

**HATHWAY CCN ENTERTAINMENT (INDIA) PRIVATE
LIMITED
BILASPUR (C.G.)
FINANCIAL STATEMENTS
2019 - 20**

To,

The Members,

HATHWAY CCN ENTERTAINMENT (INDIA) PRIVATE LIMITED BILASPUR (C.G.)

Opinion

We have audited the standalone financial statements of Hathway CCN Entertainment (India) Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Companies Act, 2013 (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, changes in equity, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read together with relevant rules issued there under and relevant provisions of the Act. 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

Emphasis of Matter

The Company has evaluated impact of COVID-19 on its business operations and based on its review there is no significant impact on its financial statements. (We draw attention to the Note No. 4.21 to the standalone financial statements)

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 paragraph 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, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A”; and
- g) 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 impact its financial position;
 - 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 by the Company.

For, NATWAR VINOD & CO

Chartered Accountants

Firm Registration No. 007700C

SD/- (V.K.MITTAL)

Partner M.NO.074285

Place: Bilaspur

Date : 23.12.2020

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under "Report on Other Legal & Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2020:

- (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 like cabling, line equipments, access devices with end users. In view of the management, nature of such assets and business is such that maintaining location-wise particulars is impractical;
- (b) Distribution equipments like cabling and other line equipments of selected networks were verified. The management plans to verify balance networks in a phased manner. Property, Plant and Equipment, other than distribution equipments and access devices with the end users were physically verified during the year based on verification programme adopted by the management. As per this programme, all assets will be verified at least once in a period of three years. The management has represented that physical verification of access devices with the end users is impractical; however, the same can be tracked, in case of most of the networks, through subscribers management system;
- The Company is in the process of reconciling book records with outcome of physical verification, wherever physical verification was carried out and have accounted for the discrepancies observed on such verification;
- In our opinion, frequency and procedure for verification of distribution equipments and subsequent reconciliation with book records need to be strengthened;
- (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) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- (b) The discrepancies noticed on physical verification as compared to the book records were not material having regards to size and nature of operations and have been properly dealt with in the books of account;
- (iii) The company has given loans/advances of Rs. 1,40,243/- during the year to one party covered in the register maintained under Section 189 for a very short duration of time, hence no interest has been charged and terms & conditions are not prejudicial to the interest of the company.

Repayment of such loan/advance is as stipulated and regular and there has been no overdue amount in respect of such loan.

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- (iv) Based on the audit procedures applied by us, during the year under audit, the Company has not granted loans, guarantee and security or made investments which require compliance in terms of the provisions contained in the section 185 or section 186 of the Act. The Management has, based on legal opinion, represented that overdue book debts are not in the nature of loan and hence do not fall within the scope of section 185 of the Act. In such circumstances, para 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 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 of India has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company. Accordingly, the provisions of clause 6 of the Order are not applicable to the Company.
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other applicable statutory dues except PF, ESIC and TDS. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, EPF, Excise Duty and GST which have not been deposited on account of any disputes.
- (viii) Based on our audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, banks, and government. The Company has not issued any debentures;
- (ix) In our opinion and according to the information and explanations given to us and based on overall examination of records, the Company has not taken any loan, hence clause 9 is not applicable to the company.
- (x) 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;
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act;

- (xii) 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 to the Company;
- (xiii) 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;
- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the 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 to the Company;
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the 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 to the Company; and
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For, **NATWAR VINOD & CO**

Chartered Accountants

Firm Registration No. 007700C

SD/- (V.K.MITTAL)

Partner M.NO.074285

Place: Bilaspur

Date : 23.12.2020

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, 2020 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 Institute of Chartered Accountants of India ('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, 2020 based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

Key Audit Matters

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

For, NATWAR VINOD &CO

CharteredAccountants

Firm Registration No. 007700C

SD/- (V.K.MITTAL)

Partner M.NO.074285

Place: Bilaspur

Date : 23.12.2020

Balance Sheet as at March 31, 2020

(Rs in lakhs unless otherwise stated)

HATHWAY CCN ENTERTAINMENT (INDIA) PVT LTD
CIN No. U74999CT2008PTC020658
BALANCE SHEET AS AT MARCH 31, 2020

	Notes	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1.01	294.64	211.21
(b) Capital Work In Progress		-	-
(c) Financial Assets		-	-
Loans	1.02	0.75	0.75
Others		-	-
(d) Deferred Tax Assets (Net)		-	-
(e) Other Non-Current Assets		-	-
Total Non-Current Assets		295.39	211.96
Current Assets			
(a) Inventories	1.03	-	86.94
(b) Financial Assets		-	-
Investments		-	-
Trade Receivables	1.04	135.17	93.52
Cash and Cash Equivalents	1.05	16.26	22.43
Loans	1.06	92.23	33.77
Others		-	-
(c) Current Tax Assets (Net)	1.07	74.01	81.45
(d) Other Current Assets		-	-
		317.67	318.10
Assets classified as held for sale			-
Total Current Assets		317.67	318.10
Total Assets		613.06	530.06
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.01	50.00	50.00
(b) Non- Cumulative Redeemable Preference		-	-
(c) Other Equity	2.02	100.24	53.50
Total Equity		150.24	103.50

Balance Sheet as at March 31, 2020

(Rs in lakhs unless otherwise stated)

	Notes	As at 31.03.2020	As at 31.03.2019
Non-Current Liabilities			
(a) Financial Liabilities		-	-
Borrowings		-	-
Trade Payable		-	-
Other Financial Liabilities		-	-
(b) Deferred Tax Liabilities (Net)	2.03	12.31	12.13
		-	-
Total Non-Current Liabilities		12.31	12.13
Current Liabilities			
(a) Financial Liabilities			
Borrowings		-	-
Trade Payables	2.04	414.82	367.40
Other Financial Liabilities	2.05	0.85	1.35
(b) Other Current Liabilities	2.06	34.83	45.68
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
		-	-
Total Current Liabilities		450.50	414.43
		613.06	530.06

Summary of Significant Accounting Policies

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

As per our report of even date.

For, Natwar Vinod & Co.

Chartered Accountant

Firm Reg. No. 007700 C

For & on behalf of the

Hathway CCN Entertainment (India) Pvt Ltd

(V.K. Mittal)

Partner

M. No. 074285

Bilaspur (C.G.)

Dated : 23/12/2020

Ashok Agrawal

Din No:02064946

Director

Bilaspur

Dated : 23/12/2020

Dulal Banerjee

DIN No - 02455932

Director

Mumbai

Dated : 23/12/2020

Statement of Profit and Loss for the Year Ended March 31, 2020

(Rs in lakhs unless otherwise stated)

	Notes	For the year ended 31.03.2020	For the year ended 31.03.2019
INCOME			
Revenue from Operations	3.01	778.01	595.24
Other Income	3.02	13.92	5.23
		791.93	600.47
EXPENDITURE			
Conversion of Stock into Fixed Assets		(82.30)	
Purchase of Stock-In-Trade			59.61
Change of Stock of Set top Boxes	3.03	86.94	(16.56)
Operational Expenses	3.04	505.84	484.09
Employee Benefits Expense	3.05	105.43	95.86
Other Expenses	3.06	75.88	150.32
Depreciation and Amortization	3.07	43.80	32.53
Finance Cost	3.08	9.43	4.10
		745.01	809.95
Profit / (Loss) before Prior Period Items, Exceptional items and Tax		46.92	(209.48)
Prior Period Expenses (Net)			
Exceptional Items	3.09	-	-
Net Profit / (Loss) before Tax		46.92	(209.48)
Tax Expense:			
Current Tax		-	-
Deferred Tax		(0.18)	(0.80)
Old Income Tax		-	-
Net Profit / (Loss) for the Year from Continuing Operations (A)		46.74	(208.68)
Total Comprehensive Income / (Loss) for the year, net of Tax (A+B)		46.74	(208.68)
Earning Per Shares (For Continuing Operations) Basic & Diluted		9.35	(41.74)

As per our report of even date.

For, Natwar Vinod & Co.
Chartered Accountant
Firm Reg. No. 007700 C

**For & on behalf of the Hathway CCN Entertainment (India)
Pvt Ltd**

(V.K. Mittal)
Partner
M. No. 074285
Bilaspur
Dated : 23/12/2020

Ashok Agrawal
Din No:02064946
Director
Bilaspur
Dated : 23/12/2020

Dulal Banerjee
DIN No - 02455932
Director
Mumbai
Dated : 23/12/2020

Cash Flow Statement for the year ended March 31, 2020

(Rs in lakhs unless otherwise stated)

	For the year ended on 31.03.2020	For the year ended on 31.03.2019
1 CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT / (LOSS) AFTER TAX & PRIOR PERIOD ADJUSTMENTS	46.74	(208.68)
A Adjustment for :		
1 Non Cash Charges		
Depreciation & Amortisation	43.80	32.53
Deferred Tax Liabilities	(0.18)	(0.80)
Intrest & Finance Charges	9.43	4.10
Operating Profit Before Working Capital	99.79	(172.86)
B Change in Working Capital		
(Increase) / Decrease in Trade Receivables	(41.65)	204.54
(Increase) / Decrease in Stock in Trade	4.63	(16.56)
(Increase) / Decrease in Current Loans & Advance	(51.02)	125.54
(Increase) / Decrease in Non Current Loans & Advance	-	(0.27)
Increase / (Decrease) in Other Non- Current Liabilities	0.18	(0.80)
Increase / (Decrease) in Trade Payable	47.42	(151.82)
Increase / (Decrease) in Other Current Liabilities	(11.35)	(6.72)
Direct Tax Paid (Net of Refund)	0.18	0.80
Cash Generated from Operations	48.18	(18.14)
Net Cash from Operation Activities	48.18	(18.14)
2 CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Income	-	-
Purchase of Fixed Assets	(44.93)	(4.49)
Capital Work in Progress	-	-
Purchase of Investment	-	-
Net cash Realised from Investing Activities	(44.93)	(4.49)
3 CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(9.43)	(4.10)
Net cash Realised from Financing Activities	(9.43)	(4.10)
Net increase in Cash and Cash equivalent	(6.17)	(26.73)
Cash & Cash equivalents at the beginning of year	22.43	49.16
Cash & Cash equivalents at the end of year	16.26	22.43
The accompanying notes are an integral part of the financial statements		

As per our report of even date.

For, Natwar Vinod & Co.

Chartered Accountant

Firm Reg. No. 007700 C

**For & on behalf of the Hathway CCN Entertainment
(India) Pvt Ltd****(V.K. Mittal)****Partner**

M. No. 074285

Bilaspur (C.G.)

Dated : 23/12/2020

Ashok Agrawal**Director**

Din No:02064946

Bilaspur

Dated : 23/12/2020

Dulal Banerjee**Director**

DIN No - 02455932

Mumbai

Dated : 23/12/2020

Significant accounting policies and notes on accounts

(Rs in lakhs unless otherwise stated)

Schedule of Fixed Asset

1.01 : TANGIBLE ASSETS	Amount in Rs.Lakh									
	Own Assets	Plant and Machinery	Air Conditioners	Lease hold improvement Building	Furniture & Fixtures	Digital Headend	Office Equipments	Motor Vehicles	Total	
Gross block										
Balance as at 1 April 2019		102.56	9.05	16.12	16.12	123.64	8.63	3.01	42.50	321.63
Additions		110.99	0.51	2.72	-	-	12.73	0.28	-	127.23
Disposals										-
Other adjustment										-
Balance as at 31 March 2020		213.55	9.56	18.84	16.12	123.64	21.36	3.29	42.50	448.86
Accumulated depreciation										
Balance as at 1 April 2019		40.84	4.80	4.20	5.17	24.65	6.37	1.29	23.10	110.42
Charge for the year		22.40	1.63	1.55	1.48	8.99	1.95	0.50	5.30	43.80
On disposals										-
Other adjustment										-
Balance as at 31 March 2020		63.24	6.43	5.75	6.65	33.64	8.32	1.79	28.39	154.21
Net Block										
As At 31 March 2020		150.31	3.13	13.09	9.47	90.00	13.04	1.50	14.11	294.64
As At 31 March 2019		61.71	4.25	11.92	10.95	98.99	2.27	1.72	19.40	211.21

1.02 Loans (Non Current)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured -Considered Good	0.75	0.75
	0.75	0.75

1.03 Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
Stock of Set up Box	-	86.94
	-	86.94

1.04 Trade Receivables:

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good	161.40	113.69
Provision for Doubtful Debts	(26.23)	(20.17)
	135.17	93.52

Movement in the Expected Credit Loss Allowance :

Particulars	As at 31.03.2020	As at 31.03.2019
Balance as per the last financial statement	20.17	
Add: Additions during the year	6.07	22.24
Less: Reversal during the year	-	2.08
Less: Adjusted against write off of	-	-
Closing Balance	26.23	20.17

Significant accounting policies and notes on accounts

(Rs in lakhs unless otherwise stated)

Age of receivables	As at 31.03.2020	As at 31.03.2019
0-90 days past due	-	47.83
91-180 days past due	65.41	24.37
181-270 days past due	96.00	19.79
271-360 days past due	-	7.18
>360 days past due	-	14.52

1.05 Cash and Cash Equivalents :

Particulars	As at 31.03.2020	As at 31.03.2019
Balance in Current Accounts with Banks	15.93	21.39
Cheque on hand	-	-
Cash in hand	0.33	1.04
	16.26	22.43

1.06 Loans (Current)

Particulars	As at 31.03.2020	As at 31.03.2019
to Related Parties (For Supply of Services)	66.79	6.38
to Others	25.44	27.39
	92.23	33.77

1.07 Current Tax Assets (Net)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Old Income Tax	-	-
(ii) Income Tax Refundable	74.01	80.81
(iii) GST Receivable	-	0.64
	74.01	81.45

Significant accounting policies and notes on accounts

(Rs in lakhs unless otherwise stated)

2.01 Share Capital:

Particulars	As at March 31,	
	2020	2019
Authorised Equity Share Capital 500,000 (500,000) equity shares of face value ₹ 10 each	50.00	50.00
Issued, subscribed & fully paid up equity shares 500,000 (500,000) equity shares of face value ₹ 10 each	50.00	50.00
Total issued, subscribed and fully paid-up share capital	50.00	50.00

- (i) The Company has only one class of shares referred to as equity shares having a face value of Rs.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.

(ii) Share in respect of each class in the company held by the holding company :-

Particulars	As at March 31,	
	2020	2019
Hathway Digital Pvt. Ltd. (Formerly known as Hathway Datacom Central Pvt. Ltd.)	2,55,000	2,55,000

(iii) Aggregate number & Class of shares allotted as fully paid up other than cash:

Particulars	As at March 31,	
	2020	2019
Equity Shares	-	-

(iv) Details of shareholder/s holding more than 5% shares is set out below:

Name of the Share Holder	As at March 31,			
	2020		2019	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Abhishek Agrawal	2,40,000	48.00%	2,40,000	48.00%
Hathway Digital Pvt Ltd (Formerly known as Hathway Datacom Central Pvt. Ltd.)	2,55,000	51.00%	2,55,000	51.00%

(v) Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Particulars	As at March 31,			
	2020		2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the Beginning of the Year	5,00,000	50,00,000	5,00,000	50,00,000
Add: Shares issued	-	-	-	-
Shares at the end of the Year	5,00,000	50,00,000	5,00,000	50,00,000

Significant accounting policies and notes on accounts

(Rs in lakhs unless otherwise stated)

2.02 - Schedule of Other Equity

Amount in Rs.Lakh

Particulars	Share Application Money Pending Allotment	Equity Component of Compound Financial Instruments	Reserves and Surplus			Total
			Security Premium	Retained earnings	Capital Reserve	
Opening Balance As on 01.04.2019	-	-	-	53.50	-	53.50
Net Income / (Loss) for the Period				46.74		46.74
Closing Balance As on 31.03.2020				100.24		100.24

2.03 Deferred Tax Liabilities (Net):

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		12.31
Deferred Tax Assets		
Net Deferred Tax Liabilities	12.31	12.13

2.04 Trade Payables:

Particulars	As at 31.03.2020	As at 31.03.2019
Total Outstanding dues to Suppliers/Vendors other than M and Small Enterprises	414.82	367.40
	414.82	367.40

2.05 Other Financial Liabilities :

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Liability for Expenses	0.85	1.35
	0.85	1.35

2.06 Other Current Liabilities:

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Advances from Customers	20.58	20.86
(ii) Statutory Payables	14.25	24.82
	34.83	45.68

Significant accounting policies and notes on accounts

(Rs in lakhs unless otherwise stated)

3.01 Revenue from Operations:

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Placement fees	172.61	300.41
Subscription Income	595.62	226.80
Advertisement Income	0.03	21.23
Sale of STB	-	46.80
Lease Line Charges	9.75	
	778.01	595.24

3.02 Other Income

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Interest on Income Tax Refund		3.16
Sundry Balance W/Off		-
PFDD Reversal		2.08
Prior Period Income	13.92	-
	13.92	5.23

3.03 Change in Stock of Setup Box

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Opening Stock:		
Setup Box	86.94	70.38
Closing Stock:		
Setup Box	-	86.94
	86.94	(16.56)

3.04 Operational Expenses

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
News Coverage Exp.	-	-
Pay Channel Cost	374.59	256.09
Feed Charges	-	50.65
Lease Line Charges	36.83	41.46
Consultancy Charges	60.00	45.00
Electricity Exp.	23.07	23.45
Freight Expense	0.18	0.41
Cassettes & Tape	0.46	0.27
Line & Dish Maintenance	10.71	22.36
Technical Charges		44.40
	505.84	484.09

3.05 Employee Benefits Expenses:

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Employees Remuneration & Benefits	81.43	71.86
Directors' Remuneration	24.00	24.00
	105.43	95.86

Significant accounting policies and notes on accounts

(Rs in lakhs unless otherwise stated)

3.06 Other Expenses

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Advertisement Expenses	1.36	6.52
Business Promotion Expenses	3.16	1.32
Computer Maintenance	0.79	0.89
Petrol & Fuel Expenses	11.70	9.79
Postage Expenses	1.01	1.75
Printing & Stationary	1.82	3.44
Telephone Exp.	2.02	1.32
Travelling & Conveyance	3.59	6.54
Rent	9.29	8.91
Security Charges	3.40	3.62
Legal Expenses	1.07	0.67
Legal & Professional Fees	3.41	2.99
Repair & Maintenance	13.46	25.00
Office Expenses	4.77	10.79
Sundry Balance Write off	12.39	46.47
Prior Period Expenses	-	20.30
Donation	2.66	-
	75.88	150.32

3.07 Depreciation & Amortization

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Depreciation & Amortization	43.80	32.53
	43.80	32.53

3.08 Finance Costs

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Bank Charges	5.05	0.82
Interest on Service Tax	-	-
Interest on TDS Payment	1.80	3.27
Interest on VAT	-	-
Old income Tax write off	1.95	-
Old TDS demand	0.63	-
	9.43	4.10

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNT FOR THE YEAR ENDED ON 31.03.2020

BACKGROUND

Hathway CCN Entertainment (India) Private Limited (“The Company”) is a Company Limited by shares and domiciled in India and registered under the provisions of The Companies Act 1956. The Company is engaged in distribution of television channels through digital cable distribution network.

AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements were authorized for issue in accordance with a Board Resolution of the Company on 1st April 2019. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES These notes provide a list of the significant accounting policies adopted in the presentation of Company’s financial statements.

4.1 BASIS OF PREPARATION

- (i) **Compliance with Ind AS** The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules thereunder.
- (ii) **Historical cost convention** The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities are measured at fair value

4.2 PROPERTY PLANT & 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.

Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

HATHWAY CCN ENTERTAINMENT (INDIA) PRIVATE LIMITED

4.3 DEPRICIATION ON PROPERTY PLANT & EQUIPMENT

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.

Depreciation on stores and spares specific to an item of property, plant and equipment is based on life of the related property, plant and equipment.

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.

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

4.4 INTANGIBLE ASSETS

Company does not have any Intangible assets.

4.5 ROUNDING OF AMOUNTS

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

4.6 CURRENT VERSUS NON CURRENT CLASSIFICATION

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

- a) Expected to be realised or intended to sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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 current when:

-
- a) It is expected to be settled in normal operating cycle
 - b) It is held primarily for the purpose of trading
 - c) It is due to be settled within twelve months after the reporting period, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

Based on the nature of operations, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities..

4.7 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, we make 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. We 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 Company financial statements are as below:

- a) Financial instruments;
- b) Useful lives of property, plant and equipment and intangible assets;
- c) Measurement of recoverable amounts of cash-generating units;
- d) Provisions;
- e) Expected customer relationship period (i.e. expected life of the customer);
- f) Evaluation of recoverability of deferred tax assets; andg) Contingencies.

4.8 TAXES ON INCOME:

- a. Current Income Tax Payable is determined as per provisions of Income Tax Act and on the basis of income of the year.
- b. In accordance with Indian Accounting Standard 12 – Income Taxes”, issued by the Institute of Chartered Accountants of India, amount of the deferred tax for timing differences between the book and tax profit for the year is to accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

c. Deffered Tax Calculated as under :-

Depreciation as per Income Tax Act,1961	-	Rs.4451797.00/-
Depreciation as per Companies Act,2013	-	Rs.4379645.00/-
Difference	-	Rs. 72152.00/-
Tax Effect (DTL)	-	Rs. 18159.00/-

4.9 CONTINGENT LIABILITIES NOT PROVIDED FOR :

Particulars	Year Ended March 31,	
	2020	2019
a) Claims against the Company not acknowledged, as debt	NIL	NIL
b) Contract remaining to be executed on capital account and not provided for	NIL	NIL

4.10 RELATED PARTY DISCLOSURE: (As identified by the management)**List of Related Parties:****Controlled By -****Immediate Holding Company**

- Hathway Digital Limited (FKA Hathway Digital Private Limited)

Ultimate Holding Company

- Hathway Cable and Datacom Limited

Key Management Personnel

-: Shri Abhishek Agrawal

-: Shri Ashok Kumar Agrawal

-: Shri Sudhir Sarin

-: Shri Mayur G. Kanani

-: Shri Dulal Banarjee

-: Shri Sanjay Khanna

-: Shri Rajesh Kumar Mittal

Transaction carried out with related parties, in ordinary course of business:

Related Party	Relation.	Nature of Transaction	Current Year	Previous Year
Shri Ashok Kumar Agrawal	Director	Director's Salary	24,00,000	24,00,000
Shri Abhishek Agrawal	Director	Consultancy Charges	60,00,000	45,00,000
Shri Ashok Kumar Agrawal (HUF)	Director's HUF	Rent paid	7,12,800	7,12,800
Shri Ashok Kumar Agrawal (HUF)	Director's	Petrol Purchase	11,04,378	9,13,596
Hathway CCN Multinet Pvt. Ltd., Raipur	Common Director	Leaseline Charges Recovered	4,21,108	-
Hathway CBN Multinet Pvt. Ltd. Bhilai	Common Director	Leaseline Charges Paid	12,82,750	-
Hathway CBN Multinet Pvt. Ltd. Bhilai	Common Director	Leaseline Charges Recovered	9,75,000	-
Hathway Digital Pvt. Ltd., Mumbai	Holding Company	Bank Charges	-	16,235
NandKishore Infrastructure (P) Ltd.	Common Director	Telephone Expnese	41,650	-
Hathway Digital Pvt. Ltd., Mumbai	Holding Company	Feed Charges	-	50,65,220
Hathway Digital Pvt. Ltd., Mumbai	Holding Company	Technical Charges	-	44,40,495
Hathway Digital Pvt. Ltd., Mumbai	Holding Company	STB Purchase	16,55,932	59,61,355
Hathway Digital Pvt. Ltd., Mumbai	Holding Company	Placement Fees Received	2,09,795	1,18,33,872

Balances with Related Party as on 31 March 2020 :-

Related Party	Relation	Group	Balances as at	
			31-Mar-20	31-Mar-19
Hathway Digital Private Limited	Holding Company	Trade Payable	1,51,95,434	1,51,95,434
Hathway CBN Multinet Pvt. Ltd.	Common Director	Trade Payable	37,87,823	36,39,995
NandKishor Infrastructure Pvt Ltd	Common Director	Trade Payable	13,491	-
Abhishek Agrawal	Director	Trade Payable	1,02,66,640	1,12,46,640
Ashok Agrawal	Director	Trade Payable	13,50,260	14,96,200
Hathway Digital Private Limited	Holding Company	Loans & Advances	65,38,628	4,92,628
Hathway Digital Private Limited	Holding Company	Trade Receivable	2,26,579	-
Hathway CCN Multinet Pvt Ltd	Common Director	Loans & Advances	-	1,45,523
Shri Ashok Kumar Agrawal (HUF)	Director's HUF	Trade Payable	1,22,740	-
Hathway Bhaskar CCN Multi Entertainment Pvt Ltd	Common Director	Loans & Advances	1,40,243	-

4.11 AUDITOR REMUNERATION:

Auditor's Remunerations includes

Particulars	Current Year	Previous Year
Audit Fees	125000	125000
Tax Audit Fees	25000	25000
Total	150000	150000

4.12 FOREIGN CURRENCY TRANSACTION

- (i) During the year Company does not have entered into any foreign currency transaction.
- (ii) Functional and presentation currency

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

4.13 FINANCIAL INSTRUMENTS

A. Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) 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.

B. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, financial guarantee contracts or as derivative financial instruments, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using effective interest method or at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Trade and other payables These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement

of profit and loss.

C. 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 group or the counterparty.

4.14 CASH & CASH EQUIVALENT

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and cheque on hand and amount lying at current accounts with financial institutions. Cash in hand as on 31st March 2019 is not physically verified by Auditors however it's certified by the management.

4.15 PROVISIONS, CONTINGENT ASSETS & CONTINGENT LIABILITIES

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.

4.16 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(i) Income from Rendering of services

Subscription income includes subscription from Subscribers / Cable Operators relating to cable TV, activation of devices and income from Hathway Cable and Datacom Limited /broadcasters relating to the placement of channels. Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties. Subscription Income from Cable TV Operators, is accrued monthly based on number of connections declared by the said operators to the Company. In cases where revision of number of connections and / or rate is under negotiations at the time of recognition of revenue, the Company recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed by the management periodically. The Company collects various

applicable taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

4.17 Employees Benefits :

As per the information and explanation of the management, the company has no defined contribution plan, defined benefit plan and termination benefit in respect of gratuity/leave encashment payable to the employees at future date, as required under “IND AS-19 - Employee Benefits” and as such no disclosure has been given. The provision for all known liabilities and payables are adequate and not in excess of amount reasonably necessary.

4.18 Operating Segments

As the company’s business activity falls within a single business segment in terms of Ind AS 108 on “Operating Segments” and the revenue substantially being from the domestic market, the financial statement are reflective of the information required by Ind AS 108.

4.19 Disclosure Under MSME Development Act 2006:

The Company has not received intimation from any ‘enterprise’ regarding its status under Micro, Small and Medium Enterprise Development Act, 2006 and therefore no disclosure under the said Act is considered necessary.

4.20 Previous year figures have been regrouped/re-classified/re-cast wherever necessary.**4.21 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activities. Businesses are being focused to limit their operations for indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown**

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. The Company has evaluated impact of COVID-19 on its business operations and based on its review there is no significant impact on its financial statements.

As per our report of even date

For Natwar Vinod & Co.

For and on behalf of the Board of Directors of

Firm Reg. No. 007700 C

Hathway CCN Entertainment (India) Pvt. Ltd.

Chartered Accountants

(V.K. Mittal)

Ashok Agrawal Dulal Banerjee

Partner

Director

Director

M. No. 074285

Din No:02064946

DIN No - 02455932

Bilaspur

Bilaspur

Mumbai

Dated: 23/12/2020

Dated: 23/12/2020

Dated: 23/12/2020

5.1 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. 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 Company has not taken any borrowings and accordingly has no externally imposed capital restrictions.

5.2 Financial Instruments : Accounting classifications, Fair value measurements, Financial Risk management and offsetting of financial assets and liabilities

(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.

The carrying amounts of trade receivables, cash and cash equivalents, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and others are considered to be the same as their fair values, due to their short-term nature.

(ii) Fair Value measurements

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: inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: unobservable inputs from assets and liability

Particulars	March 31, 2020		March 31, 2019		Fair value hierarchy
	Carrying values	Fair value	Carrying values	Fair value	
Financial assets					
Measured at amortised cost					
Trade receivables	135.17	135.17	93.52	93.52	Level 3
Loans and Advances					
Other Loans	92.23	92.23	33.77	33.77	Level 3
Cash and cash equivalents	16.26	16.26	22.43	22.43	Level 3
Bank Balances					
Financial liabilities					
Trade payables	414.82	414.82	367.40	367.40	Level 3

(iii) Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's risk management is carried out under policies approved by the board of directors.

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. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

	Amount in Rs.Lakh	
	As at 31-03-2020	As at 31-03-2019
Financial assets for which loss allowance is Expected Credit Losses measured using Life time (ECL)	161.40	113.69

Trade Receivables

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

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.

Maturities of financial liabilities

Amount in Rs.Lakh

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

As at March 31, 2020	Less than 1 Year	1 to 5 year	Total
Non-Derivatives			
Trade payables	263.42	151.40	414.82
Other financial liabilities			-
	263.42	151.40	414.82
			407.48
As at March 31, 2019	Less than 1 Year	1 to 5 year	Total
Non-Derivatives			
Trade payables	170.91	196.48	367.40
Other financial liabilities			-
	170.91	196.48	367.40

As per our report of even date

For, Natwar Vinod & Co.

Chartered Accountant

Firm Reg. No. 007700 C

For & on behalf of the Hathway CCN

Entertainment (India) Pvt Ltd

(V.K. Mittal)

Partner

M. No. 074285

Bilaspur (C.G.)

Dated : 23/12/2020

Ashok Agrawal

Director

Din No:02064946

Bilaspur

Dated : 23/12/2020

Dulal Banerjee

Director

DIN No - 02455932

Mumbai

Dated : 23/12/2020