

# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2<sup>ND</sup> FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Hathway Bhawani Cabletel & Datacom Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Hathway Bhawani Cabletel & Datacom Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

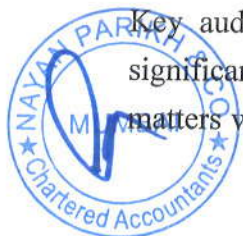
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a



whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

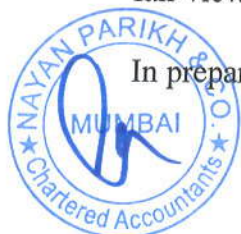
In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the



Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statements that, individually or in aggregate, makes it probable in the standalone financial statements that, knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statements.

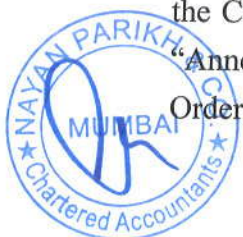
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.



2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its directors during the year. Accordingly, the provisions of section 197 of the Act are not applicable to the Company;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its standalone financial position- Refer Note 4.01 to standalone financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No. 107023W



*K.Y. Narayana*  
**K.Y. Narayana**  
Partner

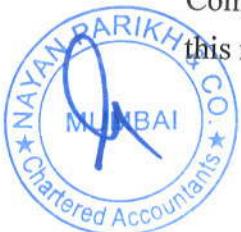
Membership No. 060639

Place: Mumbai

Dated: April 8, 2019

**Annexure A to the Independent Auditor's Report  
Referred to in paragraph 1 under "Report on Other Legal and Regulatory  
Requirements" of our report on even date to the members of the Company on  
standalone financial statements for the year ended March 31, 2019:**

- (i) (a) The Company has maintained records of Property, Plant and Equipment showing particulars of assets including quantitative details and location except in case of certain types of distribution equipments. In view of the management, nature of such assets and business is such that maintaining location-wise particulars is impractical;
- (b) According to the information and explanation given to us, Property, Plant and Equipments, were physically verified during the year as per the programme of verification adopted by the management, which, in our opinion, is reasonable. Material discrepancies arising on such physical verification have been properly dealt within the books of accounts;
- (c) The Company does not hold any immovable properties. Accordingly, the paragraph 3(i)(c) of the Order regarding title deeds of immovable properties is not applicable;
- (ii) According to the information and explanation given to us, the Company does not hold any inventories and accordingly paragraph 3(ii) of the Order is not applicable;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), (b) and (c) of the order are not applicable;
- (iv) The Company has not granted any loans or made any investment or provided any guarantees or security to the parties covered under the section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the order is not applicable;
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;



- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company;
- (vii)(a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees' state insurance, income tax, goods and service tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable;
- (b) According to the information and explanation given to us, there are no outstanding disputed dues payable by the Company in case of income tax, goods and service tax or cess and any other statutory dues as on March 31, 2019;
- (vi) The Company has not taken loans from banks, financial institutions and government during the year. Further, the Company has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable;
- (vii) The Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor taken any term loans during period under audit. Accordingly, paragraph 3(ix) of the Order is not applicable;
- (viii) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration. Accordingly, paragraph 3(ix) of the Order is not applicable;
- (x) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable;
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;
- (xii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to information and





explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable;

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable; and

(xiv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No. 107023W



*K.Y. Narayana*  
**K.Y. Narayana**

Partner

Membership No. 060639

Place: Mumbai

Dated: April 8, 2019

## **Annexure B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under section 143(3)(i) of the Act**

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.



The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

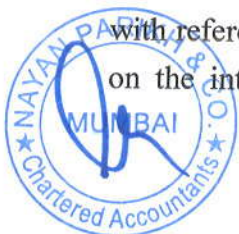
A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 based on the internal controls with reference to financial statements criteria established by the



NAYAN PARIKH & CO.

Company considering the essential components of internal controls stated in the Guidance Note.

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No. 107023W



A handwritten signature in blue ink, appearing to read "K.Y. Narayana".

**K.Y. Narayana**

Partner

Membership No. 060639

Place: Mumbai





Dated: April 8, 2019

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Standalone Balance Sheet as at March 31, 2019

(₹ in lakhs unless otherwise stated)




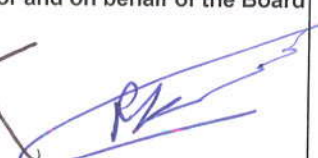



| Particulars   | Note No. | As at   |                 |
|---|----------|---|-----------------|
|   |          | March 31, 2019  | March 31, 2018  |
| <b>ASSETS</b>   |          |   |                 |
| <b>Non-current Assets</b>   |          |   |                 |
| Property, plant and equipment   | 2.01     | 132.07  | 245.51          |
| Intangible assets   | 2.02     | 8.91  | 22.82           |
| <b>Financial Assets</b>   |          |   |                 |
| Investments   | 2.03     | 40.77   | 55.30           |
| Loans   | 2.04     | 9.01  | 35.30           |
| Other financial assets  | 2.05     | 12.69   | 52.16           |
| Other Non-current assets  | 2.06     | 47.15   | 63.16           |
| <b>Total Non-current Assets</b>   |          | <b>250.60</b>   | <b>474.25</b>   |
| <b>Current Assets</b>   |          |   |                 |
| <b>Financial Assets</b>   |          |   |                 |
| Trade receivables   | 2.07     | 5.33  | 11.30           |
| Cash and cash equivalents   | 2.08     | 25.84   | 49.53           |
| Other financial assets  | 2.05     | 0.66  | 10.32           |
| Other current assets  | 2.06     | 55.33   | 73.59           |
| <b>Total Current Assets</b>   |          | <b>87.16</b>  | <b>144.74</b>   |
| <b>Total Assets</b>   |          | <b>337.76</b>   | <b>618.99</b>   |
| <b>EQUITY AND LIABILITIES</b>   |          |   |                 |
| <b>Equity</b>   |          |   |                 |
| Equity Share Capital  | 2.09     | 810.00  | 810.00          |
| Other Equity  | 2.10     | (1,195.21)  | (1,202.61)      |
| <b>Total Equity</b>   |          | <b>(385.21)</b>   | <b>(392.61)</b> |
| <b>Non-current Liabilities</b>  |          |   |                 |
| <b>Financial Liabilities</b>  |          |   |                 |
| Borrowings  | 2.11     | -   | 350.00          |
| Provisions  | 2.12     | 9.13  | 13.92           |
| Deferred tax liabilities (Net)  | 2.13     | -   | -               |
| <b>Total Non-current Liabilities</b>  |          | <b>9.13</b>   | <b>363.92</b>   |
| <b>Current Liabilities</b>  |          |   |                 |
| <b>Financial Liabilities</b>  |          |   |                 |
| Trade payables  |          |   |                 |
| Total outstanding dues of :   |          |   |                 |
| - Micro & small enterprises   |          |   |                 |
| - Other   |          |   |                 |
| Other financial liabilities   | 2.14     | 429.53  | 451.96          |
| Provisions  | 2.12     | 249.42  | 80.57           |
| Other current Liabilities   | 2.15     | 6.13  | 0.49            |
| <b>Total Current Liabilities</b>  |          | <b>28.76</b>  | <b>114.66</b>   |
| <b>Total Equity and Liabilities</b>   |          | <b>713.84</b>   | <b>647.68</b>   |
| <b>Total Equity and Liabilities</b>   |          | <b>337.76</b>   | <b>618.99</b>   |
| Summary of Significant Accounting Policies  | 1.00     |   |                 |
| Refer accompanying notes. These notes are an integral part of the financial statements. |          |   |                 |
| As per our report of even date  |          | For and on behalf of the Board  |                 |
| For Nayan Parikh & Co.  |          | Vatan Pathan  |                 |
| Chartered Accountants   |          | Director & Chief Executive Officer  |                 |
| Firm Registration No. 107023W   |          | DIN: 07469214   |                 |
| K Y Narayana  |          | Rajesh Kumar Mittal   |                 |
| Partner   |          | Director  |                 |
| Membership No. 060639   |          | DIN: 07957284   |                 |
|      |          |   |                 |
|   |          |  |                 |
|   |          | Pallavi Balkur  |                 |
|   |          | Company Secretary & Compliance Officer  |                 |
|   |          | ACS No. 32276   |                 |
|   |          |   |                 |
|   |          | Basant Haritwal   |                 |
|   |          | Chief Financial Officer   |                 |
| Place : Mumbai  |          | Place : Mumbai  |                 |
| Dated: April 08, 2019   |          | Dated: April 08, 2019   |                 |

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Standalone Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakhs unless otherwise stated)

| Particulars  | Note No.  | Year Ended   |   |
|--|---|--|---|
|  |   | March 31, 2019   | March 31, 2018  |
| Revenue from Operations  | 3.01  | 471.17   | 487.04  |
| Other Income   | 3.02  | 18.62  | 244.89  |
| <b>Total Income</b>  |   | <b>489.79</b>  | <b>731.93</b>   |
| <b>Expenses</b>  |   |  |   |
| Feed Charges   |   | 122.79   | 134.38  |
| Other Operational expenses   | 3.03  | 57.88  | 86.16   |
| Employee benefit expenses  | 3.04  | 52.23  | 57.35   |
| Finance cost   | 3.05  | 25.39  | 17.59   |
| Depreciation, amortisation and impairment  | 3.06  | 128.71   | 66.97   |
| Other expenses   | 3.07  | 82.56  | 386.19  |
| <b>Total Expenses</b>  |   | <b>469.56</b>  | <b>748.64</b>   |
| <b>Profit / (Loss) before exceptional items and tax</b>  |   | <b>20.23</b>   | <b>(16.71)</b>  |
| Exceptional items  | 3.08  | 14.52  | -   |
| <b>Profit / (Loss) before tax</b>  |   | <b>5.71</b>  | <b>(16.71)</b>  |
| Tax Expense  |   |  |   |
| Current tax  |   | -  | -   |
| Deferred tax   |   | -  | -   |
| <b>Profit / (Loss) for the year</b>  |   | <b>5.71</b>  | <b>(16.71)</b>  |
| <b>Other comprehensive income</b>  |   |  |   |
| <b>Items that will not be reclassified to profit or loss</b>   |   |  |   |
| Re-measurements of post employment benefit obligation  |   | 1.69   | 7.66  |
| Income tax effect relating to these items  |   | -  | -   |
|  |   | <b>1.69</b>  | <b>7.66</b>   |
| <b>Total Comprehensive Income / (Loss) for the year</b>  |   | <b>7.40</b>  | <b>(9.05)</b>   |
| Weighted Average Number of Shares  |   | 81,00,000  | 81,00,000   |
| Earnings / (Loss) per equity share (Face value of ₹ 10/- each) :   |   |  |   |
| Basic and diluted (in ₹)   | 4.13  | 0.07   | (0.21)  |
| Summary of Significant Accounting Policies   | 1.00  |  |   |
| Refer accompanying notes. These notes are an integral part of the financial statements.  |   |  |   |
| As per our report of even date   |   |  |   |
| For Nayan Parikh & Co.<br>Chartered Accountants<br>Firm Registration No. 107023W   |   | For and on behalf of the Board   |   |
| <br>K Y Narayana<br>Partner<br>Membership No. 060639 |  | <br>Vatan Pathan<br>Director & Chief Executive Officer<br>DIN: 07468214      | <br>Rajesh Kumar Mittal<br>Director<br>DIN: 07957284 |
|  |   | <br>Pallavi Balkur<br>Company Secretary & Compliance Officer<br>ACS No. 32276 | <br>Basant Haritwal<br>Chief Financial Officer       |
| Place : Mumbai<br>Dated: April 08, 2019  |   |    | Place : Mumbai<br>Dated: April 08, 2019   |

HATHWAY BHAWANI CABLETEL & DATACOM LTD.

CIN : L65910MH1984PLC034514

Standalone Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs unless otherwise stated)

| Particulars   | Year Ended     |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                   |                |                |
| <b>NET PROFIT / (LOSS) BEFORE TAX</b>   |                | <b>5.71</b>    |
| Depreciation and Amortisation Expenses  | 128.71         | 66.97          |
| Amount no Longer Payable Written Back   | (11.94)        | (204.37)       |
| Sundry balances Written Off   | 5.55           | -              |
| Impairment in value of Investments  | 14.52          | -              |
| Impairment of trade receivables   | 4.00           | 312.50         |
| Reversal of Impairment loss on Investments                                    | -              | (14.53)        |
| (Profit) / Loss on disposal of Property Plant & Equipments                    | -              | 0.58           |
| Interest Income   | (3.21)         | (4.38)         |
| Provision for Gratuity and Leave Encashment                                   | 3.18           | (2.53)         |
| Interest Expense  | 25.39          | 17.59          |
| Operating Profit Before Change in Working Capital                             | 166.20         | 171.83         |
|   | 171.91         | 155.12         |
| <b>Change in Assets &amp; Liabilities</b>                                     |                |                |
| (Increase) / Decrease in Trade Receivables                                    | 1.97           | (23.89)        |
| (Increase) / Decrease in Other Financial Assets                               | 60.57          | (10.55)        |
| (Increase) / Decrease in Other Assets   | 15.12          | 67.80          |
| Increase / (Decrease) in Trade Payable  | (10.49)        | (792.50)       |
| Increase / (Decrease) in Provisions   | (0.62)         | -              |
| Increase / (Decrease) in Other Financial Liabilities                          | 8.85           | (13.84)        |
| Increase / (Decrease) in Other Current Liabilities                            | (85.88)        | 63.22          |
| Cash Generated from Operations  | (10.48)        | (709.76)       |
| Taxes Refund Received (Net)   | 161.43         | (554.64)       |
| Net Cash flow from / (used in) Operating activities                           | 19.15          | 97.90          |
|   | 180.58         | (456.74)       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                   |                |                |
| Interest Received   | 12.49          | 1.20           |
| Proceeds from Sale of Property, Plant and Equipment                           | -              | 0.03           |
| Payments for acquisition of Property, Plant and Equipment                     | (1.37)         | (7.97)         |
| Net Cash Flow from / (used in) Investing Activities                           | 11.12          | (6.73)         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                                   |                |                |
| Long Term Borrowing taken / (repaid)  | (190.00)       | 350.00         |
| Interest Paid   | (25.39)        | (17.59)        |
| Net Cash Flow from / (used in) Financing Activities                           | (215.39)       | 332.41         |
| Net Increase / (Decrease) in Cash & Cash equivalents                          | (23.69)        | (131.06)       |
| Cash & Cash Equivalents at the Beginning of Year                              | 49.53          | 180.59         |
| Cash & Cash Equivalents at the End of Year                                    | 25.84          | 49.53          |
| <b>Reconciliation of cash and cash equivalents as per Cash Flow Statement</b> |                |                |
| <b>Cash and cash equivalents</b>  |                |                |
| Balances with banks:  |                |                |
| In Current Accounts   | 25.28          | 49.28          |
| Cash in Hand  | 0.56           | 0.25           |
|   | 25.84          | 49.53          |

Note - Above Statement has been prepared by using Indirect method as per Ind AS - 7 on Cash Flow Statements.

As per our report of even date

For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No. 107023W

K Y Narayana  
Partner  
Membership No. 060639



For and on behalf of the Board

Vatan Pathan  
Director & Chief Executive Officer  
DIN: 07468214

Rajesh Kumar Mittal  
Director  
DIN: 07957284

Pallavi Balkur  
Company Secretary & Compliance Officer  
ACS No. 32276

Basant Haritwal  
Chief Financial Officer

Place : Mumbai  
Dated: April 08, 2019

Place : Mumbai  
Dated: April 08, 2019

**Standalone Statement of changes in equity for the year ended March 31, 2019**

(₹ in lakhs unless otherwise stated)

**A Equity Share Capital**

| Particulars                                     | Amount        |
|---|---------------|
| Balance as at April 1, 2017                     | 810.00        |
| Changes in Equity Share Capital during the year | -             |
| <b>Balance as at March 31, 2018</b>             | <b>810.00</b> |
| Changes in Equity Share Capital during the year | -             |
| <b>Balance as at March 31, 2019</b>             | <b>810.00</b> |

**B Other Equity:**

| Particulars                             | Reserves and Surplus |                   | Total             |
|---|----------------------|-------------------|-------------------|
|   | Securities Premium   | Retained earnings |                   |
| Balance as at April 1, 2017             | 151.00               | (1,344.55)        | (1,193.55)        |
| Profit/(Loss) for the year              | -                    | (16.71)           | (16.71)           |
| Other Comprehensive Income for the year | -                    | 7.66              | 7.66              |
| <b>Balance as at March 31, 2018</b>     | <b>151.00</b>        | <b>(1,353.61)</b> | <b>(1,202.61)</b> |
| Profit / (Loss) for the year            | -                    | 5.71              | 5.71              |
| Other Comprehensive Income for the year | -                    | 1.69              | 1.69              |
| <b>Balance as at March 31, 2019</b>     | <b>151.00</b>        | <b>(1,346.21)</b> | <b>(1,195.21)</b> |

Summary of Significant Accounting Policies (Refer Note No.1)

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

As per our report of even date

For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No. 107023W

K Y Narayana  
Partner  
Membership No. 060639



For and on behalf of the Board

Vatan Pathan  
Director & Chief Executive Officer  
DIN: 07468214

Rajesh Kumar Mittal  
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Pallavi Balkur  
Company Secretary & Compliance Officer  
ACS No. 32276

Basant Haritwal  
Chief Financial Officer

Place : Mumbai  
Dated: April 08, 2019



Place : Mumbai  
Dated: April 08, 2019



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Standalone Financial Statements

### BACKGROUND

Hathway Bhawani Cabletel & Datacom Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at '805/806, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai Maharashtra 400098. The Company is engaged in Cable TV business. It's Equity shares are listed on Bombay Stock Exchange (BSE) in India.

#### Authorization of standalone financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of directors on April 08, 2019.

### 1.00 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

#### 1.01 BASIS OF PREPARATION

##### (i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

##### (ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value;

#### 1.02 ROUNDING OF AMOUNTS

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, except where otherwise indicated.

#### 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current if:

- (i) it is expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) it is held primarily for the purpose of trading
- (iii) it is expected to be realised within twelve months after the reporting period, or
- (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current if:

- (i) it is expected to be settled in normal operating cycle
- (ii) it is held primarily for the purpose of trading
- (iii) it is due to be settled within twelve months after the reporting period, or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities on net basis.

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle. Based on the nature of operations, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities



Significant Accounting Policies and Notes to the Standalone Financial Statements

1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing standalone financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

**Key sources of estimation uncertainty**

- (i) Financial instruments; (Refer note 4.06)
- (ii) Useful lives of Property, Plant and Equipment and intangible assets; (Refer note 1.05 & 1.06)
- (iii) Obligations relating to employee benefits; (Refer note 4.03)
- (iv) Evaluation of recoverability of deferred tax assets; (Refer note 4.11) and
- (v) Contingencies (Refer note 4.01).

1.05 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

All assets costing up to ₹ 5,000/- are fully depreciated in the year of capitalisation.



Significant Accounting Policies and Notes to the Standalone Financial Statements

**Deemed cost for Property, Plant and Equipment**

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of the date of transition to Ind AS measured as per the previous GAAP and use that carrying value as it's deemed cost as of the transition date.

**1.06 INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

**Intangible Assets acquired separately**

Intangible assets comprises of Cable Television Franchise and Softwares. Cable Television Franchise represents purchase consideration of a network that is mainly attributable to acquisition of subscribers and other rights, permission etc. attached to a network.

Intangible assets with finite useful lives that are acquired are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

**Amortisation of intangible assets**

Intangible assets with finite useful lives are amortized on a straight line basis over their useful economic lives and assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows:

- Softwares are amortized over the license period and in absence of such tenor, over five years.
- Cable Television Franchise are amortized over the contract period and in absence of such tenor, over twenty years.

The estimated useful lives, residual values, amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**Deemed cost for Intangible assets**

The Company had elected to continue with the carrying value of all of its Intangible assets recognised as of the date of transition to Ind AS measured as per the previous GAAP and use that carrying value as it's deemed cost as of the transition date.



Significant Accounting Policies and Notes to the Standalone Financial Statements

1.07 IMPAIRMENT OF ASSETS

Carrying amount of Tangible assets, Intangible assets, Investments in Joint Venture (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.08 CASH AND CASH EQUIVALENTS

For the purpose of Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions and bank overdrafts.

1.09 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition and Measurement – Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**Amortised Cost:**

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**FVTOCI:**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Significant Accounting Policies and Notes to the Standalone Financial Statements

**FVTPL:**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Classification and Subsequent measurement: Financial Liabilities**

The Company's financial liabilities include trade and other payables, loans and borrowings.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition of Financial Assets and Financial Liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting Financial Instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



Significant Accounting Policies and Notes to the Standalone Financial Statements

1.10 INVESTMENT IN JOINT VENTURE

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its joint venture is accounted at cost and reviewed for impairment at each reporting date in accordance with the policy described in note 1.07 above.

1.11 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities are disclosed in the case of:**

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

1.13 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

(i) **Short-term obligations**

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

(ii) **Post-employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund



Significant Accounting Policies and Notes to the Standalone Financial Statements

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

**Defined contribution plans**

The Company contributes to Employees State Insurance Corporation and Provident Fund which are considered as defined contribution plans. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(iii) Other long-term employee benefit obligations**

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iv) Bonus Plans**

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.



Significant Accounting Policies and Notes to the Standalone Financial Statements

1.14 REVENUE RECOGNITION

(i) Income from Rendering of services

The Company derives revenues primarily from Cable TV business.

Effective April 1, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is the summary of new and/ or revised significant accounting policies related to revenue recognition. Refer Note 1 " Significant Accounting Policies" in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the company expect to receive in exchange for those services. Subscription revenue is recognized ratably over the period in which the services are rendered.

To recognize revenues, the Company applies the following five step approach:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenues when a performance obligation is satisfied

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time. While invoicing in excess of revenue are classified as contract liabilities (which we refer to as unearned revenue).

The company presents revenues net of indirect taxes in its statement of profit and loss.

(ii) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

1.15 TAXES ON INCOME

**Current Tax:**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.





Significant Accounting Policies and Notes to the Standalone Financial Statements

**Deferred tax:**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities.

**1.16 EARNINGS PER SHARE (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average 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 is adjusted for after income tax effect of interest and other financing cost associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.17 LEASES**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**As a Lessee**

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.



Hathway Bhawani Cabletel & Datacom Limited

Notes to the Standalone Financial Statements  
(₹ in lakhs unless otherwise stated)

2.01

Property, Plant and Equipment:

|                      | Gross Carrying Amount |                      | Accumulated Depreciation / Impairment |                      | Net Carrying Amount  |                      |
|----------------------|-----------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
|                      | As at April 1, 2018   | As at March 31, 2019 | For the Year* Elimination on disposal | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| <b>Own Assets:</b>   |                       |                      |                                       |                      |                      |                      |
| Plant and Machinery  | 364.93                | 216.13               | 112.80                                | 88.12                | 128.01               | 240.55               |
| Air conditioners     | 3.44                  | 4.16                 | 0.48                                  | 3.06                 | 1.10                 | 0.86                 |
| Structural fittings  | 0.07                  | -                    | 0.00                                  | -                    | -                    | -                    |
| Furniture & Fixtures | 11.17                 | 11.17                | 0.26                                  | 9.64                 | 1.52                 | 1.78                 |
| Mobile & Telephone   | 2.01                  | 2.41                 | 0.40                                  | 1.66                 | 0.75                 | 0.75                 |
| Computers            | 8.34                  | 8.34                 | 0.75                                  | 7.76                 | 0.58                 | 1.33                 |
| Office Equipments    | 0.74                  | 0.74                 | 0.10                                  | 0.72                 | 0.02                 | 0.13                 |
| Motor Vehicles       | 0.15                  | 0.15                 | 0.01                                  | 0.05                 | 0.09                 | 0.11                 |
| <b>Total</b>         | <b>390.85</b>         | <b>243.09</b>        | <b>114.80</b>                         | <b>111.02</b>        | <b>132.07</b>        | <b>245.51</b>        |

|                      | Gross Carrying Amount |                      | Accumulated Depreciation / Impairment |                      | Net Carrying Amount  |                      |
|----------------------|-----------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
|                      | As at April 1, 2017   | As at March 31, 2018 | For the Year Elimination on disposal  | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| <b>Own Assets:</b>   |                       |                      |                                       |                      |                      |                      |
| Plant and Machinery  | 358.64                | 354.93               | 41.16                                 | 124.38               | 240.55               | 275.33               |
| Air conditioners     | 3.44                  | 3.44                 | 0.65                                  | 2.58                 | 0.86                 | 1.51                 |
| Structural fittings  | 0.07                  | 0.07                 | 0.05                                  | 0.07                 | -                    | 0.05                 |
| Furniture & Fixtures | 11.17                 | 11.17                | 7.62                                  | 9.39                 | 1.78                 | 9.40                 |
| Mobile & Telephone   | 2.01                  | 2.01                 | 0.49                                  | 1.26                 | 0.75                 | 1.24                 |
| Computers            | 8.34                  | 8.34                 | 2.54                                  | 7.01                 | 1.33                 | 3.87                 |
| Office Equipments    | 0.74                  | 0.74                 | 0.10                                  | 0.61                 | 0.13                 | 0.23                 |
| Motor Vehicles       | 0.15                  | 0.15                 | 0.01                                  | 0.04                 | 0.11                 | 0.12                 |
| <b>Total</b>         | <b>384.56</b>         | <b>390.85</b>        | <b>52.62</b>                          | <b>145.34</b>        | <b>245.51</b>        | <b>291.75</b>        |



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Notes to the Standalone Financial Statements  
(₹ in lakhs unless otherwise stated)

2.02 Intangible assets :

|                            | Gross Carrying Amount  |                         |                        | Accumulated Amortisation / Impairment |                            |                         | Net Carrying Amount     |                         |
|----------------------------|------------------------|-------------------------|------------------------|---------------------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
|                            | As at<br>April 1, 2018 | As at<br>March 31, 2019 | As at<br>April 1, 2018 | For the Year<br>March 31, 2019        | Elimination on<br>disposal | As at<br>March 31, 2019 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Cable Television Franchise | 60.36                  | -                       | 39.52                  | 13.17                                 | -                          | 52.69                   | 7.67                    | 20.84                   |
| Softwares                  | 4.85                   | -                       | 2.87                   | 0.74                                  | -                          | 3.61                    | 1.24                    | 1.98                    |
| <b>Total</b>               | <b>65.21</b>           | <b>60.36</b>            | <b>42.39</b>           | <b>13.91</b>                          | <b>-</b>                   | <b>56.30</b>            | <b>8.91</b>             | <b>22.82</b>            |

|                            | Gross Carrying Amount  |                         |                        | Accumulated Amortisation / Impairment |                            |                         | Net Carrying Amount     |                         |
|----------------------------|------------------------|-------------------------|------------------------|---------------------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
|                            | As at<br>April 1, 2017 | As at<br>March 31, 2018 | As at<br>April 1, 2017 | For the Year<br>March 31, 2018        | Elimination on<br>disposal | As at<br>March 31, 2018 | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
| Cable Television Franchise | 60.36                  | -                       | 26.34                  | 13.18                                 | -                          | 39.52                   | 20.84                   | 34.02                   |
| Softwares                  | 4.85                   | -                       | 1.70                   | 1.17                                  | -                          | 2.87                    | 1.98                    | 3.15                    |
| <b>Total</b>               | <b>65.21</b>           | <b>65.21</b>            | <b>28.04</b>           | <b>14.35</b>                          | <b>-</b>                   | <b>42.39</b>            | <b>22.82</b>            | <b>37.17</b>            |

\* Depreciation for the year includes impairment of Plant & Machinery ₹ 87.10 (March 31, 2018 ₹ NIL)

Range of remaining period of amortisation of other Intangible Assets is as below:

|                            | 0 to 5 years | Total WDV   |
|----------------------------|--------------|-------------|
| Cable Television Franchise | 7.67         | 7.67        |
| Softwares                  | 1.24         | 1.24        |
| <b>Total</b>               | <b>8.91</b>  | <b>8.91</b> |



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Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

| 2.03 Non- current Investments   | As at          |              | As at          |              |
|---|----------------|--------------|----------------|--------------|
|   | March 31, 2019 |              | March 31, 2018 |              |
|   |                | Amount       |                | Amount       |
| <b>Investments (measured at Cost)</b>                                     |                |              |                |              |
| <b>Investment in equity shares of Joint Venture</b>                       |                |              |                |              |
| <b>Unquoted (fully paid up)</b>   |                |              |                |              |
| Hathway Bhawani NDS Network Pvt. Ltd. (Face Value ₹ 500)                  | 15,810         | 54.05        | 15,810         | 54.05        |
| Less: Impairment in value of Investments                                  |                | 14.53        |                | 14.53        |
| Add: Reversal of Impairment in value of Investments                       |                | -            |                | 14.53        |
|   |                | 39.52        |                | 54.05        |
| <b>Investments in Government securities (measured at amortised cost )</b> |                |              |                |              |
| <b>Unquoted</b>   |                |              |                |              |
| National Saving Certificates (Pledged with Government Authorities)        |                | 1.25         |                | 1.25         |
| <b>Total carrying value</b>   |                | <b>40.77</b> |                | <b>55.30</b> |
| <b>Aggregate Amount of Unquoted Investments</b>                           |                | <b>40.77</b> |                | <b>55.30</b> |
| <b>Aggregate Impairment in value of Investments</b>                       |                | <b>14.53</b> |                | <b>-</b>     |

| 2.04 Loans                  | Non- current   |                | Current        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | As at          |                | As at          |                |
|                             | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| <b>Security Deposits</b>    |                |                |                |                |
| Considered good - unsecured | 9.01           | 35.30          | -              | -              |
|                             | <b>9.01</b>    | <b>35.30</b>   | <b>-</b>       | <b>-</b>       |

| 2.05 Other financial assets                    | Non- current   |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          |                | As at          |                |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Fixed Deposits with Bank (Refer Note No. 2.08) | 12.28          | 52.12          | -              | -              |
| Interest Accrued                               | 0.41           | 0.04           | 0.66           | 10.32          |
|  | <b>12.69</b>   | <b>52.16</b>   | <b>0.66</b>    | <b>10.32</b>   |

| 2.06 Other assets                                  | Non- current   |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          |                | As at          |                |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Unsecured, considered good unless stated otherwise |                |                |                |                |
| Advance Income Tax Paid (Net of Provision for tax) | 44.01          | 63.16          | -              | -              |
| Prepaid Rent                                       | 3.14           | -              | 1.05           | 3.42           |
| Prepaid expenses                                   | -              | -              | 0.28           | 0.40           |
| Sundry Advances                                    | -              | -              | -              | -              |
| Staff Advances                                     | -              | -              | -              | 1.99           |
| GST Receivable                                     | -              | -              | 54.00          | 67.78          |
|  | <b>47.15</b>   | <b>63.16</b>   | <b>55.33</b>   | <b>73.59</b>   |

| 2.07 Trade Receivables          | Current        |                |
|---------------------------------|----------------|----------------|
|                                 | As at          |                |
|                                 | March 31, 2019 | March 31, 2018 |
| Trade receivables - Unsecured   | 692.95         | 694.92         |
| Less : Provision for impairment | 692.95         | 694.92         |
|                                 | <b>687.62</b>  | <b>683.62</b>  |
|                                 | <b>5.33</b>    | <b>11.30</b>   |

| 2.08 Cash and cash equivalents   | Non- current   |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          |                | As at          |                |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| <b>Balances with Banks</b>   |                |                |                |                |
| In Current Accounts  | -              | -              | 25.28          | 49.28          |
| Cash on hand   | -              | -              | 0.56           | 0.25           |
|  |                |                | <b>25.84</b>   | <b>49.53</b>   |
| <b>Other Bank Balances</b>   |                |                |                |                |
| Fixed Deposits with Bank *   | 12.28          | 52.12          | -              | -              |
|  | <b>12.28</b>   | <b>52.12</b>   | <b>-</b>       | <b>-</b>       |
| Less: Amount disclosed under Other financial assets (Refer Note No.2.05) | 12.28          | 52.12          | -              | -              |
|  | <b>-</b>       | <b>-</b>       | <b>25.84</b>   | <b>49.53</b>   |

\* Out of the above Fixed deposits with Bank of Maharashtra, deposits of ₹ 12.28 (Previous year ₹ 9.23 ) is given as security against outstanding bank Guarantees and deposits of ₹ Nil (Previous year ₹ 42.89 ) is given as security against cash credit limit with the said bank.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

| 2.09 Equity Share Capital   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| <b>Authorised Capital</b><br>1,00,00,000 (March 31, 2018 : 1,00,00,000) Equity Shares of ₹ 10 each                  | 1,000.00       | 1,000.00       |
| <b>Paid up Capital comprises:</b><br>81,00,000 (March 31, 2018: 81,00,000) Equity Shares of ₹ 10 each fully paid up | 810.00         | 810.00         |
|   | <b>810.00</b>  | <b>810.00</b>  |

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

| Particulars                                     | As at            |               |                  |               |
|---|------------------|---------------|------------------|---------------|
|   | March 31, 2019   |               | March 31, 2018   |               |
|   | Number of shares | Amount        | Number of shares | Amount        |
| Shares outstanding at the beginning of the year | 81,00,000        | 810.00        | 81,00,000        | 810.00        |
| Shares outstanding at the end of the year       | <b>81,00,000</b> | <b>810.00</b> | <b>81,00,000</b> | <b>810.00</b> |

### b) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

| Particulars   | As at            |                  |
|---|------------------|------------------|
|   | March 31, 2019   | March 31, 2018   |
|   | Number of shares | Number of shares |
| Hathway Cable and Datacom Limited (Holding Company)                               | 20,20,000        | 20,20,000        |
| Hathway Media Vision Private Limited (Wholly Owned subsidiary of Holding Company) | 21,60,000        | 21,60,000        |
|   | <b>41,80,000</b> | <b>41,80,000</b> |

### c) Rights, Preference and restrictions attached to Shares;

#### Terms/ Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

### d) The details of shareholders holding more than 5% shares in the Company:

| Name of Shareholder                  | As at            |              | As at            |              |
|--------------------------------------|------------------|--------------|------------------|--------------|
|                                      | March 31, 2019   |              | March 31, 2018   |              |
|                                      | Number of shares | % of Holding | Number of shares | % of Holding |
| Hathway Cable and Datacom Limited    | 20,20,000        | 24.94%       | 20,20,000        | 24.94%       |
| Kuldeep Puri                         | 5,04,339         | 6.23%        | 5,04,339         | 6.23%        |
| Kulbhushan Puri                      | 426,383          | 5.26%        | 426,383          | 5.26%        |
| Hathway Media Vision Private Limited | 21,60,000        | 26.67%       | 21,60,000        | 26.67%       |

### e) Equity shares allotted as fully paid - up for consideration other than cash :

| Equity shares allotted as fully paid - up pursuant to contracts for consideration other than cash in the financial year 2014-15 | As at          |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
|   | 1,00,000       | 1,00,000       |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

| 2.10 Other equity  | As at             |                   |
|--------------------|-------------------|-------------------|
|                    | March 31, 2019    | March 31, 2018    |
| Securities Premium | 151.00            | 151.00            |
| Retained earning   | (1,346.21)        | (1,353.61)        |
| <b>Total</b>       | <b>(1,195.21)</b> | <b>(1,202.61)</b> |

**a) Retained earnings :**

Retained earnings are the losses that the Company has incurred till date.

**b) Securities Premium :**

Securities premium is used to record the premium on issue of shares. The Securities premium is utilised in accordance with the provisions of the Act.

| 2.11 Non Current Borrowings   | Non - Current  |                | Current Maturities of Long Term Debt |                |
|---|----------------|----------------|--------------------------------------|----------------|
|   | As at          |                | As at                                |                |
|   | March 31, 2019 | March 31, 2018 | March 31, 2019                       | March 31, 2018 |
| <b>Loans and Advances from Related Parties</b>                                      |                |                |                                      |                |
| <b>Unsecured</b>  |                |                |                                      |                |
| Loan From Fellow Subsidiary   | -              | 350.00         | 160.00                               | -              |
|   | -              | <b>350.00</b>  | <b>160.00</b>                        | -              |
| Less: Amount disclosed under the head 'Other Financial Liabilities' (Note No. 2.14) | -              | -              | 160.00                               | -              |
| <b>Net Amount</b>   | -              | <b>350.00</b>  | -                                    | -              |

**Nature of Security and terms of repayment for borrowings:**

| Nature of Security   | Terms of Repayment   |
|--|--|
| <b>Unsecured Loan</b>  |  |
| Loan from Hathway Digital Private Limited amounting to ₹ 160 (March 31, 2018: ₹ 350) | Principal repayable within 2 years (extendable as agreed between the Company and Fellow Subsidiary) bearing interest rate @10.6%p.a. |

| 2.12 Provisions          | Non - Current  |                | Current        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | As at          |                | As at          |                |
|                          | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| <b>Employee benefits</b> |                |                |                |                |
| Gratuity (unfunded)      | 6.92           | 7.80           | 0.38           | 0.29           |
| Leave Encashment         | 2.21           | 6.12           | 5.75           | 0.20           |
|                          | <b>9.13</b>    | <b>13.92</b>   | <b>6.13</b>    | <b>0.49</b>    |

| 2.13 Deferred Tax Liabilities (Net)       | As at          |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| <b>Deferred Tax Assets*</b>               |                |                |
| Provision for Employee benefits           | -              | -              |
| Other temporary differences               | -              | -              |
| Carried forward Business Losses           | -              | -              |
|   | (A)            | -              |
| <b>Deferred Tax Liabilities</b>           |                |                |
| Property, Plant and Equipment             | -              | -              |
|   | (B)            | -              |
| <b>Net Deferred Tax Liabilities (A-B)</b> | -              | -              |

\* Refer Note no. 4.11 for Expiry schedule of deferred tax assets not recognised.

| 2.14 Other Financial Liabilities                       | As at          |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Current Maturities of Long term debt (Refer Note 2.11) | 160.00         | -              |
| Security Deposits                                      | 45.64          | 45.64          |
| Salary and Employee benefits payable                   | 8.97           | 11.81          |
| Other Financial Liabilities                            | 34.81          | 23.12          |
|  | <b>249.42</b>  | <b>80.57</b>   |

| 2.15 Other Current Liabilities | As at          |                |
|--------------------------------|----------------|----------------|
|                                | March 31, 2019 | March 31, 2018 |
| Income received in advance     | 15.46          | 100.84         |
| Statutory payables             | 11.44          | 11.96          |
| Others                         | 1.86           | 1.86           |
|                                | <b>28.76</b>   | <b>114.66</b>  |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

| 3.01 Revenue from operations | Year Ended     |                |
|------------------------------|----------------|----------------|
|                              | March 31, 2019 | March 31, 2018 |
| Sale of services             | 471.17         | 487.04         |
|                              | <b>471.17</b>  | <b>487.04</b>  |

| 3.02 Other Income                                   | Year Ended     |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| <b>Interest income earned on financial assets :</b> |                |                |
| Interest on Fixed Deposit                           | 3.20           | 4.33           |
| Interest on Government Securities                   | 0.01           | 0.05           |
| Interest Income on Security Deposit                 | 0.80           | 2.27           |
| Interest on Income Tax Refund                       | 2.59           | 18.63          |
| <b>Other Non Operating Income</b>                   |                |                |
| Amount no Longer Payable Written Back               | 11.94          | 204.37         |
| Reversal of Impairment in value of Investments      | -              | 14.53          |
| Miscellaneous Income                                | 0.08           | 0.71           |
|   | <b>18.62</b>   | <b>244.89</b>  |

| 3.03 Other Operational Expenses    | Year Ended     |                |
|------------------------------------|----------------|----------------|
|                                    | March 31, 2019 | March 31, 2018 |
| Commission                         | 24.94          | 13.74          |
| Consultancy Charges                | -              | 7.95           |
| Repairs & Maintenances - Machinery | 8.50           | 11.72          |
| Rent                               | 8.17           | 13.24          |
| Other Operating Expenses           | 16.27          | 39.51          |
|                                    | <b>57.88</b>   | <b>86.16</b>   |

| 3.04 Employee Benefit Expenses                 | Year Ended     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Salaries and wages                             | 48.02          | 51.70          |
| Contribution to Provident fund and other funds | 3.27           | 4.20           |
| Staff welfare expenses                         | 0.94           | 1.45           |
|  | <b>52.23</b>   | <b>57.35</b>   |

| 3.05 Finance Costs | Year Ended     |                |
|--------------------|----------------|----------------|
|                    | March 31, 2019 | March 31, 2018 |
| Interest Expenses  | 25.39          | 17.59          |
|                    | <b>25.39</b>   | <b>17.59</b>   |

| 3.06 Depreciation, Amortization and Impairment | Year Ended     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Depreciation on Property, Plant and Equipment  | 114.80         | 52.62          |
| Amortisation of intangible assets              | 13.91          | 14.35          |
|  | <b>128.71</b>  | <b>66.97</b>   |

| 3.07 Other Expenses                                 | Year Ended     |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| Impairment of trade receivables                     | 4.00           | 312.50         |
| Bad Debts   | -              | 151.39         |
| Less: Transfer from Impairment of trade receivables | -              | (151.39)       |
| Services charges                                    | 25.38          | 29.18          |
| Legal & Professional charges                        | 12.56          | 4.69           |
| Printing and stationery                             | 7.01           | 4.31           |
| Sundry balances Written Off                         | 5.55           | -              |
| Conveyance  | 5.48           | 7.11           |
| Electricity charges                                 | 4.00           | 4.45           |
| Business promotion expenses                         | 2.72           | 4.99           |
| Sitting Fees  | 2.30           | 2.04           |
| Office expenses                                     | 1.69           | 0.80           |
| Communication charges                               | 0.89           | 2.38           |
| Repairs & Maintenances - Others                     | 0.67           | 2.25           |
| Insurance others                                    | 0.63           | 1.86           |
| Loss on Sale of assets                              | -              | 0.58           |
| Rates and taxes                                     | 0.00           | 0.22           |
| Interest on Taxes                                   | 0.00           | 0.05           |
| Miscellaneous Expenses                              | 5.95           | 5.78           |
| Auditor's Remuneration :                            |                |                |
| - Statutory Audit Fees                              | 3.73           | 3.00           |
|   | <b>82.56</b>   | <b>386.19</b>  |

| 3.08 Exceptional Item                      | Year Ended     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Impairment of Investments in Joint Venture | 14.52          | -              |
|  | <b>14.52</b>   | <b>-</b>       |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.01 Contingent Liabilities

There is no claim against the Company which can be acknowledged as debt (March 31, 2018 : Nil)

### 4.02 Capital And Other Commitments

There are no Capital and other commitments as at March 31, 2019. (March 31, 2018 : Nil)

### 4.03 Employee Benefits

#### a) Defined Benefit Plans:

The Present value of the defined benefit obligations and related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date.

|                  |  |
|------------------|--|
| Interest Risk :  | A decrease in the bond interest rate will increase the plan liability.   |
| Longevity Risk : | The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks. |
| Salary Risk :    | The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries being more than assumed.  |

| Category   | March 31, 2019<br>[Gratuity] | March 31, 2018<br>[Gratuity] |
|--|------------------------------|------------------------------|
| <b>1. Expense recognised in the Statement of Profit and Loss</b>       |                              |                              |
| Current Service Cost   | 0.91                         | 2.14                         |
| Net Interest   | 0.60                         | 1.33                         |
| <b>Expense recognised in the Statement of Profit and Loss</b>          | <b>1.51</b>                  | <b>3.47</b>                  |
| <b>2. Other Comprehensive Income (OCI)</b>                             |                              |                              |
| Measurement of net defined benefit liability                           |                              |                              |
| Actuarial (gains)/ losses arising from changes in financial assumption | (3.86)                       | (1.79)                       |
| Actuarial (gains)/ losses arising from experience adjustments          | 2.17                         | (5.87)                       |
| <b>Total Actuarial (Gain)/loss recognised in OCI</b>                   | <b>(1.69)</b>                | <b>(7.66)</b>                |
| <b>3. Change in benefit obligations:</b>                               |                              |                              |
| Projected benefit obligations at beginning of the year                 | 8.09                         | 18.23                        |
| Current Service Cost   | 0.91                         | 2.14                         |
| Interest Cost  | 0.60                         | 1.33                         |
| Benefits Paid  | (0.61)                       | (5.95)                       |
| Actuarial (Gain) / Loss  | (1.69)                       | (7.66)                       |
| <b>Projected benefit obligations at end of the year</b>                | <b>7.29</b>                  | <b>8.09</b>                  |
| <b>4. Fair Value of Plan Asset</b>                                     |                              |                              |
| Fair Value of Plan Asset at the beginning of the year                  | -                            | -                            |
| Contributions by employer  | (0.61)                       | (5.96)                       |
| Benefits Paid  | 0.61                         | 5.96                         |
| <b>Fair Value of Plan Assets at end of the year</b>                    | <b>-</b>                     | <b>-</b>                     |





# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

| Category  | March 31, 2019<br>[Gratuity] | March 31, 2018<br>[Gratuity] |
|---|------------------------------|------------------------------|
| <b>5. Net Liability</b>   |                              |                              |
| Projected benefit obligations at the end of the year                                  | 7.29                         | 8.09                         |
| Fair Value of Plan Asset at the end of the year                                       | -                            | -                            |
| <b>Net Liability</b>  | <b>7.29</b>                  | <b>8.09</b>                  |
| <b>6. The net liability disclosed above relates to unfunded plans are as follows:</b> |                              |                              |
| Projected benefit obligations at the end of the year                                  | 7.29                         | 8.09                         |
| Fair Value of Plan Asset at the end of the year                                       | -                            | -                            |
| <b>Deficit of gratuity plan</b>   | <b>7.29</b>                  | <b>8.09</b>                  |
| <b>7. Sensitivity Analysis</b>  |                              |                              |
| Increase/(decrease) on present value of benefit obligation at the end of the year     |                              |                              |
| 50 basis point increase in discount rate  | (6.93)                       | (7.62)                       |
| 50 basis point decrease in discount rate  | 7.68                         | 8.60                         |
| 50 basis point increase in rate of salary Increase                                    | 7.69                         | 8.59                         |
| 50 basis point decrease in rate of salary increase                                    | (6.92)                       | (7.62)                       |
| <b>8. Principal assumptions used for the purpose of actuarial valuation</b>           |                              |                              |
| Mortality   | IALM (2012-2014)<br>UTI      | IALM (2006-2008)<br>UTI      |
| Interest /discount rate   | 7.90%                        | 7.54%                        |
| Rate of increase in compensation  | 5.00%                        | 8.50%                        |
| Expected average remaining service  | 11.08                        | 10.08                        |
| Employee Attrition Rate (Past service (PS))   | 5.00%                        | 5.00%                        |

### b. Defined Contribution Plans:

The company contributes towards provident fund to a defined contribution plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the defined contribution plan to fund the benefits.

Amount of ₹ 3.27 (Previous year ₹ 4.20 ) is recognised as an expenses and included in Employee benefit expenses (Refer Note 3.04)

### 4.04 Leases

#### Operating Lease (as a lessee)

##### Details of Cancellable Leases are as under:

The Company's significant leasing arrangements in terms of IND AS 17 are in respect of Operating Leases for Premises. These leasing arrangements, which are cancellable in nature range between 11 months to 60 months and are renewable by mutual consent.

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

Rental Expenses debited to the Statement of Profit and Loss ₹ 8.17 (March 31, 2018: ₹ 13.24).

#### Operating Lease (As a lessor)

##### Details of Cancellable Leases are as under:

Lease income credited to the Statement of Profit and Loss ₹ 30.00 (March 31, 2018: ₹ 15.00).



## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

#### 4.05 Capital Management

The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

The principal source of funding of the Company has been, and is expected to continue from cash generated from its operations supplemented by funding from borrowings.

#### 4.06 Financial Instruments

##### i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) The carrying amounts of trade receivables, cash and cash equivalents, trade payables, and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

b) The fair value for long term security deposits given is calculated based on cash flow discounted using current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

##### ii) Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: inputs which are not based on observable market data

| Particulars                       | March 31, 2019  |            | March 31, 2018  |            |
|-----------------------------------|-----------------|------------|-----------------|------------|
|                                   | Carrying values | Fair value | Carrying values | Fair value |
| <b>Financial assets</b>           |                 |            |                 |            |
| <b>Measured at amortised cost</b> |                 |            |                 |            |
| Investments                       | 1.25            | 1.25       | 1.25            | 1.25       |
| Trade receivables                 | 5.33            | 5.33       | 11.30           | 11.30      |
| Loans                             | 9.01            | 9.01       | 35.30           | 35.30      |
| Other financial assets            | 13.35           | 13.35      | 62.48           | 62.48      |
| Cash and cash equivalents         | 25.84           | 25.84      | 49.53           | 49.53      |
| <b>Financial liabilities</b>      |                 |            |                 |            |
| <b>Measured at amortised cost</b> |                 |            |                 |            |
| Borrowings                        | -               | -          | 350.00          | 350.00     |
| Trade payables                    | 429.53          | 429.53     | 451.96          | 451.96     |
| Other financial liabilities       | 249.42          | 249.42     | 80.57           | 80.57      |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.07 Financial Risk Management

The Company is not exposed to market risk and has insignificant credit and liquidity risk as explained below :

| Risk              | Exposure arising from  | Measurement                 |
|-------------------|--|-----------------------------|
| 1) Credit risk    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost. | Ageing analysis             |
| 2) Liquidity Risk | Borrowings and other liabilities   | Rolling cash flow forecasts |

#### Credit risk

Credit risk arises from the possibility that counter party will cause financial loss to the company by failing to discharge its obligation as agreed. The Company's exposure to credit risk arises mainly from the trade receivables, distributor commission, consultancy income and balances with banks. Credit risks from balances with banks are managed in accordance with the Company policy. The Company's major revenue streams arises from services provided to end use customers in form of monthly subscription income. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. There is no concentration of credit risk. The Company follows a simplified approach (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the Company uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. In addition, in case there are events or changes in circumstances indicating individual trade receivable is required to be reviewed on qualitative aspects, necessary provisions are made.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

| Age of Receivables       | As At March 31, |               |
|--------------------------|-----------------|---------------|
|                          | 2019            | 2018          |
| Within the credit period |                 |               |
| 1-90 days past due       | 53.60           | 100.36        |
| 91-180 days past due     | 54.43           | 73.72         |
| 181-270 days past due    | 32.42           | 0.35          |
| 271-360 days past due    | 32.42           | 0.08          |
| More than 365 days       | 520.08          | 520.41        |
|                          | <b>692.95</b>   | <b>694.92</b> |

| Movement in the expected credit loss allowance | Year ended March 31, |               |
|--|----------------------|---------------|
|  | 2019                 | 2018          |
| Balance at beginning of the year               | 683.62               | 522.52        |
| Provided during the year                       | 4.00                 | 312.50        |
| Write off during the year                      | -                    | (151.39)      |
| Balance at end of the year                     | <b>687.62</b>        | <b>683.62</b> |

#### Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

##### March 31, 2019

| Particulars                 | less than 1 year | 1 to 5 year | Total         |
|-----------------------------|------------------|-------------|---------------|
| <u>Non-Derivatives</u>      |                  |             |               |
| Trade payables              | 429.53           | -           | 429.53        |
| Borrowings                  | 160.00           | -           | 160.00        |
| Other financial liabilities | 89.42            | -           | 89.42         |
| <b>Total</b>                | <b>678.95</b>    | <b>-</b>    | <b>678.95</b> |

##### March 31, 2018

| Particulars                 | less than 1 year | 1 to 5 year   | Total         |
|-----------------------------|------------------|---------------|---------------|
| <u>Non-Derivatives</u>      |                  |               |               |
| Trade payables              | 451.96           | -             | 451.96        |
| Borrowings                  | -                | 350.00        | 350.00        |
| Other financial liabilities | 80.57            | -             | 80.57         |
| <b>Total</b>                | <b>532.53</b>    | <b>350.00</b> | <b>882.53</b> |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.08 Segmental Reporting

As the Company's business activity falls within a single business segment in terms of Ind AS 108 on "Operating Segments", the financial results are reflective of the information required by Ind AS 108.

### 4.09 Related Party Disclosures

#### Particulars of Related Parties

#### A. Name of Related Parties and Related party Relationship

##### I. Controlled by:

Parent Hathway Cable and Datacom Limited

Entities exercising control over Parent Reliance Industries Limited (w.e.f. January 30, 2019)  
Reliance Industrial Investments and Holdings Limited (w.e.f. January 30, 2019)(Protector of Digital Media Distribution Trust), wholly owned subsidiary of Reliance Industries Limited.  
Digital Media Distribution Trust (w.e.f. January 30, 2019)  
Jio Content Distribution Holdings Private Limited (w.e.f. January 30, 2019) \$  
Jio Internet Distribution Holdings Private Limited (w.e.f. January 30, 2019) \$  
Jio Cable and Broadband Holdings Private Limited (w.e.f. January 30, 2019) \$

##### II. Joint Venture

Hathway Bhawani NDS Network Private Limited

##### III. Fellow Subsidiary

Hathway Digital Private Limited

##### IV. Key Managerial Personnel

##### a. Executive Directors

Mr. Sameer Joseph - Managing Director & CEO (upto October 04, 2017)

##### b. Non Executive Directors

##### Independent Directors

Mr. Dilip Worah  
Mr. L. K. Kannan

##### Non Independent Directors

Mr. Vineet Garg (upto March 30, 2018)  
Mr. Shyam P V (upto April 04, 2018)  
Mr. Vatan Pathan\* - Director & CEO  
\* (Additional director w.e.f. November 07, 2017, appointed as a Chief Executive Officer w.e.f. April 03, 2018)  
Mr. Rajesh Kumar Mittal (w.e.f. April 06, 2018)  
Ms. Pallavi Balkur (w.e.f. April 06, 2018)

\$ Controlled by Digital Media Distribution Trust of which Reliance Content Distribution Limited - Wholly owned Subsidiary of Reliance Industries Limited, is the sole beneficiary.

#### Compensation to Key Managerial Personnel :-

| Particulars               | F.Y. 2018-19 | F.Y. 2017-18 |
|---------------------------|--------------|--------------|
| Sitting fees              | 2.30         | 2.04         |
| <b>Total Compensation</b> | <b>2.30</b>  | <b>2.04</b>  |

#### B. Related Party Transactions

| Type of Transactions  | Name of the Party                           | F.Y. 2018-19 | F.Y. 2017-18 |
|---|---|--------------|--------------|
| Consultancy charges earned                                    | Hathway Bhawani NDS Network Private Limited | 23.00        | 12.15        |
| Loan taken  | Hathway Digital Private Limited             | -            | 350.00       |
| Loan repaid   | Hathway Digital Private Limited             | 190.00       | -            |
| Commission Income   | Hathway Digital Private Limited             | 122.52       | 135.79       |
| Network Usage Charges earned                                  | Hathway Digital Private Limited             | 30.00        | 15.00        |
| Feed Charges  | Hathway Digital Private Limited             | 122.80       | 134.38       |
| STB Activation Expenses                                       | Hathway Digital Private Limited             | 11.08        | -            |
| Interest paid   | Hathway Digital Private Limited             | 25.39        | 17.59        |
| (Impairment) / Reversal of Impairment in value of Investments | Hathway Bhawani NDS Network Private Limited | (14.53)      | 14.53        |

| Type of Balances                   | Name of the Party                           | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------------|---|----------------------|----------------------|
| Balance as at year end             |   |                      |                      |
| Trade Payable                      | Hathway Cable and Datacom Limited           | 35.41                | 48.18                |
| Unsecured Loan                     | Hathway Digital Private Limited             | 160.00               | 350.00               |
| Unearned Revenue                   | Hathway Digital Private Limited             | -                    | 49.50                |
| Trade Payable                      | Hathway Digital Private Limited             | 381.52               | 340.74               |
| Investments                        | Hathway Bhawani NDS Network Private Limited | 54.05                | 54.05                |
| Impairment in value of Investments | Hathway Bhawani NDS Network Private Limited | 14.53                | -                    |



**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

**Notes to the Standalone Financial Statements**

(₹ in lakhs unless otherwise stated)

- 4.10 During the financial year 2018-19 and 2017-18, there has been no investment made by the Company in terms of Section 186(4) of the Act. The operations of the Company are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given or guarantee given or security provided and the related disclosures on purposes / utilization by recipient companies, are not applicable to the Company.
- 4.11 In the absence of reasonable certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has not recognised deferred tax assets. (Refer to Note 2.13)

Expiry schedule of deferred tax assets not recognised is as under :

| Particulars                     | Indefinite    | Total         |
|---------------------------------|---------------|---------------|
| Unabsorbed depreciation         | 35.58         | 35.58         |
| Deductible temporary difference | 204.02        | 204.02        |
| <b>Total</b>                    | <b>239.60</b> | <b>239.60</b> |

- 4.12 Supplementary statutory information required to be given pursuant to Schedule V of Regulation 34(3) and 53(f) of the SEBI (Listing obligation & Disclosure requirement) Regulations, 2015. - Nil

**4.13 Earnings / (Loss) Per Share**

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Basic earnings per share (₹)</b>  |                         |                         |
| Attributable to equity holders of the Company  | 0.07                    | (0.21)                  |
| <b>Diluted earnings per share (₹)</b>  |                         |                         |
| Attributable to equity holders of the Company  | 0.07                    | (0.21)                  |
| <b>Nominal value of Ordinary shares : (₹)</b>  | 10.00                   | 10.00                   |
| <b>Reconciliation of earnings used in calculating earnings per share :</b>   |                         |                         |
| <b>Basic earnings per share</b>  |                         |                         |
| Profit / (Loss) attributable to equity holders of the Company used in calculating basic earnings per share           | 5.71                    | (16.71)                 |
| <b>Diluted earnings per share</b>  |                         |                         |
| Profit / (Loss) attributable to equity holders of the Company used in calculating diluted earnings per share         | 5.71                    | (16.71)                 |
| <b>Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share</b> | 8,100,000               | 8,100,000               |

**4.14 The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under :**

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Principal amount due and remaining unpaid             | -                       | -                       |
| Interest due on above and the unpaid interest         | -                       | -                       |
| Interest paid   | -                       | -                       |
| Payment made beyond the appointed day during the year | -                       | -                       |
| Interest due and payable for the period of delay      | -                       | -                       |
| Interest due and remaining unpaid                     | -                       | -                       |
| Interest accrued and remaining unpaid                 | -                       | -                       |



**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

**Notes to the Standalone Financial Statements**  
(₹ in lakhs unless otherwise stated)

**4.15 Revenue from contract with customers**

**Disaggregation of Revenue**

As the Company's business activity falls within a single business segment viz. providing Cable Television services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segment". The nature, amount, timing and uncertainty of revenue and cash flows are similar across company's revenue from contracts with customers. Accordingly, there is no disaggregation of revenue disclosed.

**Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities for the contracts with the customers.

| Particulars  | March 31, 2019 |
|--|----------------|
| Receivables, which are included in 'Trade and other receivables' | 5.33           |
| Contract assets  | -              |
| Contract liabilities (Unearned Revenue)                          | 15.46          |

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the billing recognized in advance where performance obligations are yet to be satisfied.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

| Particulars  | March 31, 2019  |                      |
|--|-----------------|----------------------|
|  | Contract assets | Contract liabilities |
| Balance at the beginning of the year   | -               | 100.84               |
| Less: Revenue Recognised that is included in the contract liability balance at the beginning of the year | -               | (100.84)             |
| Add: Advance income received from the customer during the period   | -               | 15.46                |
| Balance at the end of the year   | -               | 15.46                |

**Performance Obligations And Remaining Performance Obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the remaining performances as the performance obligations relates to contracts that have an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

**4.16 Previous year's figures have been reclassified / regrouped wherever necessary.**

As per our report of even date  
For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No. 107023W

K Y Narayana  
Partner  
Membership No. 060639



For and on behalf of the Board

Vatan Pathan Director & Chief Executive Officer  
DIN: 07468214

Rajesh Kumar Mittal Director  
DIN: 07957284

Pallavi Balkur Company Secretary & Compliance Officer  
ACS No. 32276

Basant Baritwal Chief Financial Officer



Place : Mumbai  
Dated: April 08, 2019

Place : Mumbai  
Dated: April 08, 2019

# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2<sup>ND</sup> FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

## INDEPENDENT AUDITOR'S REPORT

To the Members of Hathway Bhawani Cabletel & Datacom Limited  
Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Hathway Bhawani Cabletel & Datacom Limited** (hereinafter referred to as "the Holding Company") and its joint venture comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

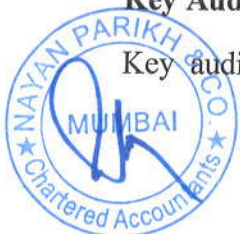
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI), together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the



consideration of the report of the other auditor on standalone financial statements and on the other financial information of the joint venture, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual report but does not include the consolidated financial statements and our auditor's report thereon.

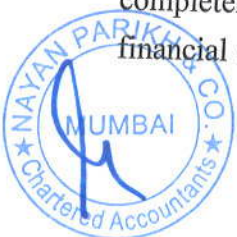
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Holding Company including its joint venture in accordance with Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Holding Company and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,





whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and of its joint venture are responsible for assessing the ability of the Holding Company and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its joint venture are responsible for overseeing the financial reporting process of the Holding Company and of its joint venture.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



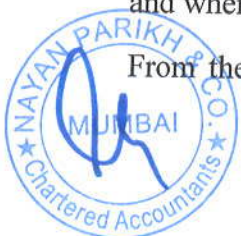
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those



matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statements of the joint venture, as considered in the consolidated financial statements, whose standalone financial statements include the Holding Company's share of net loss of ₹3.51 lakhs for the year ended on March 31, 2019. This financial statements and other financial information have been audited by other auditor whose report has been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its joint venture



incorporated in India, none of the directors of the Holding Company and its joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has not paid remuneration to its directors during the year. Accordingly, the provisions of section 197 of the Act are not applicable to the Holding Company; and

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor of the joint venture, as noted in the Other matters paragraph:
- i. The Holding Company and its joint venture does not have any pending litigations which would impact the financial position in the consolidated financial statements - Refer Note 4.01 to consolidated financial statements;
  - ii. The Holding Company and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint venture.

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No. 107023W



**K.Y. Narayana**  
Partner  
Membership No. 060639

Mumbai  
Dated: April 8, 2019

**Annexure A to the Independent Auditor's Report  
Referred to in paragraph (f) under Report on Other Legal and Regulatory  
Requirements' of our Independent Auditor's Report on even date to the members of  
Hathway Bhawani Cabletel & Datacom Limited ("the Holding Company) on the  
consolidated financial statements for the year ended March 31, 2019:**

**Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act,  
2013 (the Act)**

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of **Hathway Bhawani Cabletel & Datacom Limited (hereinafter referred to as 'the Holding Company')** and its joint venture, which are companies incorporated in India, as of that date.

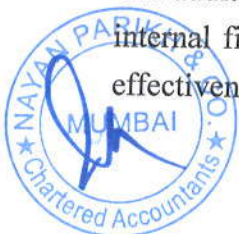
### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company and its joint venture, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements



included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial control system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

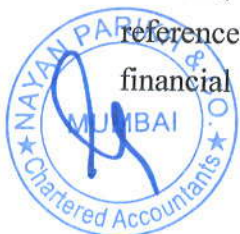
A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 based on the internal



controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates standalone financial statements of the joint venture, which is the company incorporated in India, is based on the corresponding report of the auditor of such joint venture incorporated in India.

Place: Mumbai  
Dated: April 8, 2019



For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No. 107023W  
*K.Y. Narayana*  
K.Y. Narayana  
Partner  
Membership No. 060639

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Balance Sheet as at March 31, 2019

(₹ in lakhs unless otherwise stated)

| Particulars                              | Note No. | As at           |                 |
|--|----------|-----------------|-----------------|
|  |          | March 31, 2019  | March 31, 2018  |
| <b>ASSETS</b>                            |          |                 |                 |
| <b>Non-current Assets</b>                |          |                 |                 |
| Property, plant and equipment            | 2.01     | 132.07          | 245.51          |
| Intangible assets                        | 2.02     | 8.91            | 22.82           |
| Investment accounted using Equity method | 4.14     | 31.16           | 49.20           |
| <b>Financial Assets</b>                  |          |                 |                 |
| Investments                              | 2.03     | 1.25            | 1.25            |
| Loans                                    | 2.04     | 9.01            | 35.30           |
| Other financial assets                   | 2.05     | 12.69           | 52.16           |
| Other Non-current assets                 | 2.06     | 47.15           | 63.16           |
| <b>Total Non-current Assets</b>          |          | <b>242.24</b>   | <b>469.40</b>   |
| <b>Current Assets</b>                    |          |                 |                 |
| <b>Financial Assets</b>                  |          |                 |                 |
| Trade receivables                        | 2.07     | 5.33            | 11.30           |
| Cash and cash equivalents                | 2.08     | 25.84           | 49.53           |
| Other financial assets                   | 2.05     | 0.66            | 10.32           |
| Other current assets                     | 2.06     | 55.33           | 73.59           |
| <b>Total Current Assets</b>              |          | <b>87.16</b>    | <b>144.74</b>   |
| <b>Total Assets</b>                      |          | <b>329.40</b>   | <b>614.14</b>   |
| <b>EQUITY AND LIABILITIES</b>            |          |                 |                 |
| <b>Equity</b>                            |          |                 |                 |
| Equity Share Capital                     | 2.09     | 810.00          | 810.00          |
| Other Equity                             | 2.10     | (1,203.57)      | (1,207.46)      |
| <b>Total Equity</b>                      |          | <b>(393.57)</b> | <b>(397.46)</b> |
| <b>Non-current Liabilities</b>           |          |                 |                 |
| <b>Financial Liabilities</b>             |          |                 |                 |
| Borrowings                               | 2.11     | -               | 350.00          |
| Provisions                               | 2.12     | 9.13            | 13.92           |
| Deferred tax liabilities (Net)           | 2.13     | -               | -               |
| <b>Total Non-current Liabilities</b>     |          | <b>9.13</b>     | <b>363.92</b>   |
| <b>Current Liabilities</b>               |          |                 |                 |
| <b>Financial Liabilities</b>             |          |                 |                 |
| Trade payables                           |          |                 |                 |
| Total outstanding dues of :              |          |                 |                 |
| - Micro & small enterprises              |          |                 |                 |
| - Other                                  |          |                 |                 |
| Other financial liabilities              | 2.14     | 429.53          | 451.96          |
| Provisions                               | 2.12     | 249.42          | 80.57           |
| Other current Liabilities                | 2.15     | 6.13            | 0.49            |
| <b>Total Current Liabilities</b>         |          | <b>28.76</b>    | <b>114.66</b>   |
| <b>Total Equity and Liabilities</b>      |          | <b>713.84</b>   | <b>647.68</b>   |
|  |          | <b>329.40</b>   | <b>614.14</b>   |

Summary of Significant Accounting Policies

1.00

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

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No. 107023W

K Y Naryana

Partner

Membership No. 060639



For and on behalf of the Board

Vatan Pathan

Director & Chief Executive Officer

DIN: 07468214

Pallavi Balkur

Company Secretary & Compliance Officer

ACS No. 32276

Rajesh Kumar Mittal

Director

DIN: 07957284

Basant Haritwal

Chief Financial Officer

Place : Mumbai

Dated: April 08, 2019

Place : Mumbai

Dated: April 08, 2019





# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakhs unless otherwise stated)

| Particulars   | Note No. | Year Ended     |                |
|---|----------|----------------|----------------|
|   |          | March 31, 2019 | March 31, 2018 |
| Revenue from Operations   | 3.01     | 471.17         | 487.04         |
| Other Income  | 3.02     | 18.62          | 244.89         |
| <b>Total Income</b>   |          | <b>489.79</b>  | <b>731.93</b>  |
| <b>Expenses</b>   |          |                |                |
| Feed Charges  |          | 122.79         | 134.38         |
| Other operational expenses  | 3.03     | 57.88          | 86.16          |
| Employee benefit expenses   | 3.04     | 52.23          | 57.35          |
| Finance cost  | 3.05     | 25.39          | 17.59          |
| Depreciation, amortisation and impairment   | 3.06     | 128.71         | 66.97          |
| Other expenses  | 3.07     | 82.56          | 386.19         |
| <b>Total Expenses</b>   |          | <b>469.56</b>  | <b>748.64</b>  |
| <b>Profit / (Loss) before exceptional items and tax</b>                                 |          | <b>20.23</b>   | <b>(16.71)</b> |
| Exceptional items   | 3.08     | 14.52          | -              |
| <b>Profit / (Loss) before tax</b>   |          | <b>5.71</b>    | <b>(16.71)</b> |
| Share of net Profit / (Loss) of Joint venture accounted for using the equity method     |          | (3.51)         | 15.48          |
| <b>Profit / (Loss) before tax</b>   |          | <b>2.20</b>    | <b>(1.23)</b>  |
| Tax Expense   |          |                |                |
| Current tax   |          | -              | -              |
| Deferred tax  |          | -              | -              |
| <b>Profit / (Loss) for the year</b>   |          | <b>2.20</b>    | <b>(1.23)</b>  |
| <b>Other comprehensive income</b>   |          |                |                |
| <b>Items that will not be reclassified to profit or loss</b>                            |          |                |                |
| Re-measurements of post employment benefit obligation                                   |          | 1.69           | 7.66           |
| Income tax effect relating to these items   |          | -              | -              |
|   |          | <b>1.69</b>    | <b>7.66</b>    |
| <b>Total Comprehensive Income / (Loss) for the year</b>                                 |          | <b>3.89</b>    | <b>6.43</b>    |
| Weighted Average Number of Shares   |          | 81,00,000      | 81,00,000      |
| Earnings / (Loss) per equity share (Face value of ₹ 10/- each) :                        |          |                |                |
| Basic and diluted (in ₹)  | 4.11     | 0.03           | (0.02)         |
| Summary of Significant Accounting Policies  | 1.00     |                |                |
| Refer accompanying notes. These notes are an integral part of the financial statements. |          |                |                |

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No. 107023W

K Y Narayana

Partner

Membership No. 060639



For and on behalf of the Board

Vatan Pathan

Director & Chief Executive Officer

DIN: 07468214

Rajesh Kumar Mittal

Director

DIN: 07957284

Pallavi Balkur

Company Secretary & Compliance Officer

ACS No. 32276

Basant Haritwal

Chief Financial Officer

Place : Mumbai

Dated: April 08, 2019

Place : Mumbai

Dated: April 08, 2019



HATHWAY BHAWANI CABLETEL & DATACOM LTD.

CIN : L65910MH1984PLC034514

Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs unless otherwise stated)

| Particulars   | Year Ended      |                 |
|---|-----------------|-----------------|
|   | March 31, 2019  | March 31, 2018  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>   |                 |                 |
| <b>h</b>  |                 |                 |
| Depreciation and Amortisation Expenses  | 128.71          | 66.97           |
| Amount no Longer Payable Written Back   | (11.94)         | (204.37)        |
| Sundry balances Written Off   | 5.55            | -               |
| Impairment in value of Investments  | 14.52           | -               |
| Share of net Profit / (Loss) of Joint venture accounted for using the equity method | 3.51            | (15.48)         |
| Impairment of trade receivables   | 4.00            | 312.50          |
| Reversal of Impairment loss on Investments  | -               | (14.53)         |
| (Profit) / Loss on disposal of Property Plant & Equipments                          | -               | 0.58            |
| Interest Income   | (3.21)          | (4.38)          |
| Provision for Gratuity and Leave Encashment   | 3.18            | (2.53)          |
| Interest Expense  | 25.39           | 17.59           |
| Operating Profit Before Change in Working Capital                                   | 169.71          | 156.35          |
|   | 171.91          | 155.12          |
| <b>Change in Assets &amp; Liabilities</b>   |                 |                 |
| (Increase) / Decrease in Trade Receivables  | 1.97            | (23.89)         |
| (Increase) / Decrease in Other Financial Assets                                     | 60.57           | (10.54)         |
| (Increase) / Decrease in Other Assets   | 15.12           | 67.80           |
| Increase / (Decrease) in Trade Payable  | (10.49)         | (792.50)        |
| Increase / (Decrease) in Provisions   | (0.62)          | -               |
| Increase / (Decrease) in Other Financial Liabilities                                | 8.85            | (13.84)         |
| Increase / (Decrease) in Other Current Liabilities                                  | (85.88)         | 63.21           |
| Cash Generated from Operations  | (10.48)         | (709.76)        |
| Taxes Refund Received (Net)   | 161.43          | (554.64)        |
|   | 19.15           | 97.90           |
| <b>Net Cash flow from / (used in) Operating activities</b>                          | <b>180.58</b>   | <b>(456.74)</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>   |                 |                 |
| Interest Received   | 12.49           | 1.20            |
| Proceeds from Sale of Property, Plant and Equipment                                 | -               | 0.03            |
| Payments for acquisition of Property, Plant and Equipment                           | (1.37)          | (7.97)          |
| <b>Net Cash Flow from / (used in) Investing Activities</b>                          | <b>11.12</b>    | <b>(6.73)</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>   |                 |                 |
| Long Term Borrowing taken / (repaid)  | (190.00)        | 350.00          |
| Interest Paid   | (25.39)         | (17.59)         |
| <b>Net Cash Flow from / (used in) Financing Activities</b>                          | <b>(215.39)</b> | <b>332.41</b>   |
| Net Increase / (Decrease) in Cash & Cash equivalents                                | (23.69)         | (131.06)        |
| Cash & Cash Equivalents at the Beginning of Year                                    | 49.53           | 180.59          |
| Cash & Cash Equivalents at the End of Year  | 25.84           | 49.53           |
| <b>Reconciliation of cash and cash equivalents as per Cash Flow Statement</b>       |                 |                 |
| <b>Cash and cash equivalents</b>  |                 |                 |
| Balances with banks:  |                 |                 |
| In Current Accounts   | 25.28           | 49.28           |
| Cash in Hand  | 0.56            | 0.25            |
|   | 25.84           | 49.53           |

Note - Above Statement has been prepared by using Indirect method as per Ind AS - 7 on Cash Flow Statements.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No. 107023W

K Y Narayana

Partner

Membership No. 060639



For and on behalf of the Board

Vatan Pathan  
Director & Chief Executive Officer  
DIN: 07468214

Rajesh Kumar Mittal  
Director  
DIN: 07957284

Pallavi Balkur  
Company Secretary & Compliance Officer  
ACS No. 32276

Basant Haritwal  
Chief Financial Officer

Place : Mumbai

Dated: April 08, 2019

Place : Mumbai

Dated: April 08, 2019



**Consolidated Statement of changes in equity for the year ended March 31, 2019**  
(₹ in lakhs unless otherwise stated)

**A Equity Share Capital**

| Particulars                                     | Amount |
|---|--------|
| Balance as at April 1, 2017                     | 810.00 |
| Changes in Equity Share Capital during the year | -      |
| Balance as at March 31, 2018                    | 810.00 |
| Changes in Equity Share Capital during the year | -      |
| Balance as at March 31, 2019                    | 810.00 |

**B Other Equity:**

| Particulars                             | Reserves and Surplus |                   | Total      |
|---|----------------------|-------------------|------------|
|   | Securities Premium   | Retained earnings |            |
| Balance as at April 1, 2017             | 151.00               | (1,364.89)        | (1,213.89) |
| Profit / (Loss) for the year            | -                    | (1.23)            | (1.23)     |
| Other Comprehensive Income for the year | -                    | 7.66              | 7.66       |
| Balance as at March 31, 2018            | 151.00               | (1,358.46)        | (1,207.46) |
| Profit / (Loss) for the year            | -                    | 2.20              | 2.20       |
| Other Comprehensive Income for the year | -                    | 1.69              | 1.69       |
| Balance as at March 31, 2019            | 151.00               | (1,354.57)        | (1,203.57) |

Summary of Significant Accounting Policies (Refer Note No.1)

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

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No. 107023W

K Y Narayana  
Partner

Membership No. 060639



For and on behalf of the Board

*[Signature]*  
Vatan Pathan  
Director & Chief Executive Officer  
DIN: 07468214

*[Signature]*  
Rajesh Kumar Mittal  
Director  
DIN: 07957284

*[Signature]*  
Pallavi Balkur  
Company Secretary & Compliance Officer  
ACS No. 32276

*[Signature]*  
Basant Haritwal  
Chief Financial Officer

Place : Mumbai  
Dated: April 08, 2019

Place : Mumbai  
Dated: April 08, 2019



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### BACKGROUND

Hathway Bhawani Cabletel & Datacom Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai-400098. The Company is engaged in Cable TV business. Its equity shares are listed on Bombay Stock Exchange (BSE) in India.

### Authorisation of consolidated financial statements

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of directors on April 08, 2019.

### 1.00 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these consolidated financial statements. The financial statements are of the Holding Company and its Joint Venture.

#### 1.01 BASIS OF PREPARATION

##### (i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

##### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities is measured at fair value.

#### 1.02 ROUNDING OF AMOUNTS

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs, except where otherwise indicated.

#### 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Holding Company and its Joint Venture presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current if:

- (i) it is expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) it is held primarily for the purpose of trading
- (iii) it is expected to be realised within twelve months after the reporting period, or
- (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current if:

- (i) it is expected to be settled in normal operating cycle
- (ii) it is held primarily for the purpose of trading
- (iii) it is due to be settled within twelve months after the reporting period, or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities on net basis.

All assets and liabilities have been classified as current or non-current as per Holding Company's and its Joint Venture's normal operating cycle. Based on the nature of operations, the Holding Company and its Joint Venture has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

#### 1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing consolidated financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as below:



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### Key sources of estimation uncertainty

- (i) Financial instruments; (Refer note 4.06)
- (ii) Useful lives of Property, Plant and Equipment and intangible assets; (Refer note 1.06 & 1.07)
- (iii) Obligations relating to employee benefits; (Refer note 4.03)
- (iv) Evaluation of recoverability of deferred tax assets; (Refer note 4.10) and
- (v) Contingencies (Refer note 4.01).

### 1.05 Principles of consolidation and equity accounting

#### (i) Joint Venture

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Holding Company has only one joint venture.

Interests in joint venture are accounted for using the equity method (see (ii) below), after initially being recognised at cost in the consolidated balance sheet.

#### (ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Holding Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Holding Company and joint venture are eliminated to the extent of the Holding Company's interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.08 below.

### 1.06 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Holding Company and its Joint Venture and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Holding Company and its Joint Venture has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

All assets costing up to ₹ 5,000/- are fully depreciated in the year of capitalisation.

#### Deemed cost for Property, Plant and Equipment

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of the date of transition to Ind AS measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### 1.07 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

#### **Intangible Assets acquired separately**

Intangible assets comprises of Cable Television Franchise and Softwares. Cable Television Franchisee represents purchase consideration of a network that is mainly attributable to acquisition of subscribers and other rights, permission etc. attached to a network.

Intangible assets with finite useful lives that are acquired are recognized only if they are separately identifiable and the Holding Company and its Joint Venture expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

#### **Amortisation of intangible assets**

Intangible assets with finite useful lives are amortized on a straight line basis over their useful economic lives and assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows:

- Softwares are amortised over the license period and in absence of such tenor, over five years.
- Cable Television Franchise are amortised over the contract period and in absence of such tenor, over twenty years.

The estimated useful lives, residual values, amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### **Deemed cost for Intangible assets**

The Company had elected to continue with the carrying value of all of its Intangible assets recognised as of the date of transition to Ind AS measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 1.08 IMPAIRMENT OF ASSETS

Carrying amount of Tangible assets, Intangible assets, Investments in Joint Venture (which are accounted under equity method) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Holding Company and its Joint Venture's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 1.09 CASH AND CASH EQUIVALENTS

For the purpose of Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions and bank overdrafts.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### 1.10 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a Holding Company and its Joint Venture becomes a party to the contractual provisions of the instruments.

#### Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### Classification and Subsequent Measurement: Financial Assets

The Holding Company and its Joint Venture classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### Amortised Cost:

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Impairment of Financial Assets

The Holding Company and its Joint Venture assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Holding Company and its Joint Venture applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### Classification and Subsequent measurement: Financial Liabilities

The Holding Company and its Joint Venture's financial liabilities include trade and other payables, loans and borrowings.

#### Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

#### Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Derecognition of Financial Assets and Financial Liabilities:

The Holding Company and its Joint Venture derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Holding Company and its Joint Venture enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Holding Company and its Joint Venture or the counterparty.

### 1.11 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

### 1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Holding Company and its Joint Venture has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

#### Contingent liabilities are disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

### 1.13 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

#### (i) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

#### (ii) Post-employment obligations

The Holding Company and its Joint Venture operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund

#### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

#### Defined contribution plans

The Holding Company and its Joint Venture contributes to Employees State Insurance Corporation and Provident Fund which are considered as defined contribution plans. The Holding Company and its Joint Venture pays provident fund contributions to publicly administered provident funds as per local regulations. The Holding Company and its Joint Venture has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.





# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### (iii) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iv) Bonus Plans

The Holding Company and its Joint Venture recognises a liability and an expense for bonus. The Holding Company and its Joint Venture recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 1.14 REVENUE RECOGNITION

### (i) Income from Rendering of services

The Company derives revenues primarily from Cable TV business.

Effective April 1, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is the summary of new and/ or revised significant accounting policies related to revenue recognition. Refer Note 1 " Significant Accounting Policies" in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the company expect to receive in exchange for those services. Subscription revenue is recognized ratably over the period in which the services are rendered.

To recognize revenues, the Company applies the following five step approach:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenues when a performance obligation is satisfied

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time. While invoicing in excess of revenue are classified as contract liabilities (which we refer to as unearned revenue).

The company presents revenues net of indirect taxes in its statement of profit and loss.

### (ii) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

## 1.15 TAXES ON INCOME

### Current Tax:

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Significant Accounting Policies and Notes to the Consolidated Financial Statements

### Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Holding Company and its Joint Venture have a legally enforceable right to set-off assets against liabilities.

### 1.16 EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average 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 is adjusted for after income tax effect of interest and other financing cost associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.17 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### As a Lessee

##### Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Holding Company and its Joint Venture as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a Lessor

Lease income from operating leases where the Holding Company and its Joint Venture is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.





Hathway Bhawani Cabletel & Datacom Limited

Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

2.02 Intangible assets :

|                            | Gross Carrying Amount |                      | Accumulated Amortisation / Impairment |                      | Net Carrying Amount  |                      |
|----------------------------|-----------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
|                            | As at April 1, 2018   | As at March 31, 2019 | As at April 1, 2018                   | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Cable Television Franchise | 60.36                 | 60.36                | 39.52                                 | 52.69                | 7.67                 | 20.84                |
| Softwares                  | 4.85                  | 4.85                 | 2.87                                  | 3.61                 | 1.24                 | 1.98                 |
| <b>Total</b>               | <b>65.21</b>          | <b>65.21</b>         | <b>42.39</b>                          | <b>56.30</b>         | <b>8.91</b>          | <b>22.82</b>         |

|                            | Gross Carrying Amount |                      | Accumulated Amortisation / Impairment |                      | Net Carrying Amount  |                      |
|----------------------------|-----------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
|                            | As at April 1, 2017   | As at March 31, 2018 | As at April 1, 2017                   | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Cable Television Franchise | 60.36                 | 60.36                | 26.34                                 | 39.52                | 20.84                | 34.02                |
| Softwares                  | 4.85                  | 4.85                 | 1.70                                  | 2.87                 | 1.98                 | 3.15                 |
| <b>Total</b>               | <b>65.21</b>          | <b>65.21</b>         | <b>28.04</b>                          | <b>42.39</b>         | <b>22.82</b>         | <b>37.17</b>         |

\* Depreciation for the year includes impairment of Plant & Machinery ₹. 87.10 (March 31, 2018 ₹ NIL)  
Range of remaining period of amortisation of other Intangible Assets is as below:

|                            | 0 to 5 years | Total WDV   |
|----------------------------|--------------|-------------|
| Cable Television Franchise | 7.67         | 7.67        |
| Softwares                  | 1.24         | 1.24        |
|                            | <b>8.91</b>  | <b>8.91</b> |



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HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

| 2.03 Non Current Investments   | As at<br>March 31, 2019 |  | As at<br>March 31, 2018 |  |
|--|-------------------------|--|-------------------------|--|
| Investments in Government securities measured at amortised cost - Unquoted<br>National Saving Certificates (Pledged with Government Authorities) | 1.25                    |  | 1.25                    |  |
| <b>Total carrying value</b>  | <b>1.25</b>             |  | <b>1.25</b>             |  |
| <b>Aggregate Amount of Unquoted Investments</b>  | <b>1.25</b>             |  | <b>1.25</b>             |  |

| 2.04 Loans                  | Non-current    |                | Current        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | As at          |                | As at          |                |
|                             | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Security Deposits           |                |                |                |                |
| Considered good - unsecured | 9.01           | 35.30          | -              | -              |
|                             | <b>9.01</b>    | <b>35.30</b>   | <b>-</b>       | <b>-</b>       |

| 2.05 Other financial assets                    | Non-current    |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          |                | As at          |                |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Fixed Deposits with Bank (Refer Note No. 2.08) | 12.28          | 52.12          | -              | -              |
| Interest Accrued                               | 0.41           | 0.04           | 0.66           | 10.32          |
|  | <b>12.69</b>   | <b>52.16</b>   | <b>0.66</b>    | <b>10.32</b>   |

| 2.06 Other assets                                  | Non-current    |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          |                | As at          |                |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Unsecured, considered good unless stated otherwise |                |                |                |                |
| Advance Income Tax Paid (Net of Provision for tax) | 44.01          | 63.16          | -              | -              |
| Prepaid Rent                                       | 3.14           | -              | 1.05           | 3.42           |
| Prepaid expenses                                   | -              | -              | 0.28           | 0.40           |
| Sundry Advances                                    | -              | -              | 0.00           | -              |
| Staff Advances                                     | -              | -              | -              | 1.99           |
| GST Receivable                                     | -              | -              | 54.00          | 67.78          |
|  | <b>47.15</b>   | <b>63.16</b>   | <b>55.33</b>   | <b>73.59</b>   |

| 2.07 Trade Receivables          |  |  | Current        |                |
|---------------------------------|--|--|----------------|----------------|
|                                 |  |  | As at          |                |
|                                 |  |  | March 31, 2019 | March 31, 2018 |
| Trade receivables - Unsecured   |  |  | 692.95         | 694.92         |
| Less : Provision for impairment |  |  | 692.95         | 694.92         |
|                                 |  |  | 687.62         | 683.62         |
|                                 |  |  | <b>5.33</b>    | <b>11.30</b>   |

| 2.08 Cash and cash equivalents   | Non-current    |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          |                | As at          |                |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Balances with Banks  |                |                |                |                |
| In Current Accounts  | -              | -              | 25.28          | 49.28          |
| Cash on hand   | -              | -              | 0.56           | 0.25           |
|  |                |                | <b>25.84</b>   | <b>49.53</b>   |
| Other Bank Balances  |                |                |                |                |
| Fixed Deposits with Bank *   | 12.28          | 52.12          | -              | -              |
|  | <b>12.28</b>   | <b>52.12</b>   | <b>-</b>       | <b>-</b>       |
| Less: Amount disclosed under Other financial assets (Refer Note No.2.05) | 12.28          | 52.12          | -              | -              |
|  | <b>-</b>       | <b>-</b>       | <b>25.84</b>   | <b>49.53</b>   |

\* Out of the above Fixed deposits with Bank of Maharashtra, deposits of ₹ 12.28 (Previous year ₹ 9.23) is given as security against outstanding bank Guarantees and deposits of ₹ Nil (Previous year ₹ 42.89) is given as security against cash credit limit with the said bank.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

| 2.09 Equity Share Capital   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| Paid up Capital comprises:  |                |                |
| 81,00,000 (March 31, 2018 : 81,00,000) Equity Shares of ₹ 10 each fully paid up | 810.00         | 810.00         |
|   | <b>810.00</b>  | <b>810.00</b>  |

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

| Particulars                                     | As at            |               |                  |               |
|---|------------------|---------------|------------------|---------------|
|   | March 31, 2019   |               | March 31, 2018   |               |
|   | Number of shares | Amount        | Number of shares | Amount        |
| Shares outstanding at the beginning of the year | 81,00,000        | 810.00        | 81,00,000        | 810.00        |
| Shares outstanding at the end of the year       | <b>81,00,000</b> | <b>810.00</b> | <b>81,00,000</b> | <b>810.00</b> |

### b) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

| Particulars   | As at            |                  |
|---|------------------|------------------|
|   | March 31, 2019   | March 31, 2018   |
|   | Number of shares | Number of shares |
| Hathway Cable and Datacom Limited (Holding Company)                               | 20,20,000        | 20,20,000        |
| Hathway Media Vision Private Limited (Wholly Owned subsidiary of Holding Company) | 21,60,000        | 21,60,000        |
|   | <b>41,80,000</b> | <b>41,80,000</b> |

### c) Rights, Preference and restrictions attached to Shares;

#### Terms/ Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

### d) The details of shareholders holding more than 5% shares in the Company:

| Name of Shareholder                  | As at            |              | As at            |              |
|--------------------------------------|------------------|--------------|------------------|--------------|
|                                      | March 31, 2019   |              | March 31, 2018   |              |
|                                      | Number of shares | % of Holding | Number of shares | % of Holding |
| Hathway Cable and Datacom Limited    | 20,20,000        | 24.94%       | 20,20,000        | 24.94%       |
| Kuldeep Puri                         | 5,04,339         | 6.23%        | 5,04,339         | 6.23%        |
| Kulbhushan Puri                      | 426,383          | 5.26%        | 426,383          | 5.26%        |
| Hathway Media Vision Private Limited | 21,60,000        | 26.67%       | 21,60,000        | 26.67%       |

### e) Equity shares allotted as fully paid - up for consideration other than cash :

|   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| Equity shares allotted as fully paid - up pursuant to contracts for consideration other than cash in the financial year 2014-15 | 1,00,000       | 1,00,000       |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

| 2.10 Other equity  | As at             |                   |
|--------------------|-------------------|-------------------|
|                    | March 31, 2019    | March 31, 2018    |
| Securities Premium | 151.00            | 151.00            |
| Retained earning   | (1,354.57)        | (1,358.46)        |
| <b>Total</b>       | <b>(1,203.57)</b> | <b>(1,207.46)</b> |

**a) Retained earnings :**

Retained earnings are the losses that the Company has incurred till date.

**b) Securities Premium :**

Securities premium is used to record the premium on issue of shares. The Securities premium is utilised in accordance with the provisions of the Act.

| 2.11 Non Current Borrowings   | Non - Current portion |                | Current Maturities of Long Term Debt |                |
|---|-----------------------|----------------|--------------------------------------|----------------|
|   | As at                 |                |                                      |                |
|   | March 31, 2019        | March 31, 2018 | March 31, 2019                       | March 31, 2018 |
| Loans and Advances from Related Parties   |                       |                |                                      |                |
| <b>Unsecured</b>  |                       |                |                                      |                |
| Loan From Fellow Subsidiary   | -                     | 350.00         | 160.00                               | -              |
|   | -                     | <b>350.00</b>  | <b>160.00</b>                        | -              |
| Less: Amount disclosed under the head 'Other Financial Liabilities' (Note No. 2.14) | -                     | -              | 160.00                               | -              |
|   | -                     | <b>350.00</b>  | -                                    | -              |

**Nature of Security and terms of repayment for borrowings:**

| Nature of Security   | Terms of Repayment  |
|--|---|
| <b>Unsecured Loan</b>  |   |
| Loan from Hathway Digital Private Limited amounting to ₹ 160 (March 31, 2018: ₹ 350) | Principal repayable within 2 years (extendable as agreed between the Company and Fellow Subsidiary) bearing interest rate @10.6% p.a. |

| 2.12 Provisions          | Non - Current  |                | Current        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | As at          |                |                |                |
|                          | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| <b>Employee benefits</b> |                |                |                |                |
| Gratuity (unfunded)      | 6.92           | 7.80           | 0.38           | 0.29           |
| Leave Encashment         | 2.21           | 6.12           | 5.75           | 0.20           |
|                          | <b>9.13</b>    | <b>13.92</b>   | <b>6.13</b>    | <b>0.49</b>    |

| 2.13 Deferred Tax Liabilities (Net)       | As at                       |                |
|---|-----------------------------|----------------|
|   | March 31, 2019              | March 31, 2018 |
|   | <b>Deferred Tax Assets*</b> |                |
| Provision for Employee benefits           | -                           | -              |
| Other temporary differences               | -                           | -              |
| Carried forward Business Losses           | -                           | -              |
|   | (A)                         | -              |
| <b>Deferred Tax Liabilities</b>           |                             |                |
| Property, Plant and Equipment             | -                           | -              |
|   | (B)                         | -              |
| <b>Net Deferred Tax Liabilities (A-B)</b> | -                           | -              |

\* Refer Note no. 4.10 for Expiry schedule of deferred tax assets not recognised.

| 2.14 Other Financial Liabilities                       | As at          |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Current Maturities of Long term debt (Refer Note 2.11) | 160.00         | -              |
| Security Deposits                                      | 45.64          | 45.64          |
| Salary and Employee benefits payable                   | 8.97           | 11.81          |
| Other Financial Liabilities                            | 34.81          | 23.12          |
|  | <b>249.42</b>  | <b>80.57</b>   |

| 2.15 Other Current Liabilities | As at          |                |
|--------------------------------|----------------|----------------|
|                                | March 31, 2019 | March 31, 2018 |
| Income received in advance     | 15.46          | 100.84         |
| Statutory payables             | 11.44          | 11.96          |
| Others                         | 1.86           | 1.86           |
|                                | <b>28.76</b>   | <b>114.66</b>  |



HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

| 3.01 Revenue from operations | Year Ended     |                |
|------------------------------|----------------|----------------|
|                              | March 31, 2019 | March 31, 2018 |
| Sale of services             | 471.17         | 487.04         |
|                              | 471.17         | 487.04         |

| 3.02 Other Income                                   | Year Ended     |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| <b>Interest Income earned on financial assets :</b> |                |                |
| Interest on Fixed Deposit                           | 3.20           | 4.33           |
| Interest on Government Securities                   | 0.01           | 0.05           |
| Unwinding Interest on Security Deposit              | 0.80           | 2.27           |
| Interest on Income Tax Refund                       | 2.59           | 18.63          |
| <b>Other Non Operating Income</b>                   |                |                |
| Amount no Longer Payable Written Back               | 11.94          | 204.37         |
| Reversal of Impairment in value of Investments      | -              | 14.53          |
| Miscellaneous Income                                | 0.08           | 0.71           |
|   | <b>18.62</b>   | <b>244.89</b>  |

| 3.03 Other Operational Expenses    | Year Ended     |                |
|------------------------------------|----------------|----------------|
|                                    | March 31, 2019 | March 31, 2018 |
| Commission                         | 24.94          | 13.74          |
| Consultancy Charges                | -              | 7.95           |
| Repairs & Maintenances - Machinery | 8.50           | 11.72          |
| Rent                               | 8.17           | 13.24          |
| Other Operating Expenses           | 16.27          | 39.51          |
|                                    | <b>57.88</b>   | <b>86.16</b>   |

| 3.04 Employee Benefit Expenses                 | Year Ended     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Salaries and wages                             | 48.02          | 51.70          |
| Contribution to Provident fund and other funds | 3.27           | 4.20           |
| Staff welfare expenses                         | 0.94           | 1.45           |
|  | <b>52.23</b>   | <b>57.35</b>   |

| 3.05 Finance Costs | Year Ended     |                |
|--------------------|----------------|----------------|
|                    | March 31, 2019 | March 31, 2018 |
| Interest Expenses  | 25.39          | 17.59          |
|                    | <b>25.39</b>   | <b>17.59</b>   |

| 3.06 Depreciation, Amortization and Impairment | Year Ended     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Depreciation on Property, Plant and Equipment  | 114.80         | 52.62          |
| Amortisation of intangible assets              | 13.91          | 14.35          |
|  | <b>128.71</b>  | <b>66.97</b>   |

| 3.07 Other Expenses                                 | Year Ended     |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| Impairment of trade receivables                     | 4.00           | 312.50         |
| Bad Debts   | -              | 151.39         |
| Less: Transfer from Impairment of trade receivables | -              | (151.39)       |
|   | -              | -              |
| Services charges                                    | 25.38          | 29.18          |
| Legal & Professional charges                        | 12.56          | 4.69           |
| Printing and stationery                             | 7.01           | 4.31           |
| Sundry balances Written Off                         | 5.55           | -              |
| Conveyance  | 5.48           | 7.11           |
| Electricity charges                                 | 4.00           | 4.45           |
| Business promotion expenses                         | 2.72           | 4.99           |
| Sitting Fees  | 2.30           | 2.04           |
| Office expenses                                     | 1.69           | 0.80           |
| Communication charges                               | 0.89           | 2.38           |
| Repairs & Maintenances - Others                     | 0.67           | 2.25           |
| Insurance others                                    | 0.63           | 1.86           |
| Loss on Sale of assets                              | -              | 0.58           |
| Rates and taxes                                     | 0.00           | 0.22           |
| Interest on Taxes                                   | 0.00           | 0.05           |
| Miscellaneous Expenses                              | 5.95           | 5.78           |
| Auditor's Remuneration :                            |                |                |
| - Statutory Audit Fees                              | 3.73           | 3.00           |
|   | <b>82.66</b>   | <b>386.19</b>  |

| 3.08 Exceptional Item                      | Year Ended     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Impairment of Investments in Joint Venture | 14.52          | -              |
|  | <b>14.52</b>   | <b>-</b>       |





# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.01 Contingent Liabilities

There is no claim against the Company which can be acknowledged as debt (March 31, 2018 : Nil)

### 4.02 Capital And Other Commitments

There are no Capital and other commitments as at March 31, 2019 (March 31, 2018 : Nil)

### 4.03 Employee Benefits

#### a) Defined Benefit Plans:

The Present value of the defined benefit obligations and related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date.

Interest Risk : A decrease in the bond interest rate will increase the plan liability.

Longevity Risk : The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Salary Risk : The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries being more than assumed.

| Category   | March 31, 2019<br>[Gratuity] | March 31, 2018<br>[Gratuity] |
|--|------------------------------|------------------------------|
| <b>1. Expense recognised in the Statement of Profit and Loss</b>       |                              |                              |
| Current Service Cost   | 0.91                         | 2.14                         |
| Net Interest   | 0.60                         | 1.33                         |
| <b>Expense recognised in the Statement of Profit and Loss</b>          | <b>1.51</b>                  | <b>3.47</b>                  |
| <b>2. Other Comprehensive Income (OCI)</b>                             |                              |                              |
| Measurement of net defined benefit liability                           |                              |                              |
| Actuarial (gains)/ losses arising from changes in financial assumption | (3.86)                       | (1.79)                       |
| Actuarial (gains)/ losses arising from experience adjustments          | 2.17                         | (5.87)                       |
| <b>Total Actuarial (Gain) / loss recognised in OCI</b>                 | <b>(1.69)</b>                | <b>(7.66)</b>                |
| <b>3. Change in benefit obligations:</b>                               |                              |                              |
| Projected benefit obligations at beginning of the year                 | 8.09                         | 18.23                        |
| Current Service Cost   | 0.91                         | 2.14                         |
| Interest Cost  | 0.60                         | 1.33                         |
| Benefits Paid  | (0.61)                       | (5.95)                       |
| Actuarial (Gain) / Loss  | (1.69)                       | (7.66)                       |
| <b>Projected benefit obligations at end of the year</b>                | <b>7.29</b>                  | <b>8.09</b>                  |
| <b>4. Fair Value of Plan Asset</b>                                     |                              |                              |
| Fair Value of Plan Asset at the beginning of the year                  | -                            | -                            |
| Contributions by employer  | (0.61)                       | (5.96)                       |
| Benefits Paid  | 0.61                         | 5.96                         |
| <b>Fair Value of Plan assets at end of the year</b>                    | <b>-</b>                     | <b>-</b>                     |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

| Category  | March 31, 2019<br>[Gratuity] | March 31, 2018<br>[Gratuity] |
|---|------------------------------|------------------------------|
| <b>5. Net Liability</b>   |                              |                              |
| Projected benefit obligations at the end of the year                                  | 7.29                         | 8.09                         |
| Fair Value of Plan Asset at the end of the year                                       | -                            | -                            |
| <b>Net Liability</b>  | <b>7.29</b>                  | <b>8.09</b>                  |
| <b>6. The net liability disclosed above relates to unfunded plans are as follows:</b> |                              |                              |
| Projected benefit obligations at the end of the year                                  | 7.29                         | 8.09                         |
| Fair Value of Plan Asset at the end of the year                                       | -                            | -                            |
| <b>Deficit of gratuity plan</b>   | <b>7.29</b>                  | <b>8.09</b>                  |
| <b>7. Sensitivity Analysis</b>  |                              |                              |
| Increase/(decrease) on present value of benefit obligation at the end of the year     |                              |                              |
| 50 basis point increase in discount rate  | (6.93)                       | (7.62)                       |
| 50 basis point decrease in discount rate  | 7.68                         | 8.60                         |
| 50 basis point increase in rate of salary increase                                    | 7.69                         | 8.59                         |
| 50 basis point decrease in rate of salary increase                                    | (6.92)                       | (7.62)                       |
| <b>8. Principal assumptions used for the purpose of actuarial valuation</b>           |                              |                              |
| Mortality   | IALM (2012-2014)<br>UTI      | IALM (2006-2008)<br>UTI      |
| Interest /discount rate   | 7.90%                        | 7.54%                        |
| Rate of increase in compensation  | 5.00%                        | 8.50%                        |
| Expected average remaining service  | 11.08                        | 10.08                        |
| Employee Attrition Rate (Past service (PS))   | 5.00%                        | 5.00%                        |

### b. Defined Contribution Plans:

The Holding company contributes towards provident fund to a defined contribution plan for qualifying employees. Under the plan, the Holding Company is required to contribute a specified percentage of payroll cost to the defined contribution plan to fund the benefits.

Amount of ₹ 3.27 (Previous year ₹ 4.20) is recognised as an expenses and included in Employee benefit expenses (Refer Note 3.04)

### 4.04 Leases

#### Operating Lease (as a lessee)

##### Details of Cancellable Leases are as under:

The Holding Company's significant leasing arrangements in terms of IND AS 17 are in respect of Operating Leases for Premises. These leasing arrangements, which are cancellable in nature range between 11 months to 60 months and are renewable by mutual consent.

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

Rental Expenses debited to the Statement of Profit and Loss ₹ 8.17 (March 31, 2018: ₹ 13.24).

#### Operating Lease (As a lessor)

##### Details of Cancellable Leases are as under:

Lease income credited to the Statement of Profit and Loss ₹ 30.00 (March 31, 2018: ₹ 15.00).



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.05 Capital Management

The Holding Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

The principal source of funding of the Company has been, and is expected to continue from cash generated from its operations supplemented by funding from borrowings.

### 4.06 Financial Instruments

#### i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) The carrying amounts of trade receivables, cash and cash equivalents, trade payables, and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

b) The fair value for long term security deposits given is calculated based on cash flow discounted using current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

#### ii) Categories of financial instruments

The Holding Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.  
 Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and  
 Level 3: inputs which are not based on observable market data

| Particulars                       | March 31, 2019  |            | March 31, 2018  |            |
|-----------------------------------|-----------------|------------|-----------------|------------|
|                                   | Carrying values | Fair value | Carrying values | Fair value |
| <b>Financial assets</b>           |                 |            |                 |            |
| <b>Measured at amortised cost</b> |                 |            |                 |            |
| Investments                       | 1.25            | 1.25       | 1.25            | 1.25       |
| Trade receivables                 | 5.33            | 5.33       | 11.30           | 11.30      |
| Loans                             | 9.01            | 9.01       | 35.30           | 35.30      |
| Other financial assets            | 13.35           | 13.35      | 62.48           | 62.48      |
| Cash and cash equivalents         | 25.84           | 25.84      | 49.53           | 49.53      |
| <b>Financial liabilities</b>      |                 |            |                 |            |
| <b>Measured at amortised cost</b> |                 |            |                 |            |
| Borrowings                        | -               | -          | 350.00          | 350.00     |
| Trade payables                    | 429.53          | 429.53     | 451.96          | 451.96     |
| Other financial liabilities       | 249.42          | 249.42     | 80.57           | 80.57      |

### 4.07 Financial Risk Management

The Holding Company is not exposed to market risk and has insignificant credit and liquidity risk as explained below :

| Risk              | Exposure arising from  | Measurement                 |
|-------------------|--|-----------------------------|
| 1) Credit risk    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost. | Ageing analysis             |
| 2) Liquidity Risk | Borrowings and other liabilities   | Rolling cash flow forecasts |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

### Credit risk

Credit risk arises from the possibility that counter party will cause financial loss to the company by failing to discharge its obligation as agreed. The Company's exposure to credit risk arises mainly from the trade receivables, distributor commission, consultancy income and balances with banks. Credit risks from balances with banks are managed in accordance with the Company policy. The Company's major revenue streams arises from services provided to end use customers in form of monthly subscription income. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. There is no concentration of credit risk. The Company follows a simplified approach (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the Company uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. In addition, in case there are events or changes in circumstances indicating individual trade receivable is required to be reviewed on qualitative aspects, necessary provisions are made.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

| Age of Receivables       | As At March 31, |               |
|--------------------------|-----------------|---------------|
|                          | 2019            | 2018          |
| Within the credit period |                 |               |
| 1-90 days past due       | 53.60           | 100.36        |
| 91-180 days past due     | 54.43           | 73.72         |
| 181-270 days past due    | 32.42           | 0.35          |
| 271-360 days past due    | 32.42           | 0.08          |
| More than 365 days       | 520.08          | 520.41        |
|                          | <b>692.95</b>   | <b>694.92</b> |

| Movement in the expected credit loss allowance | Year ended March 31, |               |
|--|----------------------|---------------|
|  | 2019                 | 2018          |
| Balance at beginning of the year               | 683.62               | 522.52        |
| Provided during the year                       | 4.00                 | 312.50        |
| Write off during the year                      | -                    | (151.39)      |
| Balance at end of the year                     | <b>687.62</b>        | <b>683.62</b> |

### Liquidity risk

Liquidity risk is defined as the risk that the Holding company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Holding Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

### Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

March 31, 2019

| Particulars                 | less than 1 year | 1 to 5 year | Total         |
|-----------------------------|------------------|-------------|---------------|
| <u>Non-Derivatives</u>      |                  |             |               |
| Trade payables              | 429.53           | -           | 429.53        |
| Borrowings                  | 160.00           | -           | 160.00        |
| Other financial liabilities | 89.42            | -           | 89.42         |
| <b>Total</b>                | <b>678.95</b>    | <b>-</b>    | <b>678.95</b> |

March 31, 2018

| Particulars                 | less than 1 year | 1 to 5 year   | Total         |
|-----------------------------|------------------|---------------|---------------|
| <u>Non-Derivatives</u>      |                  |               |               |
| Trade payables              | 451.96           | -             | 451.96        |
| Borrowings                  | -                | 350.00        | 350.00        |
| Other financial liabilities | 80.57            | -             | 80.57         |
| <b>Total</b>                | <b>532.53</b>    | <b>350.00</b> | <b>882.53</b> |



**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

**Notes to the Consolidated Financial Statements**

(₹ in lakhs unless otherwise stated)

**4.08 Segmental Reporting**

As the Holding Company's business activity falls within a single business segment in terms of Ind AS 108 on "Operating Segments", the financial results are reflective of the information required by Ind AS 108.

**4.09 Related Party Disclosures**

**Particulars of Related Parties**

**A. Name of Related Parties and Related party Relationship**

**I. Controlled by:**

|   |   |
|---|---|
| Parent                                  | Hathway Cable and Datacom Limited   |
| Entities exercising control over Parent | Reliance Industries Limited (w.e.f. January 30, 2019)<br>Reliance Industrial Investments and Holdings Limited (w.e.f. January 30, 2019)(Protector of Digital Media Distribution Trust), wholly owned subsidiary of Reliance Industries Limited.<br>Digital Media Distribution Trust (w.e.f. January 30, 2019)<br>Jio Content Distribution Holdings Private Limited (w.e.f. January 30, 2019) \$<br>Jio Internet Distribution Holdings Private Limited (w.e.f. January 30, 2019) \$<br>Jio Cable and Broadband Holdings Private Limited (w.e.f. January 30, 2019) \$ |

**II. Joint Venture**

Hathway Bhawani NDS Network Private Limited

**III. Fellow Subsidiary**

Hathway Digital Private Limited

**IV. Key Managerial Personnel**

**a. Executive Directors**

Mr. Sameer Joseph - Managing Director & CEO (upto October 04, 2017)

**b. Non Executive Directors**

**Independent Directors**

Mr. Dilip Worah  
Mr. L. K. Kannan

**Non Independent Directors**

Mr. Vineet Garq (upto March 30, 2018)  
Mr. Shyam P V (upto April 04, 2018)  
Mr. Vatan Pathan\* - Director & CEO  
\* (Additional director w.e.f. November 07, 2017, appointed as a Chief Executive Officer w.e.f. April 03, 2018)  
Mr. Rajesh Kumar Mittal (w.e.f. April 06, 2018)  
Ms. Pallavi Balkur (w.e.f. April 06, 2018)

\$ Controlled by Digital Media Distribution Trust of which Reliance Content Distribution Limited - Wholly owned Subsidiary of Reliance Industries Limited, is the sole beneficiary.

**Compensation to Key Managerial Personnel :-**

| Particulars               | F.Y. 2018-19 | F.Y. 2017-18 |
|---------------------------|--------------|--------------|
| Sitting fees              | 2.30         | 2.04         |
| <b>Total Compensation</b> | <b>2.30</b>  | <b>2.04</b>  |

**B. Related Party Transactions**

| Type of Transactions  | Name of the Party                           | F.Y. 2018-19 | F.Y. 2017-18 |
|---|---|--------------|--------------|
| Consultancy charges earned                                    | Hathway Bhawani NDS Network Private Limited | 23.00        | 12.15        |
| Loan taken  | Hathway Digital Private Limited             | -            | 350.00       |
| Loan repaid   | Hathway Digital Private Limited             | 190.00       | -            |
| Commission Income   | Hathway Digital Private Limited             | 122.52       | 135.79       |
| Network Usage Charges earned                                  | Hathway Digital Private Limited             | 30.00        | 15.00        |
| Feed Charges Paid   | Hathway Digital Private Limited             | 122.80       | 134.38       |
| STB Activation Paid   | Hathway Digital Private Limited             | 11.08        | -            |
| Interest paid   | Hathway Digital Private Limited             | 25.39        | 17.59        |
| (Impairment) / Reversal of Impairment in value of Investments | Hathway Bhawani NDS Network Private Limited | (14.53)      | 14.53        |

| Type of Balances                   | Name of the Party                           | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------------|---|----------------------|----------------------|
| Balance as at year end             |   |                      |                      |
| Trade Payable                      | Hathway Cable and Datacom Limited           | 35.41                | 48.18                |
| Unsecured Loan                     | Hathway Digital Private Limited             | 160.00               | 350.00               |
| Unearned Revenue                   | Hathway Digital Private Limited             | -                    | 49.50                |
| Trade Payable                      | Hathway Digital Private Limited             | 381.52               | 340.74               |
| Investments                        | Hathway Bhawani NDS Network Private Limited | 54.05                | 54.05                |
| Impairment in value of Investments | Hathway Bhawani NDS Network Private Limited | 14.53                | -                    |



HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

- 4.10 In the absence of reasonable certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Holding Company has not recognised deferred tax assets. (Refer to Note 2.13)

Expiry schedule of deferred tax assets not recognised is as under :

| Particulars                     | Indefinite    | Total         |
|---------------------------------|---------------|---------------|
| Unabsorbed depreciation         | 35.58         | 35.58         |
| Deductible temporary difference | 204.02        | 204.02        |
| <b>Total</b>                    | <b>239.60</b> | <b>239.60</b> |

4.11 Earnings / (Loss) Per Share

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Basic earnings per share (₹)</b>  |                         |                         |
| Attributable to equity holders of the Company  | 0.03                    | (0.02)                  |
| <b>Diluted earnings per share (₹)</b>  |                         |                         |
| Attributable to equity holders of the Company  | 0.03                    | (0.02)                  |
| Nominal value of Ordinary shares : (₹)   | 10.00                   | 10.00                   |
| <b>Reconciliation of earnings used in calculating earnings per share :</b>   |                         |                         |
| <b>Basic earnings per share</b>  |                         |                         |
| Profit / (Loss) attributable to equity holders of the Company used in calculating basic earnings per share           | 2.20                    | (1.23)                  |
| <b>Diluted earnings per share</b>  |                         |                         |
| Profit / (Loss) attributable to equity holders of the Company used in calculating diluted earnings per share         | 2.20                    | (1.23)                  |
| <b>Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share</b> | <b>8,100,000</b>        | <b>8,100,000</b>        |

- 4.12 The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under :

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Principal amount due and remaining unpaid             | -                       | -                       |
| Interest due on above and the unpaid interest         | -                       | -                       |
| Interest paid   | -                       | -                       |
| Payment made beyond the appointed day during the year | -                       | -                       |
| Interest due and payable for the period of delay      | -                       | -                       |
| Interest due and remaining unpaid                     | -                       | -                       |
| Interest accrued and remaining unpaid                 | -                       | -                       |



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.13 Revenue from contract with customers

#### Disaggregation of Revenue

As the Company's business activity falls within a single business segment viz. providing Cable Television services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segment". The nature, amount, timing and uncertainty of revenue and cash flows are similar across company's revenue from contracts with customers. Accordingly, there is no disaggregation of revenue disclosed.

#### Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities for the contracts with the customers.

| Particulars  | March 31, 2019 |
|--|----------------|
| Receivables, which are included in 'Trade and other receivables' | 5.33           |
| Contract assets  | -              |
| Contract liabilities (Unearned Revenue)                          | 15.46          |

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the billing recognized in advance where performance obligations are yet to be satisfied.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

| Particulars  | March 31, 2019  |                      |
|--|-----------------|----------------------|
|  | Contract assets | Contract liabilities |
| <b>Balance at the beginning of the year</b>  | -               | <b>100.84</b>        |
| Less: Revenue Recognised that is included in the contract liability balance at the beginning of the year | -               | (100.84)             |
| Add: Advance income received from the customer during the period   | -               | 15.46                |
| <b>Balance at the end of the year</b>  | -               | <b>15.46</b>         |

#### Performance Obligations And Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the remaining performances as the performance obligations relates to contracts that have an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.



# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.14 Interest in other entities

#### a) Interest in Joint Venture

Below is the joint venture of the Holding Company as at March 31, 2019 which, in the opinion of the directors, is material to the Holding Company. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

| Name of the entity                            | Place of business | % of ownership interest | Relationship  | Accounting method | Carrying amount |                |
|---|-------------------|-------------------------|---------------|-------------------|-----------------|----------------|
|   |                   |                         |               |                   | March 31, 2019  | March 31, 2018 |
| Hathway Bhawani NDS Network Private Limited * | India             | 51%                     | Joint Venture | Equity Method     | 31.16           | 49.20          |

\* Unquoted

Place of incorporation and operations: India

Principal activity: Cable television network services

Reconciliation of Net Assets considered for Consolidated Financial Statement to Holding Company's share in Net Assets as per Joint Venture's financial statements

| Particulars                                    | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| Opening net assets                             | 67.99          | 37.63          |
| Profit / (Loss) for the year                   | (6.89)         | 30.36          |
| Other comprehensive income                     | -              | -              |
| <b>Closing net assets</b>                      | <b>61.10</b>   | <b>67.99</b>   |
| Holding Company's share in %                   | 51%            | 51%            |
| Holding Company's Share in INR                 | 31.16          | 34.67          |
| Reversal of impairment in value of investments | -              | 14.53          |
| <b>Carrying amount</b>                         | <b>31.16</b>   | <b>49.20</b>   |

#### Summarised Balance Sheet

| Particulars                          | Hathway Bhawani NDS Network Private Limited |                |
|--------------------------------------|---|----------------|
|                                      | March 31, 2019                              | March 31, 2018 |
| <b>Current assets</b>                |   |                |
| Cash and cash equivalents            | 11.08                                       | 4.66           |
| Other assets                         | 13.84                                       | 25.03          |
| <b>Total Current assets</b>          | <b>24.92</b>                                | <b>29.69</b>   |
| <b>Total Non current assets</b>      | <b>50.80</b>                                | <b>48.61</b>   |
| <b>Current liabilities</b>           |   |                |
| Financial Liabilities                | 9.20  | 1.45           |
| Other liabilities                    | 5.04  | 7.26           |
| <b>Total current liabilities</b>     | <b>14.24</b>                                | <b>8.71</b>    |
| <b>Non current liabilities</b>       |   |                |
| Financial Liabilities                | -   | -              |
| Other liabilities                    | 0.38  | 1.60           |
| <b>Total Non current liabilities</b> | <b>0.38</b>                                 | <b>1.60</b>    |
| <b>Net assets</b>                    | <b>61.10</b>                                | <b>67.99</b>   |

#### Summarised Statement of Profit and Loss

| Particulars  | Hathway Bhawani NDS Network Private Limited |                |
|--|---|----------------|
|  | March 31, 2019                              | March 31, 2018 |
| Revenue  | 115.23                                      | 108.54         |
| Interest Income  | 0.07  | 0.05           |
| Depreciation & amortisation                              | 0.56  | 0.60           |
| Interest expense   | -   | -              |
| Income Tax expense                                       | -   | -              |
| <b>Profit or (loss) for the year</b>                     | <b>3.48</b>                                 | <b>29.91</b>   |
| <b>Other Comprehensive income or (loss) for the year</b> | <b>(6.89)</b>                               | <b>30.36</b>   |
| <b>Total Comprehensive income or (loss) for the year</b> | <b>(6.89)</b>                               | <b>30.36</b>   |
| Dividend received  | -   | -              |

Share in Contingent Liabilities of Hathway Bhawani NDS Network Private Limited is Rs. NIL (March 31, 2018: Rs. NIL)

Share in Capital and Other Commitments of Hathway Bhawani NDS Network Private Limited is Rs. NIL (March 31, 2018: Rs. NIL)





# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

### 4.15 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Joint Venture

March 31, 2019 :

| Name of the entity   | Net assets (total assets minus total liabilities) |                 | Share in profit or (loss)           |             | Share in other comprehensive income             |             | Share in total comprehensive income             |             |
|--|---|-----------------|-------------------------------------|-------------|---|-------------|---|-------------|
|  | As % of consolidated net assets                   | Amount          | As % of consolidated profit or loss | Amount      | As % of consolidated other comprehensive income | Amount      | As % of consolidated total comprehensive income | Amount      |
| <b>Parent</b>  |   |                 |                                     |             |   |             |   |             |
| Hathway Bhawani Cabletel & Datacom Limited                 | 107.92%   | (424.73)        | 259.55%                             | 5.71        | 100.00%   | 1.69        | 190.12%   | 7.40        |
| <b>Joint Venture<br/>(Investment as per equity method)</b> |   |                 |                                     |             |   |             |   |             |
| <b>Indian</b>  |   |                 |                                     |             |   |             |   |             |
| Hathway Bhawani NDS Network Private Limited                | -7.92%  | 31.16           | -159.55%                            | (3.51)      | 0.00%   | -           | -90.12%   | (3.51)      |
| <b>Total</b>   | <b>100.00%</b>                                    | <b>(393.57)</b> | <b>100.00%</b>                      | <b>2.20</b> | <b>100.00%</b>                                  | <b>1.69</b> | <b>100.00%</b>                                  | <b>3.89</b> |

March 31, 2018 :

| Name of the entity   | Net assets (total assets minus total liabilities) |                 | Share in profit or (loss)           |               | Share in other comprehensive income             |             | Share in total comprehensive income             |             |
|--|---|-----------------|-------------------------------------|---------------|---|-------------|---|-------------|
|  | As % of consolidated net assets                   | Amount          | As % of consolidated profit or loss | Amount        | As % of consolidated other comprehensive income | Amount      | As % of consolidated total comprehensive income | Amount      |
| <b>Parent</b>  |   |                 |                                     |               |   |             |   |             |
| Hathway Bhawani Cabletel & Datacom Limited                 | 112.38%   | (446.66)        | 1357.73%                            | (16.71)       | 100.00%   | 7.66        | -140.83%  | (9.05)      |
| <b>Joint Venture<br/>(Investment as per equity method)</b> |   |                 |                                     |               |   |             |   |             |
| <b>Indian</b>  |   |                 |                                     |               |   |             |   |             |
| Hathway Bhawani NDS Network Private Limited                | -12.38%   | 49.20           | -1257.73%                           | 15.48         | 0.00%   | -           | 240.83%   | 15.48       |
| <b>Total</b>   | <b>100.00%</b>                                    | <b>(397.46)</b> | <b>100.00%</b>                      | <b>(1.23)</b> | <b>100.00%</b>                                  | <b>7.66</b> | <b>100.00%</b>                                  | <b>6.43</b> |

4.16 Previous year's figures have been reclassified / regrouped wherever necessary.

As per our report of even date  
For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No. 107023W

K Y Narayana  
Partner  
Membership No. 060639



Vatan Pathan  
Director & Chief Executive Officer  
DIN: 07468214

Pallavi Balkur  
Company Secretary & Compliance Officer  
ACS No. 32276

For and on behalf of the Board

Rajesh Kumar Mittal  
Director  
DIN: 07957284

Basant Baritwal  
Chief Financial Officer

Place : Mumbai  
Dated: April 08, 2019

Place : Mumbai  
Dated: April 08, 2019

