, Considered good unless otherwise stated)	
More than Six Months (Considered Good)	491
Others (Considered Good)	20,577
TOTAL	21,068
SCHEDULE 5 : CASH AND BANK BALANCES	
Cash on hand	1,000
Balance with Scheduled Banks	
- On Current Accounts	516
TOTAL	1,516
SCHEDULE 6 : LOANS AND ADVANCES	
(Unsecured, Considered Good)	
Advances Recoverable in cash or in kind or for value to be received	700
Deposit - Others	72
Tax Advances	1,900
TOTAL	2,672
SCHEDULE 7 : CURRENT LIABILITIES	
Sundry Creditors: For Expenses and Other Liabilities	25,561
Trade Advances/Deposits received	1,468
TOTAL	27,029
SCHEDULE 8 : PROVISIONS	
Provision for Fringe Benefit Tax	104
Provision for Gratuity	67
Provision for Leave Encashment	53
Provision for Taxation	1,846
TOTAL	2,070
SCHEDULE 9 : MISCELLANEOUS EXPENDITURE	
(to the extent not written off or adjusted)	
Preliminary Expenses	15
TOTAL	15

Essel GROUP

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

(Amount in Rs. '000)

	2008
SCHEDULE 10 : OTHER INCOME	
Interest (Gross)	63
Other Income	863
TOTAL	926
SCHEDULE 11 : OPERATIONAL COST	
Pay Channel Subscription	51,344
Other Operational Cost	5,837
Repairs and Maintenance - Network	3,780
Rent	443
Power and Fuel	183
Entertainment Tax	5,320
Management Fees	39,200
TOTAL	106,107
SCHEDULE 12 : PERSONNEL COST	
Salaries, Allowances and Bonus	2,639
Contribution to Provident and Other Funds	394
Staff Welfare Expenses	129
TOTAL	3,162
SCHEDULE 13 : ADMINISTRATIVE EXPENSES	
Rent	402
Communication Expenses	371
Repairs and Maintenance	175
Electricity Expenses and Water Charges	411
Legal, Professional and Consultancy Charges	441
Printing and Stationery	65
Services Charges	109
Sundry Expenses	357
Travelling and Conveyance Expenses	67
Vehicle Expenses	9
Miscellaneous Expenses	4
TOTAL	2,411
SCHEDULE 14 : SELLING AND DISTRIBUTION EXPENSES	
Advertisement and Publicity Expenses	58
TOTAL	58
SCHEDULE 15 : INTEREST AND FINANCIAL CHARGES	
Interest others	105
Discounting and Financing Expenses	6
TOTAL	111

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SCHEDULE 16 :

Background:

Wire and Wireless Tisai Satellite Private Limited (hereinafter referred to as 'the Company' or 'WWTSPL') was incorporated on June 1, 2007 to carry on the business of Cable Television Networking business pertaining to distribution/re-transmission of cable Television Signals, Internet, for own business or rent, lease, and/or allow others to use it in part or full. The Company is a Joint venture between Wire and Wireless (India) Limited and Shree Tisai Satellite Services.

1. **Statement of Significant Accounting Policies:**

A) **Basis of preparation:**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

B) **Use of Estimates:**

The preparation of the financial statements in accordance with the generally accepted accounting principles requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses of the period. Actual results could differ from these estimates. Any revision in accounting estimates is recognized prospectively in current and future periods.

C) **Fixed Assets:**

(i) Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Software is capitalized as an intangible asset on meeting recognition criteria.

(iii) Fixed assets includes the Capital work-in-progress and comprises of the purchase price of material.

D) **Depreciation/Amortization:**

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

	% per annum
Plant and Machinery	10.00
Furniture & Fixtures	06.33
Computers	16.21
Air Conditioner	04.75
Office Equipments	04.75
Modulator	10.00
Software	16.21

E) **Impairment:**

The Company has assessed at Balance Sheet date whether there is an indication that an asset has impaired. No such indication existed during the period, and are relied by auditors.

F) **Leases:**

The Company has not taken any assets on finance/operating lease. Accordingly, Accounting Standard AS 19 on leases is not applicable. The Company has taken various office premises on leases on cancellable leases which are renewable on expiry of lease period.

G) **Inventories:**

There is no stock of stores and spares of cable networking materials as at Balance Sheet date.

H) **Revenue Recognition:**

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

Income from Services:

Subscription Revenue and other Services Revenue are recognized on completion of services.

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

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

Interest:

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

I) Miscellaneous Expenditure:

Preliminary Expenditure represents costs incurred in formation of the Company and are amortized equally over a period of 5 years.

J) Retirement and other Employee Benefits:

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are accounted on accrual basis and are charged to the Profit & Loss Account of the period .

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

Actuarial gains/losses are immediately charged to the Profit and Loss Account and are not deferred.

K) Income Tax:

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized, only if there, is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

L) Earning Per Share:

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

M) Provisions:

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

2. Notes to Accounts:

A) Capital Work-in–Progress includes :

Material in networking Rs. 3,733

B) Taxation:

In accordance with the Accounting Standard 22 on "Accounting for taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability are recognized for all timing differences in accordance with the said standard.

Particulars	**Amount**
DEFERRED TAX LIABILITY (NET)	
Deferred Tax Liabilities/(Assets)	
Difference between Tax Depreciation and Book Depreciation	**77**
Difference of expenditure debited to Profit & Loss Account as per tax books and financial books	**(1)**
Closing Net Deferred Tax Liability	**76**

C) Related Party Disclosure:

i) Names of Related Parties where control exists:

Promoter Group

Wire and Wireless (India) Limited

Shree Tisai Satellite Services

ii) **Names of Other Related Parties with whom transactions have taken place during the year:**

Key Management Personnel

Mr. Sumit R. Bose	Director
Mr. Atul D. Jayavant	Director
Mrs. Sulbha Gaikwad	Director
Mr. Ganpat Gaikwad	Director

iii) **Enterprises owned or controlled by the Promoter Group:**

Shree Tisai Satellite Services

Shree Jarimari Satellite Services

Sr. No.	Particulars Nature of Expenses/Names of the Parties	Amount
1.	**Sale, Services and other Recoveries (Net)**	
	Shree Jarimari Satellite Services	**1,475**
2.	**Purchase Services & Expenses**	
	Wire and Wireless (India) Limited	**20,000**
	Shree Tisai Satellite Services	**19,200**
	Mrs. Sulbha Gaikwad	**403**
3.	**Balances Outstanding as on March 31, 2008**	
a.	**Sundry Debtors**	
	Shree Jarimari Satellite Services	**1,460**
b.	**Sundry Creditors**	
	Shree Tisai Satellite Services	**2,843**
	Wire and Wireless (India) Limited	**9,782**
	Mrs. Sulbha Gaikwad	**87**

D) **Earning Per Share:**

In accordance with AS - 20 "Earnings Per Share" issued by ICAI, basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the number of shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of share split.

Particulars	
Number of Equity Shares (no.)	**10,000**
Nominal Value of Equity Shares (Rs.)	**10**
Profit/(Loss) after Tax	**3,604**
Basic/Diluted earnings/(loss) per share (Rs.)	**360**

There are no potential equity shares as on March 31, 2008 and accordingly the diluted earnings per share is the same as basic earnings per share

E) **Segment Reporting Polices:**

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

F) The total amounts due to small scale industrial undertakings is NIL. There is no amount due to Micro, Small and Medium Enterprises beyond agreed period as per the Micro, Small and Medium Enterprises Development Act, 2006.

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

G) **Employee Benefits**

Defined Contribution Plan

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

Employer's Contribution to Provident Fund	189
Employer's Contribution to Pension Scheme	NIL

Defined Benefit Plan

The Company operates the following unfunded post retirement benefit plans:

Gratuity

Leave Encashment

Reconciliation of opening and closing balances of Defined Benefit obligation

	Gratuity	Leave Encashment
	2007-08	2007-08
Defined Benefit Obligation at the beginning of the year	Nil	Nil
Current service cost	67	53
Interest cost	–	–
Contribution by the plan participants	–	–
Actuarial gain/(loss)	–	–
Benefits paid	–	–
Defined Benefit Obligation at the end of the year	67	53

Actuarial assumptions

	Gratuity	Leave Encashment
	2007-08	2007-08
Discount Rate (per annum)	8.40%	8.40%
Expected rate of return on assets (per annum)	–	–
Rate of escalation in salary (per annum)	6.00%	6.00%

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

H) Supplementary Statutory Information required to be given pursuant to Part I & II of Schedule VI to the Companies Act, 1956 is as follows:

Due from the companies under the same management.

Debtors

Name of the Enterprise	Balance as on March 31, 2008
Shree Jarimari Satellite Services	1,460

Auditors Remuneration:

Particulars	Rupees
Audit fees	50
Tax Audit fees	20
Other Services	50

(Amounts are exclusive of service tax)

I) The Company has taken over networks on Right to Use basis from Shree Jarimari Star Vision, the partnership concern where one of the directors of the company is a partner, Shree Tisai Satellite Service, proprietary concern of Mrs. Sulbha Gaikwad, Shree Jarimari Satellite Services, proprietary concern of Mr. Ganpat Gaikwad, and Shree Tisai Star Vision, The Company is in the process of transferring registrations to itself. Pending the same, the Company has paid Entertainment tax to Statutory Authorities.

J) Pending registration, ESIC and employees profession tax payment is not made by the Company. However the same has been provided in the accounts of the Company.

K) Sundry Debtors/Creditors, Loans and advances are subject to confirmation/reconciliation.

L) Previous year Comparatives:

This being the first accounting period of the Company, figures for previous year are not applicable. Further as a result previous year's cash flow statement is also not furnished.

As per our attached report of even date
For **A.R. Raorane & Co.**
Chartered Accountants

Avinash Raorane
Proprietor
Membership No.: 40595

Place: Mumbai
Date: June 17, 2008

For and on behalf of the Board

Sumit R. Bose
Director

Atul D. Jayavant
Director

CASH FLOW STATEMENT FOR THE PERIOD FROM JUNE 1, 2007 TO MARCH 31, 2008

(Amount in Rs. '000)

		2008
A.	**Cash Flows From Operating Activities**	
	Net Profit/(Loss) before taxation, after exceptional items	**5,631**
	Adjustments for:	
	Depreciation/Amortization	**122**
	Interest Income	**(63)**
	Interest and Finance Expenses	**111**
	Provision for Gratuity	**67**
	Provision for Leave Encashment	**53**
	Preliminary Expenses Written Off	**4**
	Operating profit before working capital changes	**5,925**
	Decrease/(Increase) in Sundry Debtors	**(21,068)**
	Decrease/(Increase) in Loans and Advances	**(772)**
	Decrease/(Increase) in Current Liabilities	**27,029**
	Cash Flow from Operating Activities before Tax	**11,114**
	Tax paid	**(1,900)**
	Net Cash Flow from Operating Activities	**9,214**
B.	**Cash Flows From Investing Activities**	
	Additions in Fixed Assets/Capital Work-in-Progress	**(7,731)**
	Net Cash Flow from Investing Activities	**(7,731)**
C.	**Cash Flows from Financing Activities**	
	Interest and Finance Expenses Paid	**(111)**
	Interest Income Received	**63**
	Miscellaneous Expenditure	**(19)**
	Receipts - Shareholders Fund	**100**
	Net Cash Flow From Financing Activities	**33**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**1,516**
	Opening Cash and Cash Equivalents	**–**
	Closing Cash and Cash Equivalents	**1,516**
	Cash and Cash Equivalents at the end of the year	**–**
	Cash on Hand	**1,000**
	Balances with Scheduled Banks on Current Accounts	**516**
	TOTAL	**1,516**

As per our attached report of even date
For **A.R. Raorane & Co.**
Chartered Accountants

Avinash Raorane
Proprietor
Membership No.: 40595

Place: Mumbai
Date: June 17, 2008

For and on behalf of the Board

Sumit R. Bose
Director

Atul D. Jayavant
Director

ADDITIONAL INFORMATION AS REQUIRED UNDER
PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration No.	**171233**	State Code	**11**
	Balance Sheet Date	**March 31, 2008**		
II.	**Capital Raised during the year (Amount in Rs.'000)**			
	Public Issue	–	Rights Issue	–
	Bonus Issue	–	Private Placement	–
III.	**Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)**			
	Total Liabilities	**3,781**	Total Assets	**3,781**
	Sources of Funds		**Application of Funds**	
	Paid-up Capital	**100**	Fixed Assets	**7,609**
	Reserves and Surplus	**3,604**	Investments	–
	Share Application Money	–	Net Current Assets	**(3,843)**
	Secured Loans	–	Misc. Expenditure	**15**
	Unsecured Loans	–	Accumulated Losses	–
	Deferred Tax Liability	**77**		
IV.	**Performance of Company (Amount in Rs.'000)**			
	Turnover	**117,602**	Total Expenditure	**111,738**
	Profit /(Loss) Before Tax	**5,631**	Profit/(Loss) After Tax	**3,604**
	Earning per share in Rs.	**360**	Dividend Rate	
			Equity Share	
			- Interim	–
			- Final	–
			Preference Shares	
			- Interim	Not Applicable
			- Final	Not Applicable
V.	**GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)**			
	Item Code No. (ITC Code)	N.A.		
	Product Description	Reception & Transmission/ Distribution of Television Signal in any form		

For and on behalf of the Board

Sumit R. Bose
Director

Atul D. Jayavant
Director

Place: Mumbai
Date: June 17, 2008

WIRE AND WIRELESS

WIRE AND WIRELESS (INDIA) LIMITED

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

PROXY FORM

I/We .... of ....

.... being a member/members of

WIRE AND WIRELESS (INDIA) LIMITED hereby appoint ....

....of ....

or failing him/her ....of

....

as my/our proxy to attend and vote for me/us on my/our behalf at the Second Annual General Meeting of the Company to be held on Thursday, July 24, 2008 at 3.00 p.m. at 'Hall of Culture', Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment(s) thereof.

Signed this………… day of July, 2008.

Signature of Shareholder .... Affix Re. 1/- Revenue Stamp ....

Reg. Folio No. ....

DP ID No. ....

Client ID No. ....

No. of Shares ....

NOTE: The Proxy completed in all respects must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

WIRE AND WIRELESS

WIRE AND WIRELESS (INDIA) LIMITED

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

ATTENDANCE SLIP

(To be presented at the entrance)

I hereby record my presence at the Second Annual General Meeting of the Company held at 'Hall of Culture', Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400 018, on Thursday, July 24, 2008 at 3.00 p.m.

....

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

Reg. Folio No. ....

DP ID No. ....

Client ID/Demat A/c No. ....

No. of Shares ....

NOTE: Please carry your copy of Annual Report at the Annual General Meeting.

WIRE AND WIRELESS

Concept & Design by quadrum

Printed by REPRO

OUR OFFICES

REGISTERED OFFICE

Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
Phone No.: (022) 2490 3926,
Fax No.: (022) 2498 8728

CORPORATE OFFICE

4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai - 400 013.
Phone No.: (022) 67372000,
Fax No.: (022) 24992000

Regional Offices

Ahmedabad

401, Abhiship, Opp. Vishweshvar Mahadev Temple
Judges Bunglow Road, Vastrapur, Ahmedabad - 380 015
Phone No.: (079) 4003 0077
Fax No.: (079) 4003 0363

Bengaluru

United Mansions, 3rd Floor, 39
Mahatma Gandhi Road, Bengaluru - 560 001
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Fax No.: (080) 2558 0099

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Fax No.: (0172) 262179

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Industrial Area, New Delhi - 100 035
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Fax No.: (011) 27186561

Hyderabad

6-2-929 D. B. Enclave, Behind BPCL Petrol Pump
Raj Bhawan Road, Khairatabad
Hyderabad - 500 004
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Kolkata

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Ho Chi Min Sarani, Kolkata - 700 071
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Lucknow

Essel House, Madhu Industrial Estate
B-1/73, Vipul Khand, Gomti Nagar
Lucknow - 226 010
Phone No.: (0522) 4072601