AUDITED FINANCIAL STATEMENTS

OF

HATHWAY CCN MULTINET PRIVATE LIMITED (C.G.)

Financial Year 2018-19

Auditor :

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INDEPENDENT AUDITOR'S REPORT

To,
The Members,
HATHWAY CCN MULTINET PRIVATE LIMITED,
RAIPUR (C.G.)

REPORT ON THE FINANCIAL STATEMENTS :

We have audited the accompanying financial statement of **HATHWAY CCN MULTINET PRIVATE LIMITED, RAIPUR** ("the Company), which comprise the Balance Sheet as at **31st MARCH, 2019,** the Statement of Profit & Loss, the cash flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "The Ind AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

The Company's Board of Directors is responsible for the preparation of these Ind AS Financial Statements in term of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the financial position, financial performance and Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the 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 control, with reference to financial statements that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements by the Directors of the Company, as aforesaid.

AUDITOR'S RESPONSIBILITY :

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls with reference to financial statements over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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HATHWAY CCN MULTINET PRIVATE LIMITED // A/C YEAR : 2018-19

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion :

In our opinion and to best of our information and according to the explanations given to us, and *subject to Note 25.02 regarding Ind AS – 19 "Employee Benefit", for which no provision in the books of accounts has been made for post employment and other long term employee benefits*, the said Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at 31st March, 2019, and its financial performance, its cash flows and the changes in equity for the year then ended.

Emphasis of Matters :-

Without qualifying our opinion we draw attention to:

- ***Note-16 to the financial statements of 'Revenue from Operation' in which receipts on account of placement charges from various broadcasters are subject to confirmation and reconciliation.***

Report on other legal and regulatory requirements :

1. As required by the Companies (Auditor's Report) Order 2016 ("the order"), issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A"**, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

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

   b) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statements;

   c) In our opinion, proper books of account as required by law relating to preparation of aforesaid Ind AS financial statements have been kept by the Company so far as appears from our examination of those books;

   d) The Balance Sheet, the Statement of Profit & Loss and Cash flow Statement and Statement of Changes in Equity dealt by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Ind AS financial statements.

   e) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

   f) On the basis of written representations received from the directors, as at 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as directors in terms of Section 164(2) of the Act.

   g) 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" and

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HATHWAY CCN MULTINET PRIVATE LIMITED // A/C YEAR : 2018-19

h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

1. The Company does not have any pending litigations which would impact its financial position.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For, A D B & Company,
Chartered Accountants,
ICAI FRN. 005593C

A D B & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

PLACE : RAIPUR
DATED : 14.04.2019

(Rajesh Kumar Chawda)
Partner
Membership No. 405675

Annexure - 'A' to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2019. We report that:

i) In respect of its Fixed Assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion seems to be reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as confirmed by the management.

c) As per the information and documents available to us, the company does not have any immovable properties and therefore the provisions of clause (i)(c) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

ii) a) The Company is a service company, primarily rendering Cable Television Services. The company has Set-up boxes and inventory of Dish Line & Maintenance Materials which have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.

iii) The Company has granted unsecured loans to companies and parties covered in the register maintained under Section 189 of the Companies Act, 2013:

a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.

b) The company has granted only unsecured loans and no repayment schedule is followed, accordingly the clause iii(b), iii(c) of paragraph 3 and 4 of the order are not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, or made any investments, or given any guarantees, and security covered under section 185 and 186 and accordingly , the provision of clause (iv) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

v) According to the information and explanations given to us, the Company has not accepted any deposit from the public in terms of directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act & rules framed there under. Therefore the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii) In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed Statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues outstanding as on 31st March 2019 for a period of more than six month from the date they become payable.

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HATHWAY CCN MULTINET PRIVATE LIMITED // A/C YEAR : 2018-19

b) According to the information and explanation given to us and the records of the company as examined by us, there are no dues of Income Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on account of disputes except TDS Liability of Rs. 1030242/- of preceding previous year subject to updation and reconciliation.

viii) The company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

ix) According to the information and explanation given to us, the Company has not raised money by way of Initial Public offer or Further Public offer (including Debt Instruments). The Company has not availed any term loan. Accordingly, the provisions of clause (ix) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

x) In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) The company has not paid remuneration to its directors. Therefore, the provisions of Clause (xi) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause (xii) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

xiii) The transactions with related parties are in compliance of Sections 177 and 188 of Companies Act, 2013 wherever applicable and details have been disclosed in the Ind AS financial statements etc, as required by the applicable accounting standards.

xiv) During the year under review, the company has not made any preferential allotment or private placement of shares or fully or partly convertible Debentures. Accordingly, the provisions of clause (xiv) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

xv) The Company has not entered into any non-cash transaction with Directors or persons connected within as per the provisions of Section 192 of the Companies Act, 2013. Accordingly, the provisions of clause (xv) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

xvi) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

For, A D B & Company,
Chartered Accountants,
ICAI FRN. 005593C

A D B & COMPANY * F.R.N. - 005593C * RAIPUR (C.G.) * CHARTERED ACCOUNTANTS

PLACE : RAIPUR
DATED : 14.04.2019

(Rajesh Kumar Chawda)
Partner
Membership No. 405675

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HATHWAY CCN MULTINET PRIVATE LIMITED, RAIPUR** ("The Company") as of **31st MARCH, 2019,** in conjunction with our audit of the 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 control over financial reporting 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 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribe under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial control, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 risk of material misstatement of the Ind AS financial statement, 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 over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, is 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 Ind AS 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 and timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subjects to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For, A D B & Company,
Chartered Accountants,
ICAI FRN. 005593C

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

PLACE : RAIPUR
DATED : 14.04.2019

(Rajesh Kumar Chawda)
Partner
Membership No. 405675

HATHWAY CCN MULTINET PRIVATE LIMITED //FY 2018-19

(A Subsidiary of Hathway Digital Private Limited)

NOTE-1: CORPORATE INFORMATION

Hathway CCN Multinet Private Limited (formerly known as "Hathway Bhaskar CCN Multinet Private Limited") is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013 (Formerly known as Companies Act, 1956).

Hathway CCN Multinet Private Limited (the "company") is a subsidiary company of Hathway DigitalPrivate Limited (Formerly known as Hathway Datacom Central Private Limited). It provides the services in the state of Chhattisgarh of Cable Television service as Cable TV Operator.

As of 31st March, 2019 Hathway Digital Private Limited (Formerly known as Hathway Dartacom Central Private Limited) owned 51% of the company's equity share capital and has the ability to control its operating and financial policies. The company's registered office is at Raipur (CG) and having two branches at Raipur and Jagdalpur within Chhattisgarh State.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods, up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 in accordance with companies (Accounting Standards), Rules 2006 (erstwhile - Indian GAAP). These financial statements for the year ended 31st March 2019 are the financial statements of the Company prepared in accordance with Ind AS.

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

Rounding of amounts

Amounts in these financial statements have, unless otherwise indicated, been rounded to 'rupees in lakh' up to two decimal points.

2.2 Current and Non-Current Classification

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

a) it is expected to be realised or intended to be sold or consumed in normal operating cycle;
b) it is held primarily for the purpose of trading;
c) it is 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.

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All other assets are classified as non-current.

An entity shall classify a liability as current when:

a) it is expected to be settled in normal operating cycle
b) it is held primarily for the purpose of trading
c) the liability is due to be settled within twelve months after the reporting period; or
d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.3 Revenue recognition

Rendering of Services

Subscription income includes subscription from Subscribers / Cable Operators relating to cable TV, Internet, activation of devices and from 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.

Advertisement revenue is accrued on release of the advertisement for public viewing.

Interest

Interest income is recognised using the Effective Interest Method.

Dividend

Dividend income from investments is recognised when the rights to receive payment is established.

Other Claims

Other claims (including interest on delayed realization) are accounted for, when there is certainty on realisation.

2.4 Property, Plant and Equipment

All Property, Plant and Equipment other than Land are stated at carrying value including, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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HATHWAY CCN MULTINET PRIVATE LIMITED //FY 2018-19

(A Subsidiary of Hathway Digital Private Limited)

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Costs of the day-to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if 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 those parts that are replaced is derecognised in accordance with the de-recognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if 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. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on the disposal or retirement of an item of property plant and equipment is recognised in profit and loss.

Depreciation on property, plant and equipment, except freehold land, is provided as per cost model on straight line basis over the estimated useful lives of the asset as follows:

Category	Life of the Asset (Years)
Plant & Machinery including Headend and Dis Equipment	13-18
Furninture, Electical Fitting & Genrator Set	10
Vehicle	8
Office Eequipment includig communication equipment, ACs& TV)	5
Computers and UPS, inverter etc.	3

The residual value of Property, plant and equipment for depreciation purpose is considered as 5% of the original cost of the asset.

The estimated useful life of the assets is reviewed at the end of each financial year.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Fully depreciated assets, retired from active use are disclosed separately as surveyed off assets at its residual value under Property, plant Equipment and are tested for impairment.

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Expenses incurred by the company on certain activities which are essential for construction, operation and maintenance of the Rail System of the company are recognised as Rail Corridor under Construction till Commercial Operation Date (CoD). After CoD, the assets are classified in the class of similar identifiable group of assets and depreciated/ amortised based on the useful life of the particular class of asset.

Transition to Ind AS

The company elected to continue with the carrying value as per cost model (for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP.

Development Expenditure

All project-related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure directly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commencement of commercial operation, and trial run expenditure are shown under Capital Work-in-progress. These expenses are net of recoveries and income (net of tax) from project specific funds.

Commercial Operation

The project is brought to revenue; when commercial readiness of a project to yield revenue on a sustainable basis is established on the basis of Certification by Commissioner of Railway Safety (CRS) for the project including stage-wise certification, if any. However, the Commercial Operation of the Company is yet to begin.

Impairment

The company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.5 Inventories

Inventories are valued as follows:

- Spares and maintenance items are valued at lower of cost (net of taxes recoverable) on first in first out basis and net realizable value.

2.6 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, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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2.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's consolidated 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 companyhas neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt, Securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

Initial Recognition and Measurement

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

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.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

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ADB & COMPANY F.R.N. - 005503C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Financial Liabilities At Amortised Cost

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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 between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

Reclassification Of Financial Assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes

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ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.8 Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those assets up to the date when the qualifying asset is ready for its intended use.

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ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit differs from "profit before income tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of 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 period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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HATHWAY CCN MULTINET PRIVATE LIMITED //FY 2018-19

(A Subsidiary of Hathway Digital Private Limited)

2.10 Employee Benefits

Short-Term Benefits

All short-term employee benefits are recognized in the period in which they are incurred.

Post-Employment Benefits and Other Long-Term Employee Benefits

Defined Contributions Plans

A defined contribution plan is a post-employment benefit plan for Provident fund and Pension under which the company pays fixed contribution into fund maintained by a separate statutory body (Coal Mines Provident Fund) constituted under an enactment of law and the company will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees.

Defined Benefits Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity, leave encashment are defined benefit plans (with ceilings on benefits). The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return of their service in the current and prior periods. The benefit is discounted to determine its present value and reduced by the fair value of plan assets, if any. The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date that have maturity dates approximating the terms of the company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The application of actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases, mortality rates etc. Due to the long-term nature of these plans, such estimates are subject to uncertainties. The calculation is performed annually by an actuary using the projected unit credit method. When the calculation results in to the benefit to the company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. An economic benefit is available to the company if it is realisable during the life of the plan, or on settlement of plan liabilities.

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss.

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ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED //FY 2018-19

(A Subsidiary of Hathway Digital Private Limited)

Other Employee benefits

Certain other employee benefits namely benefit on account of LTA, LTC, Life Cover scheme, Company personal Accident insurance scheme, settlement allowance, post-retirement medical benefit scheme is also recognised on the same basis as described above for defined benefits plan. These benefits do not have specific funding.

Company does not have any retirement benefit plan and have not conducted any valuation of Gratuity and Leave encashment value for the year ended on 31st March 2019 as per the provisions of IND AS-19.

Bonus Plans

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

2.11 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

2.12 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

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2.13 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements has been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

2.14 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

a) relevant to the economic decision-making needs of users and
b) reliable in that financial statements :
(i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

In making the judgment management refers to, and considers the applicability of, the following sources in descending order:

(a) the requirements in Ind AS dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgment, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

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ADB & COMPANY F.R.N.-005503C RAIPUR CHARTERED ACCOUNTANTS

Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or company's item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers the consolidated rail corridor network as cash generating unit for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

Fair Value Measurement Of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible Asset Under Development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed.

ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in Lakh)

		Note No.	As at 31.03.2019	As at 31.03.2018
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant & Equipments	3	275.15	328.76
	(b) Capital work in progress		-	-
	(c) Exploration and Evaluation Assets		-	-
	(d) Other Current Assets		-	-
	(e) Intangible assets under development		-	-
	(f) Investment Property		-	-
	(e) Intangible assets		-	-
	(f) Intangible assets under development		-	-
	(g) Financial Assets			
	(i) Investments		-	-
	(ii) Loans		-	-
	(iii) Other Financial Assets		-	-
	(h) Deferred tax assets (net)	4	34.02	-
	(h) Other non-current assets	5	9.90	12.48
	Total Non-Current Assets (A)		**319.07**	**341.24**
(2)	**Current Assets**			
	(a) Inventories	6	134.27	126.26
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	7	259.78	438.69
	(iii) Cash & Cash equivalents	8	48.00	41.02
	(iv) Other Bank balances		-	-
	(v) Loans		-	-
	(vi) Other Financial Assets		-	-
	(c) Current Tax Assets (Net)		-	-
	(d) Other Current Assets	9	101.41	202.47
	Total Non-Current Assets (B)		**543.46**	**808.44**
	Total Assets (A+B)		**862.53**	**1,149.68**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	10	47.50	47.50
	(b) Other Equity	11	228.30	289.59
	Equity attributable to equityholders of the company		**275.80**	**337.09**
	Non-Controlling Interests		-	-
	Total Equity (A)		**275.80**	**337.09**
	Liabilities			
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	12	67.28	67.28
	(ii) Trade payables		-	-
	(iii) Other financial liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred Tax Liabilities	4	-	19.15
	(d) Other Non-Current Liabilities		-	-
	Total Non-Current Liabilities (B)		**67.28**	**86.43**

ADB & COMPANY F.R.N.-005 RAIPUR CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

BALANCE SHEET AS AT 31ST MARCH 2019

	Note No.	As at 31.03.2019	(₹ in Lakh) As at 31.03.2018
(2) **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	13	436.77	635.28
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	14	54.49	36.13
(c) Provisions	15	28.18	54.75
Total Current Liabilities (C)		**519.45**	**726.16**
Total Equity and Liabilities (A+B+C)		**862.53**	**1,149.68**

The Accompanying Notes form an integral part of the Financial Statements.

For and on behalf of the Hathway CCN Multinet Pvt. Ltd.

Sanjay Khanna
Director
DIN 07188097

Mayur Govindbhai Kanani
Director
DIN 06590372

AS PER OUR REPORT ON EVEN DATE,
For, A D B & COMPANY
Chartered Accountants
ICAI FRN 005593C

ADB & COMPANY RAIPUR (C.G.) CHARTERED ACCOUNTANTS

[Rajesh Kumar Chawda]
(Partner)
Mem.No. 405675

DATE : 14th April 2019
PLACE: RAIPUR

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED ON 31st MARCH 2019

(₹ in Lakh)

		Note No.	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
	Revenue from Operations			
A	Revenue From Operations	16	704.46	846.30
B	Other Operating Revenue (Net)		-	-
(I)	**Revenue from Operations (A+B)**		**704.46**	**846.30**
(II)	Other Income	17	0.02	46.45
(III)	**Total Income (I+II)**		**704.48**	**892.76**
(IV)	**EXPENSES**			
	Cost of Material Consumed		-	-
	Changes in inventories of Set Up Box	18	34.98	187.48
	Excise Duty		-	-
	Operational Expense	19	514.16	381.48
	Employee Benefits Expense	20	99.47	97.61
	Power Expense		15.63	15.92
	Corporate Social Responsibility Expense		-	-
	Repairs		-	-
	Contractual Expense		-	-
	Finance Costs	21	6.17	3.33
	Depreciation/Amortization/ Impairment expense	22	62.40	64.08
	Provisions		-	-
	Write off		-	-
	Other Expenses	23	86.13	69.04
	Total Expenses (IV)		**818.94**	**818.94**
(V)	**Profit before exceptional items and Tax (III-IV)**		**(114.46)**	**73.82**
(VI)	Exceptional Items		-	-
(VII)	**Profit before Tax (V-VI)**		**(114.46)**	**73.82**
(VIII)	Tax expense	24	(53.17)	17.84
(IX)	**Profit for the period from continuing operations (VII-VIII)**		**(61.29)**	**55.98**
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax exp of discontinued operations		-	-
(XII)	Profit/(Loss) from discontinued operations (after Tax) (X-		-	-
(XIII)	Share in JV's/Associate's profit/(loss)		-	-
(XIV)	**Profit for the Period (IX+XII+XIII)**		**(61.29)**	**55.98**
	Other Comprehensive Income		-	-
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(XV)	**Total Other Comprehensive Income**		-	-
(XVI)	**Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**(61.29)**	**55.98**

ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED ON 31st MARCH 2019

(₹ in Lakh)

	Note No.	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Profit attributable to:			
Owners of the company		-	-
Non-controlling interest		-	-
Other Comprehensive Income attributable to:			
Owners of the company		-	-
Non-controlling interest		-	-
Total Comprehensive Income attributable to:			
Owners of the company			-
Non-controlling interest			-
(XVII) Earnings per equity share (for continuing operation):			
(1) Basic		(1.29)	1.18
(2) Diluted		(1.29)	1.18
(XVIII Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
(XIX) Earnings per equity share (for discontinued & continuing operation):			
(1) Basic		(1.29)	1.18
(2) Diluted		(1.29)	1.18

For and on behalf of the Hathway CCN Multinet Pvt. Ltd.

Sanjay Khanna
Director
DIN 07188097

Mayur Govindbhai Kanani
Director
DIN 06590372

AS PER OUR REPORT ON EVEN DATE,
For, A D B & COMPANY
Chartered Accountants
ICAI FRN 005593C

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

[Rajesh Kumar Chawda]
(Partner)
Mem.No. 405675

DATE : 14th April 2019
PLACE: RAIPUR

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

CASH FLOW STATEMENT (INDIRECT METHOD)

(₹ in Lakh)

		For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES			
Total Comprehensive Income before tax		(114.46)	73.82
Adjustments for :			
Depreciation / Impairment of Fixed Assets		62.40	64.08
Interest from Bank Deposits		-	-
Finance cost related to financing activity		-	-
Interest / Dividend from investments		-	-
Profit / Loss on sale of Fixed Assets		-	-
Provisions for Bad & Doubtful Debt		-	(28.11)
Operating Profit before Current/Non Current Assets and Liabilities		**(52.06)**	**109.79**
Adjustment for :			
Trade Receivables		178.91	(123.75)
Inventories		(8.01)	(123.24)
Short/Long Term Loans/Advances & Other Current Assets		101.06	256.78
Short/Long Term Liablities and Provisions		(206.71)	(129.52)
Cash Generated from Operation		**13.20**	**(9.93)**
Income Tax Paid/Refund		-	14.07
Net Cash Flow from Operating Activities	(A)	**13.20**	**(24.00)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(8.79)	(0.72)
Investment in Bank Deposit		-	-
Capital work-in-progress		-	-
Change in Loans & Advances		2.58	(0.00)
Investment in joint venture		-	-
Interest / Dividend from investments		-	-
Net Cash from Investing Activities	(B)	**(6.21)**	**(0.73)**
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Share Capital		-	-
Repayment of Borrowings		-	-
Short Term Borrowings		-	-
Interest & Finance cost pertaining to Financing Activities		-	-
Net Cash used in Financing Activities	(C)	-	-
Net Increase / (Decrease) in Cash & Bank Balances (A+B+C)		**6.98**	**(24.74)**
Cash & Bank Balance (opening balance)		**41.02**	**65.75**
Cash & Bank Balance (closing balance)		**48.00**	**41.02**

AS PER OUR REPORT ON EVEN DATE,
For, A D B & COMPANY
Chartered Accountants
ICAI FRN 005593C

A D B & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

[Rajesh Kumar Chawda]
(Partner)
Mem.No. 405675

For and on behalf of the Hathway CCN Multinet Pvt. Ltd.

Sanjay Khanna
Director
DIN 07188097

Mayur Govindbhai Kanani
Director
DIN 06590372

DATE : 14th April 2019

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2019

(₹ in Lakh)

A. EQUITY SHARE CAPITAL

Particulars	Balance As at 01.04.2017	Changes In Equity Share Capital During The Year	Balance as at 31.03.2018	Balance As at 01.04.2018	Changes In Equity Share Capital During The Year	Balance as at 31.03.2019
Equity Share Capital	47.50	-	47.50	47.50	0.00	47.50

B. OTHER EQUITY

Particulars	General Reserve	Other Reserves (Security Premium)	Retained Earnings	Debt Instruments though Other Comprehensive Income	Non-Controlling Interests	Total
Balance as at 01.04.2017	-	139.50	147.46	-	-	286.96
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
Total comprehensive income during the year	-	-	55.98	-	-	55.98
Appropriations						-
Transfer to / from General reserve	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Pre-operative expenses	-	-	-	-	-	-
Balance as at 31.03.2018	-	139.50	203.43	-	-	342.93
Balance as at 01.04.2018	-	139.50	203.43	-	-	342.93
Additions during the period	-	-	-	-	-	-
Adjustments during the period	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Total comprehensive income during the period	-	-	(61.29)	-	-	(61.29)
Adjustments during the period	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfer to / from General reserve	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Adjustment of Pre-operative expenses	-	-	-	-	-	-
Balance as at 31.03.2019	-	139.50	142.14	-	-	281.64

AS PER OUR REPORT ON EVEN DATE,
For, A D B & COMPANY
Chartered Accountants
ICAI Firm Regn No. 005593C

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

For and on behalf of the Hathway CCN Multinet Pvt. Ltd.

Sanjay Khanna
Director
DIN 07188097

Mayur Govindbhai Kanani
Director
DIN 06590372

[Rajesh Kumar Chawda]
(Partner)
Mem.No. 405675

DATE : 06th April 2019
PLACE: RAIPUR

Contd..2..

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTE - 03 : PROPERTY PLANT AND EQUIPMENT

(₹ in Lakh)

PARTICULARS	Plant and Machinery	Digital Headend	Furniture and Fixtures	Total
Carrying Amount				
As at 1 April 2017	307.37	181.44	28.73	517.54
Additions	0.64	-	0.08	0.72
Deletions/Adjustments	-	-	-	-
As at 31 March 2018	**308.02**	**181.44**	**28.81**	**518.27**
As at 1 April 2018	308.02	181.44	28.81	518.27
Additions	1.99	-	6.80	8.79
Deletions/Adjustments	-	-	-	-
As at 31 March 2019	**310.01**	**181.44**	**35.61**	**527.06**
Accumulated Depreciation and Impairment				
As at 1 April 2017	68.77	48.06	8.59	125.43
Charge for the year	35.80	24.03	4.26	64.08
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31 March 2018	**104.57**	**72.09**	**12.85**	**189.51**
As at 1 April 2018	104.57	72.09	12.85	189.51
Charge for the year	35.38	23.59	3.43	62.40
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31 March 2019	**139.95**	**95.68**	**16.28**	**251.91**
Net Carrying Amount				
As at 31 March 2019	170.06	85.76	19.32	275.15
As at 31 March 2018	203.45	109.35	15.96	328.76

Hathway CCN Multinet P. Ltd. RAIPUR

ADB & COMPANY F.R.N. - 005533C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

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HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 04 : DEFERRED TAX ASSET

	As at 31.03.2019	(₹ in Lakh) As at 31.03.2018
Relating to Depreciation	34.02	(19.15)
Relating to Unabsorbed Depreciation	-	-
Net Effect on Timing Difference - **TOTAL**	**34.02**	**- 19.15**

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 05 : OTHER NON-CURRENT ASSETS

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
(i) Capital Advances	-	-
Less : Provision for doubtful Loans & Advances	-	-
(ii) Advances other than capital advances		
(a) Security Deposit	5.36	5.36
Less :Provision for doubtful deposits	-	-
	5.36	5.36
(b) Other Deposits		
Less :Provision for doubtful deposits	-	-
	-	-
(c) Advances to Related Parties	4.54	7.12
(d) Advance for Revenue		
Less :Provision for doubtful advances	-	-
	-	-
(e) Prepaid Expenses	-	-
Deferred Fair Value Loss - IND AS	-	-
TOTAL	**9.90**	**12.48**

Hathway CCN Multinet P. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

Contd..4..

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 06 : INVENTORIES

	As at 31.03.2019	(₹ in Lakh) As at 31.03.2018
Stock of Dish Line Maintenance Material	2.12	2.12
Stock of Set Up Boxes	132.16	124.14
TOTAL	**134.27**	**126.26**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 07 : TRADE RECEIVABLES

		(₹ in Lakh)
	As at 31.03.2019	As at 31.03.2018
Debts Outstanding for a period exceeding Six Months from the due date		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	203.12	247.93
- Doubtful	-	-
(A)	203.12	247.93
Other Receivables		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	99.17	219.21
- Doubtful	-	-
(B)	99.17	219.21
Total (A+B)	302.29	467.14
Less : Provision for Bad & Doubtful Debt	(42.51)	(28.45)
TOTAL	259.78	438.69

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 08 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Cash in Hand	0.44	6.46
(a) Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	-	-
- In Current Accounts	47.56	34.57
- In Cash Credit Accounts	-	-
(b) Cheques, Drafts and Stamps in hand	-	-
(c) Imprest with Employees	-	-
(d) Others		
- In Deposit Accounts with maturity of more than 3 months not exceeding 12 months	-	-
Total	**48.00**	**41.02**

ADB & COMPANY F.R.N.-005503C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

Hathway CCN Multinet Pvt. Ltd. RAIPUR

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 09 : OTHER CURRENT ASSETS

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Advance to Suppliers	18.32	73.92
Less : Provision for doubtful advances	-	-
	18.32	73.92
Advance Payment of Statutory Dues	81.55	121.82
Less : Provision for doubtful advances	-	-
	81.55	121.82
Advance to Related Parties	-	-
Advance to Employees	1.54	6.21
Less : Provision for doubtful advances	-	-
	1.54	6.21
Advance - Others	-	0.52
Less : Provision for doubtful claims	-	-
	-	0.52
Deposits- Others	-	-
Less: Provision	-	-
	-	-
Prepaid Expenses		
TOTAL	**101.41**	**202.47**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 10 : EQUITY SHARE CAPITAL

		As at 31.03.2019	(₹ in Lakh) As at 31.03.2018
Authorised			
(i) 5,00,000 (P.Y. 5,00,000) Equity Shares of Rs. 10/- each		50.00	50.00
	TOTAL	**50.00**	**50.00**
Issued, Subscribed and Paid-up			
To the Subscribers of the Memorandum			
4,75,000 (P.Y. 4,75,000) Equity Shares of Rs. 10/- each fully paid up		47.50	47.50
	TOTAL	**47.50**	**47.50**

Particulars	Current Year		Previous year	
	No. of shares	Share Capital (₹)	No. of shares	Share Capital (₹)
Outstanding at the beginning of the period	475,000	4,750,000.00	475,000	4750000.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	**475,000**	**4,750,000**	**475,000**	**4,750,000**

1) Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	Current Year		Previous Year	
	No.of Shares held (Face value of ₹ 10 each)	% of Total Shares	No.of Shares held (Face value of ₹ 10 each)	% of Total Shares
Hathway Digital Private Limited (Formerly known as Hathway Bhaskar Multinet Pvt. Ltd.) (Ultimate Holding Company)	242,250	51.00	242,250	51.00
Shri. Abhishek Agrawal	77,584	16.33	77,584	16.33
Shri Gurmeet Singh Bhatia	77,583	16.33	77,583	16.33
Shri Krishna Kumar Nayak	77,583	16.33	77,583	16.33

2) **Terms/rights attached to equity shares**

The company has only one class of equity shares having at par value of ₹10 per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the

CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N. - 005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

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HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 11: OTHER EQUITY

(₹ in Lakh)

Particulars	Equity Portion of Preference Share Capital	Other Reserves			Security Premium	General Reserve	Retained Earnings	Non-Controlling Interests	Total
		Capital Redemption reserve	Capital Reserve	CSR Reserve					
Balance as at 01.04.2017	-	-	-	-	139.50	-	94.11	-	233.61
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Total comprehensive income during the year	-	-	-	-	-	-	55.98	-	55.98
Balance as at 31.03.2018	-	-	-	-	139.50	-	150.09	-	289.59
Balance as at 01.04.2018	-	-	-	-	139.50	-	150.09	-	289.59
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Total comprehensive income during the year	-	-	-	-	-	-	(61.29)	-	(61.29)
Balance as at 31.03.2019	-	-	-	-	139.50	-	88.80	-	228.30

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 12: BORROWINGS

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Non-Current		
Unsecured Loan		
- From Director/Shareholders	37.28	37.28
Total (A)	**37.28**	**37.28**
- From Ultimate Holding Company	30.00	30.00
Total (B)	**30.00**	**30.00**
Grand Total (A+B)	**67.28**	**67.28**

CLASSIFICATION 1

Secured	67.28	67.28
Unsecured	**67.28**	**67.28**

CCN Multinet Pvt. Ltd. Hathway RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 13 :TRADE PAYABLES

		(₹ in Lakh)
	As at 31.03.2019	**As at 31.03.2018**
Non-Current		
Outstanding dues of micro enterprises and small enterprises	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	-	-
TOTAL	-	-
Current		
Outstanding dues of micro enterprises and small enterprises	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises		
- For Goods, Services and Expenses	169.38	366.23
- For Capital Goods	267.39	269.05
TOTAL	**436.77**	**635.28**

Hathway CCN Multinet P. Ltd. ★ RAIPUR

ADB & COMPANY ★ F.R.N.-005536C ★ RAIPUR (C.G.) ★ CHARTERED ACCOUNTANTS

Contd..12.

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 14 : OTHER CURRENT LIABILITIES

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
- Expenses & Statutory Dues Payable	3.80	
- Advance from Customers	46.01	30.83
- Advance from Staff	-	0.46
- Salary Payable	4.69	4.84
TOTAL	**54.49**	**36.13**

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 15 : PROVISIONS

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
- Provision for Income Tax	-	14.07
- Statutory Dues		
a) Service Tax and Swatch Bharat Cess	-	18.54
b) VAT	-	4.46
c) TDS	27.46	16.09
d) EPF	0.54	1.21
e) ESIC	0.18	0.38
TOTAL	**28.18**	**54.75**

Hathway CCN Multinet P. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 16 : REVENUE FROM OPERATIONS

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Revenue From Operations:		
- Advertisement Income	11.37	5.49
- Placement Charges	244.41	246.74
- Sale of STB	40.50	161.16
- Secondary Point Subs. Income	408.18	432.91
Total	**704.46**	**846.30**

Hathway CCN Multinet P. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 17 : OTHER INCOME

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Income		
Interest Received From Deposits with C.S.P.D.C.L	-	-
Sundry Balances Written Off	0.02	18.34
PFDD Reversal	-	28.11
Prior Period Income	-	-
Total	**0.02**	**46.45**

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 18 : CHANGES IN INVENTORY

	As at 31.03.2019	(₹ in Lakh) As at 31.03.2018
Opening Stock of Set Up Boxes	124.14	-
Add : Purchase of Set Up Boxes	43.00	311.62
Less : Closing Stock of Set Up Boxes	132.16	124.14
Total	**34.98**	**187.48**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

Contd..17..

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 19 : OPERATIONAL EXPENSES

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Pay Channel Expenses	337.22	114.46
Feed Expenses	80.18	169.03
Technical Know How Charges	64.80	43.39
Entertainment Tax	-	-
Cassetes & Tapes	-	-
Lease Line Charges	(0.06)	18.72
Line & Dish Maintenance	20.02	21.41
Subscription Charges (NSD Boxes)	-	0.85
Pole Rent	12.00	13.61
Total	**514.16**	**381.48**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 20 : EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Salary, Wages, Allowances, Bonus etc.	96.18	93.72
Canteen & Creche	-	-
Contribution to P.F. & Other Funds	-	-
Ex-Gratia	-	-
Grants to Schools & Institutions	-	-
Gratuity	-	-
Hire Charges of Bus, Ambulance etc.	-	-
Leave Encashment	-	-
Medical Expenses for existing employees	-	-
Medical Expenses for retired employees	-	-
Performance Related Pay	-	-
Power - Township	-	-
Sports & Recreation	-	-
VRS	-	-
Workman Compensation	-	-
Other Staff Welfare Expenses	3.30	3.89
	99.47	**97.61**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 21 : FINANCE COSTS

		(₹ in Lakh)
	As at 31.03.2019	As at 31.03.2018
Interest Expenses		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Others	5.17	3.23
Total (A)	**5.17**	**3.23**
Dividend on redeemable preference shares (B)	-	-
Exchange difference regarded as an adjustment to borrowing costs (C)	-	-
Other Borrowing Cost		
Bank Commitment and Allocation Charges	1.00	0.10
Total (D)	**1.00**	**0.10**
Total (A+B+C+D)	**6.17**	**3.33**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 22 : DEPRECIATION, AMORTISATION, IMPAIRMENT EXPENSE

(₹ in Lakh)

	As at 31.03.2019	As at 31.03.2018
Depreciation	62.40	64.08
Preliminary Expenses Written Off	-	-
Total	**62.40**	**64.08**

RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 23 : OTHER EXPENSES

(₹ in Lakh)

	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Auditor's Remuneration	1.80	1.80
Commission on Advertisement	-	1.52
Conveyance Expenses	2.77	1.26
Freight & Octroi	0.13	0.60
Guest House Rent Charges	1.91	1.52
Guest House Running Expenses	0.57	0.79
Legal & Professional Charges	9.97	3.72
Office Expenses	3.34	5.56
Office Rent	14.63	12.82
Penalty on Service Tax	-	0.00
Postage & Courier	1.68	1.29
Printing & Stationery	1.67	1.04
Provison for Bad and Doubtful Debts	14.06	0.00
Repairs & Maintanance Expenses	15.66	14.21
Security Charges	2.16	2.32
Telephone Charges	2.24	1.85
Travelling Expenses	5.11	5.42
Vehicle Running & Maintainance	6.48	6.87
Water Charges	1.60	0.89
Penalty on Taxes	0.36	3.44
Penalty on ESIC & PF	-	2.11
Total	**86.13**	**69.04**

Hathway CCN Multinet Pvt. Ltd. RAIPUR

ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED

(A Subsidiary of Hathway Digital Private Limited)

NOTES TO THE ACCOUNTS

NOTE - 24 : CURRENT TAX

(₹ in Lakh)

	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Current Year	-	14.07
Deferred tax	(53.17)	3.77
MAT Credit Entitlement	-	-
Earlier Years	-	-
Total	**(53.17)**	**17.84**

HATHWAY CCN MULTINET PRIVATE LIMITED / A/C YEAR : 2018-19

(A Subsidiary of Hathway Digital Private Limited)

25.a 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.

25.b 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, 2019		March 31, 2018		Fair value hierarchy
	Carrying values	Fair value	Carrying values	Fair value	
Financial assets					
Measured at amortised cost					
Trade receivables	259.78	259.78	438.69	438.69	Level 3
Loans and Advances					
Other Loans	-	-	-	-	
Cash and cash equivalents	48.00	48.00	41.02	41.02	Level 3
Bank Balances					
Financial liabilities					
Trade payables	436.77	436.77	635.28	635.28	Level 3

Contd.....24....

ADB & COMPANY F.R.N. - 005533C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED / A/C YEAR : 2018-19

(A Subsidiary of Hathway Digital Private Limited)

(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 partywill 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.

	As at 31-03-2019	As at 31-03-2018
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	302.29	467.14

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

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, 2019	Less than 1 Yea	1 to 5 year	Total
Non-Derivatives			
Trade payables	133.09	303.68	436.77
Other financial liabilities			-
	133.09	**303.68**	**436.77**

As at March 31, 2018	Less than 1 Yea	1 to 5 year	Total
Non-Derivatives			
Trade payables	213.53	421.75	635.28
Other financial liabilities			-
	213.53	**421.75**	**635.28**

Contd.....25....

ADB & COMPANY F.R.N.-005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED // A/C YEAR : 2018-19
(A Subsidiary of Hathway Digital Private Limited)

25.01 As per Accounting Standard 18 issued by Institute of Chartered Accountants of India, the disclosure of transaction with related parties as defined in Accounting Standard are given below:

A) List of related parties with whom transactions have taken place and relationship:

S.N.	Name of Related Party	Relationship
1.	Shri Gurmeet Singh Bhatia	Director
2.	Shri Sudhir Sarin	Director
3.	Shri Giriraj Garg	Director
4.	Shri Abhishek Agrawal	Director
5.	Shri Mayur Govindbhai Kanani	Director
6.	Shri Dulal Banerjee	Director
7.	Shri Sanjay Khanna	Director
8.	Shri Sunil Sethi	Director
9.	Shri Rajesh Kumar Mittal	Director
10.	Hathway Digital Private Limited, Mumbai (Formerly known as Hathway Datacom Central Pvt Ltd)	Immediate Holding Company
11.	Hathway Cable & Datacom Ltd., Mumbai	Ultimate Holding Company
12.	Hathway Cable & Datacom Ltd., New Delhi	Branch of Ultimate Holding Company
13.	Hathway CBN Multinet Private Limited., Bhilai	Enterprise Over which Key Management Personnel exercise significant influence.
14.	Hathway CCN Entertainment (I) Private Limited., Bilaspur	Enterprise Over which Key Management Personnel exercise significant influence.
15.	Hathway Bhaskar CCN Multi Entertainment Private Limited Korba	Enterprise Over which Key Management Personnel exercise significant influence.

B) Transactions with related parties for the year ended March 31, 2019 (₹ in Lacs)

Particulars	Holding	Associate	Key Management Personal and their relatives	Total
Placement Income (Net of Tax)	84.37 (84.23)	- (-)	- (-)	84.37 (84.23)
Subscription (Net of Tax)	80.18 (169.03)	- -	- -	80.18 (169.03)
Purchase of Setup Box	42.50 (309.81)	- (-)	- (-)	42.50 (309.81)
Sale of Setup Box	- (-)	- (31.23)	- (-)	- (31.23)
Advance Given	- (-)	- (32.16)	- (-)	- (32.16)
Technical Know How	64.80 (38.99)	- (-)	- (-)	64.80 (38.99)
Repayment of Trade Liability	- (133.30)	- (34.81)	- (-)	- (167.81)
Lease Line Exp	- (-)	- (18.72)	- (-)	- (18.72)

Figures in ( ) relates to previous year

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ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

HATHWAY CCN MULTINET PRIVATE LIMITED // A/C YEAR : 2018-19

(A Subsidiary of Hathway Digital Private Limited)

C)Balance with related Parties as at March 31, 2019

(₹ in Lacs)

Particulars	Holding	Associate	Key Management Personal and their relatives	Total
Trade Receivable	- (144.37)	158.67 (133.68)	- (-)	158.67 (278.05)
Loans & Advances	- (129.08)	0.64 (0.64)	- (-)	0.64 (129.72)
Payable for Capital Goods	253.41 (248.66)	-	-	253.41 (248.66)
Trade Payable	- (-)	- (69.71)	- (-)	- (69.71)
Long Term Borrowings	30.00 (30.00)	- -	37.28 (37.28)	67.28 (67.28)
Expenses Payable	62.58 (287.33)	1.46 (1.46)	- (-)	64.04 (288.79)

Figures in ( ) relates to previous year

25.02. No provision in the books of accounts has been made for post employment and other long term employee benefit as required in Ind AS -19 "Employee Benefit".

25.03. Auditor's Remuneration is as under:

Particulars	Current Year (₹)	Previous Year (₹)
For Audit (Excl. GST)	1,80,000/-	1,80,000/-
Total:	**1,80,000/-**	**1,80,000/-**

25.04 Contingent Liabilities :- Service Tax - show cause notice of Rs, 9,00,528/- vide No. V9ST)15-135/ADC/Bhi-I/2012/Adj/4342 dated 18.04.2012 and penalty with interest thereon and on disallowance of CENVAT credit of Rs. 27,78,964/- and TDS Rs.10,30,242/- subject to reconciliation and rectification.

25.05 As per Accounting Standard 17 issued by Institute of Chartered Accountants of India, no specified segment can be identified which have different risk and returns hence no separate reporting under the same has been made.

25.06 Dues to Micro Small & Medium Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

The company has not received any memorandum (as required to be filed by the supplier with the notified authority under the Micro, Small and Medium Enterprises Act, 2006) claiming their status as on 31st March, 2018 as Micro, Small or Medium Enterprises. Consequently the amount paid/payable to these parties during the year as NIL.

ADB & COMPANY F.R.N.-005593C RAIPUR CHARTERED ACCOUNTANTS

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HATHWAY CCN MULTINET PRIVATE LIMITED // A/C YEAR : 2018-19
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25.07 OTHERS

In the opinion of the management, the Current Assets, Loans, Advances & Deposits approximately of the value stated if realized in the ordinary course of business & provisions for all known liabilities are adequate and not in excess of amount considered necessary and that no personal expenses have been charged in the account except those payable under contractual obligations.

In opinion of the Board :

All known liabilities have been provided for.

All material items have been disclosed in the financial statement

There are no material changes in accounting policies as compared to previous year.

Prior period items and extra ordinary items which are material and if any, are disclosed separately.

25.08 Figures of previous Year have been regrouped, rearranged wherever necessary to confirm to this year's classification.

Note – 1 represents Corporate Information, Note-2 represents Significant Accounting Policies, Note 3 to 15 forms part of Balance Sheet as at 31st March, 2019 and 16 to 24 form part of Statement of Profit & Loss for the year ended 31st March, 2019 and Note 25 represents Additional Notes to Ind AS Financial Statements.

AS PER OUR REPORT OF EVEN DATE,

For, A D B & Company.
Chartered Accountants,
ICAI FRN 005593C

A D B & COMPANY F.R.N. - 005593C RAIPUR (C.G.) CHARTERED ACCOUNTANTS

(Rajesh Kumar Chawda)
Partner
Membership No. 405675

For and on behalf of Board

(Mayur Govindbhai Kanani)
Director
DIN 06590372

(Sanjay Khanna)
Director
DIN 07188097

PLACE : RAIPUR
DATED : 14 .04.2019