Date: 14th September, 2018

| | |
|---|---|
| To,<br>The Listing Department<br>The National Stock Exchange of India Limited<br>Plot no. C/1, G Block, Bandra Kurla Complex,<br>Bandra (East), Mumbai 400 051<br>NSE Trading Symbol: HATHWAY | To,<br>The Corporate Relationship Department<br>BSE Limited<br>P.J. Towers, 1st Floor,<br>Dalal Street,<br>Mumbai – 400 001<br>BSE Security Code: 533162 |

**Dear Sir(s)/Madam,**

**Sub.: Submission of Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2017-18.

Request you to take the same on record and oblige.

Thanking you,

Yours faithfully
**FOR HATHWAY CABLE AND DATACOM LIMITED**

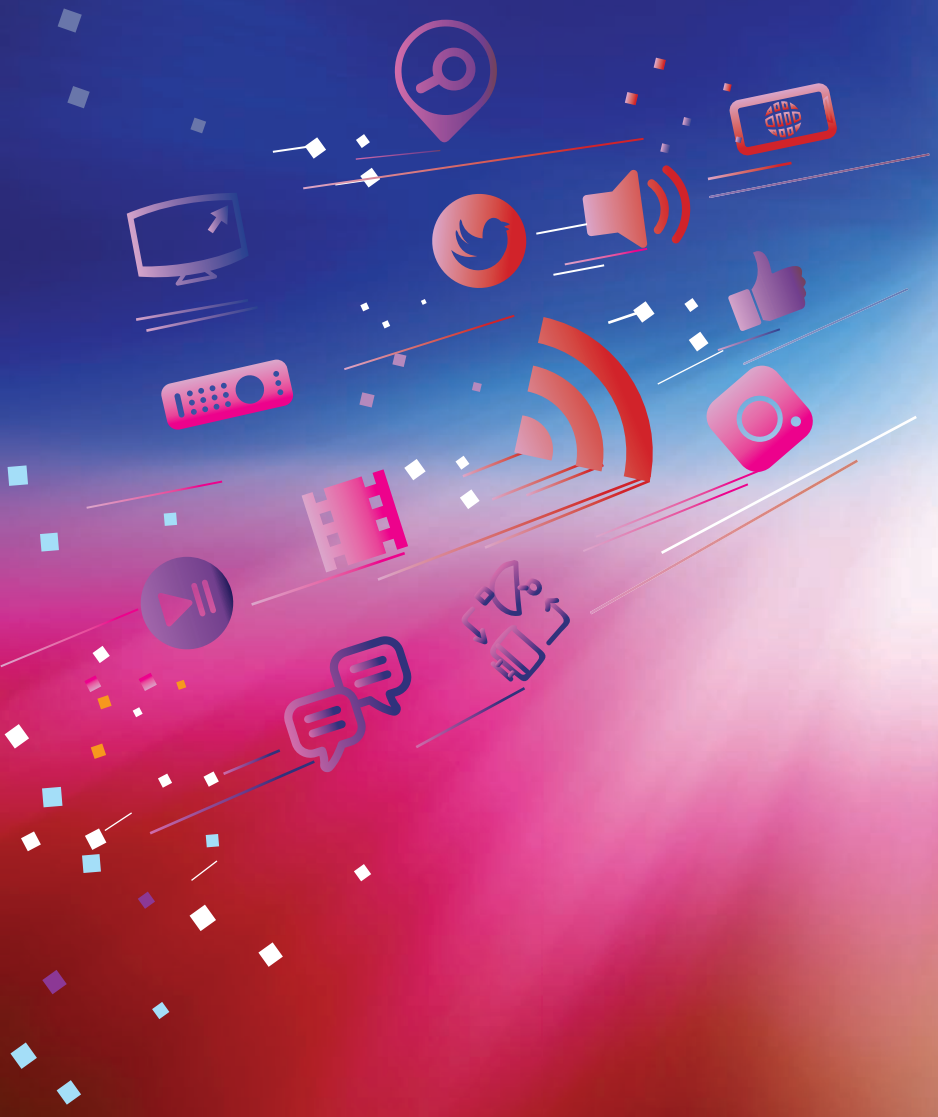
HATHWAY CABLE AND DATACOM LTD. MUMBAI

**Ajay Singh**
*Head Corporate Legal, Company Secretary and Chief Compliance Officer*
FCS No. 5189

Encl: As above

# Speeding on...

## Into the Future



hathway
Broadband Internet
THE INTERNET OF TOMORROW, TODAY

**Hathway Cable and Datacom Limited**
58th Annual Report 2017-18

# A quick glance


Corporate Information 01

Speeding on... Into the Future 02

Communiqué from the MD 04

Check out the engine...
That powers our speed 07

Upping the ante...
With the Broadband of the future 08

Powered to speed on... 11

Where speed is of essence... 15

Ramping up customer engagement 17

Scaling customer experience... 19

Cable Television – Overview 21

Speeding up the regional connect 22

Speeding into the future with number excellence 23

Awards galore 24

Notice 25

Directors' Report 30

Management Discussion and Analysis 69

Report on Corporate Governance 76

Standalone Financial Statements 89

Consolidated Financial Statements 149




Visit
https://www.hathway.com

The Company's official website to download the Annual Report.

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Sridhar Gorthi**
DIN: 00035824
Chairman and Independent Director

**Mr. Rajan Raheja**
DIN: 00037480
Non-Executive Director

**Mr. Akshay Raheja**
DIN: 00288397
Non-Executive Director

**Mr. Viren Raheja**
DIN: 00037592
Non-Executive Director

**Mr. Rajan Gupta**
DIN: 07603128
Managing Director

**Mr. Vinayak Aggarwal**
DIN: 00007280
Non-Executive Director

**Mr. Sasha Mirchandani**
DIN: 01179921
Independent Director

**Mr. Devendra Shrotri**
DIN: 02780296
Independent Director

**Ms. Ameeta Parpia**
DIN: 02654277
Independent Director

## HEAD CORPORATE LEGAL, COMPANY SECRETARY AND CHIEF COMPLIANCE OFFICER

**Mr. Ajay Singh**
FCS No.: 5189

## CONTACT US

Tel No.: (022) 67742500/26001306
Fax No.: (022) 67742400/26001307
Website: www.hathway.com
Email: info@hathway.net

## REGISTERED OFFICE

"Rahejas", 4th Floor,
Corner of Main Avenue &
V. P. Road, Santacruz (W),
Mumbai - 400 054.
CIN: L64204MH1959PLC011421

## CORPORATE OFFICE

805/806, Windsor, 8th Floor,
Off CST Road,
Kalina, Santacruz East,
Mumbai - 400 098.

## STATUTORY AUDITORS

Nayan Parikh & Co.
Chartered Accountants

## SECRETARIAL AUDITORS

Rathi and Associates
Company Secretaries

## COST AUDITORS

Ashok Agarwal & Co.
Cost Accountants

## INTERNAL AUDITORS

Ernst & Young LLP

## ADVOCATES AND SOLICITORS

Trilegal (Mumbai)

## BANKERS

Axis Bank Limited

IDFC Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

## REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400 083
Tel: (022) 49186000
Fax: (022) 49186060
Website: https://www.linkintime.co.in

Connectivity has taken on a new meaning. Transformation is picking up speed. And the future is coming forward, with extraordinary rapidity, to embrace the present.

We are moving aggressively into the future, as we get ready to take off to the next level of growth and expansion.



***Moving forward***
***with greater momentum***
***and energy.***

***Surging ahead***
***with more dynamism***
***and vigour.***

***And speeding on***
***with an unprecedented force.***

***We are getting bigger, broader and closer to our customers than ever before!***

**Join us on this fast-paced journey, so that together we can cross new milestones of success, as we Speed on… into the Future.**

# Communiqué from the MD



"Hathway stands at the forefront of the technological revolution sweeping the digital bandwidth of the country"

**Dear Valued Shareholders,**

Our Company broadly experienced a favourable macroeconomic environment in FY 2018. Economic environment recovered quite well from the disruption caused by demonetisation, which was undertaken in FY 2017 and the teething issues of Goods and Services Tax (GST) introduced during the current year.

We continue to benefit from the current Government focus on Digital India with the Government taking forward significant investment in Bharatnet and Government's focus on overall strengthening policy framework for broadband and Pay TV industry.

Digitally connected homes are having a profound impact on social, industrial and economic transformation happening around us. We are experiencing explosion of data which is leading to rapid shift in customer purchase and usage behaviour across products and services. This was evident by increase in our average data consumption per customer per month which has reached to 103 GB per month in FY 2018.

Financially, strategically and operationally FY 2018 was a successful year for Hathway. We delivered strong financial results, improving Consolidated Operating EBIDTA by 70% year-on-year (YoY) and improving consolidated PAT by ₹ 88 Cr.

The mobile telecom industry faced an extraordinarily turbulent year in India through unprecedented disruption. Price per GB for mobility data reduced by around 90% for retail customers. While it helped in growing mobility data consumption by six times, it also provided much cheaper options to our extremely low usage home broadband customers thereby creating short-term stress on our revenue and EBIDTA. While we expect this stress to last for another 12 months, which is the time being taken for realigning our customer base to high data guzzling users. We are also sure that this new mobility structure will ultimately help in the growth of home broadband. We already see early signs of mobility customers sampling low price data on mobility and then shifting to home broadband for binge watching their favourite OTTs and for overall much better user experience.

Investment for the future, transforming customer service experience and cost optimisation were the key drivers for Hathway story in FY 2018.

### Investment for the future

**Broadband**

FTTH

Your Company's strategic and early investment in FTTH has positioned it well to benefit from the immense opportunities that lie ahead. This enables us to give speed up to 1 GBPS on current ARPU (Average Revenue Per User) levels while still growing current EBIDTA levels. Apart from upgrading existing home passes, we also launched 0.8 Mn new home passes through focus on rapid network expansion. This best-in-class FTTH launch provided us with long-term opportunities for subscribers, revenue growth and outstanding customer experience.

### Growth in the share of high data usage customers

Our share of >80 GB monthly data usage customers in overall base increased from 11% to 55%. This happened on the basis of us adding free additional data limits of 200 GB/month to 1 TB/month based on consumption trends. To ensure great customer experience and make it commercially viable, we invested in world-class data centre, evolved peering and caching solutions and formed alliances with Content providers for hosting their servers in our data centre.

We believe this focus on increasing data consumption and focus on heavy data users will be a good source of revenue growth in medium-to-long term.

### Pay TV

We continue to invest in improving customer experience in Phase III and Phase IV of Pay TV markets by seeding high quality boxes and continuous focus on increasing the number of channels. This has helped us increase Phase III and Phase IV ARPU by 45% in FY 2018 and this will remain a key enabler for growth in FY 2019 as well.

In Phase I and Phase II markets, we are investing in transforming customer-viewing experience by introducing low price-high quality HD boxes. This has picked up pace in Q4 FY 2018 and will be a big driver in FY 2019.

### Transforming customer service experience

We continue our focus on making lives of our customers easier by increasing their broadband speed and by offering value-added services.

Through focus on network upgradation, we have doubled the speed for our customers in majority of key markets, allowing us to eliminate digital divide for erstwhile slow speed customers.

On value-added services, we launched our easy-to-use, low cost home surveillance solution. This allows our customers to monitor their homes online and increase their productivity. We also launched our upgraded Wi-Fi device – a solution that provides our customers with enhanced Wi-Fi signal strength that extends and improves the Wi-Fi signal throughout the customers' home.

### Cost optimisation

With an objective of taking cost leadership in the wireline market, we started several projects to identify and remove out waste from our business.

This primarily happened through reduction of the organisational layers from 9 to 5 and removal of duplicate processes and automation. This is demonstrated by the fact that we delivered approximately ₹ 50 Cr. in Opex. cost savings in FY 2018.

Hathway today is very different from the traditional cable company that we were five years ago. We have strengthened our Cable Television base, have diversified successfully and profitably into high-speed broadband business and we are also more competitive and resilient. We have increased our focus on creating exceptional customer experiences that sets us apart from competition. While our transformation continues, I am confident that a strong foundation is in place to evolve our business to the next level and thrive in this digital world.

We enter FY 2019 energised, enthusiastic and purposeful as we embrace many opportunities given by digitally-connected world.

On behalf of all of us at Hathway, thank you for your continued trust and support.

Thank You,

**Rajan Gupta**
Managing Director


Once upon a time, there were only bullock carts, which trudged slowly along from one place to another, taking days to cover a few miles.
Then came the engine, and suddenly the world started moving faster.

# Check out the engine... That powers our speed

**If there is one component that really powers the speed of a vehicle, it is the engine. The engine at the Company, is the organisational core which we are continuously building, transforming and scaling to embrace the future, packed with exciting new possibilities of accelerated growth.**

It is an organisational core built through long years of hard work, determination which now extends across 16 cities with its broadband presence.

The Company stands tall as one of the largest wireline Internet Service Providers in India, driven by the vision – "to be a single point access provider, bringing into the home and workplace the converged world of information, entertainment and services."

Led by the mission "to provide an incomparable world-class broadband experience to customers", the Company offers a holistic portfolio of high-end products and services to cater to the futuristic needs of its customers.

## Business at a glance

### Broadband

**Hathway Cable and Datacom Limited**
(Stock ticker - BSE: 533162
NSE: HATHWAY Bloomberg: HATH:IN
Reuters: HAWY.NS)

### Cable Television

**Hathway Digital Private Limited**
wholly owned subsidiary

### Strategic Investment

**GTPL Hathway Limited**
Promoter Company and
owns 37.32% stake
(Stock ticker - GTPL
NSE: GTPL BSE: 540602}



# Upping the ante...
# With the Broadband of the future

India is on a Broadband high. And keeping pace with it, is the Company's high-speed Broadband network, having 52% share of the total MSO Broadband market share in the country.

This segment provides high-speed cable Broadband services to four metros and three mini metros, along with nine other cities.

The Company caters to the aspirational new populace of the cities of its Broadband presence, that seeks uninterrupted high-speed connectivity to keep it connected to the world.

**5.2 Mn**
Two-way Broadband homes passed

**13%**
YoY Annual Revenue growth
(FY 2018: ₹ 15,444 Mn)

**30%**
3-Year CAGR of Broadband homes passed and presence in 16 cities (includes 4 metros and 3 mini metros)



Note : All KPI numbers in this Annual Report are ex-GTPL Hathway Limited.

**Up to 500 MBPS**
Maximum speed offered to its customers
(Average of 60 MBPS)

**34%**
3-Year CAGR of Broadband subscribers
(FY 2018: 0.8 Mn)

**0.8 Mn**
Total Broadband customers

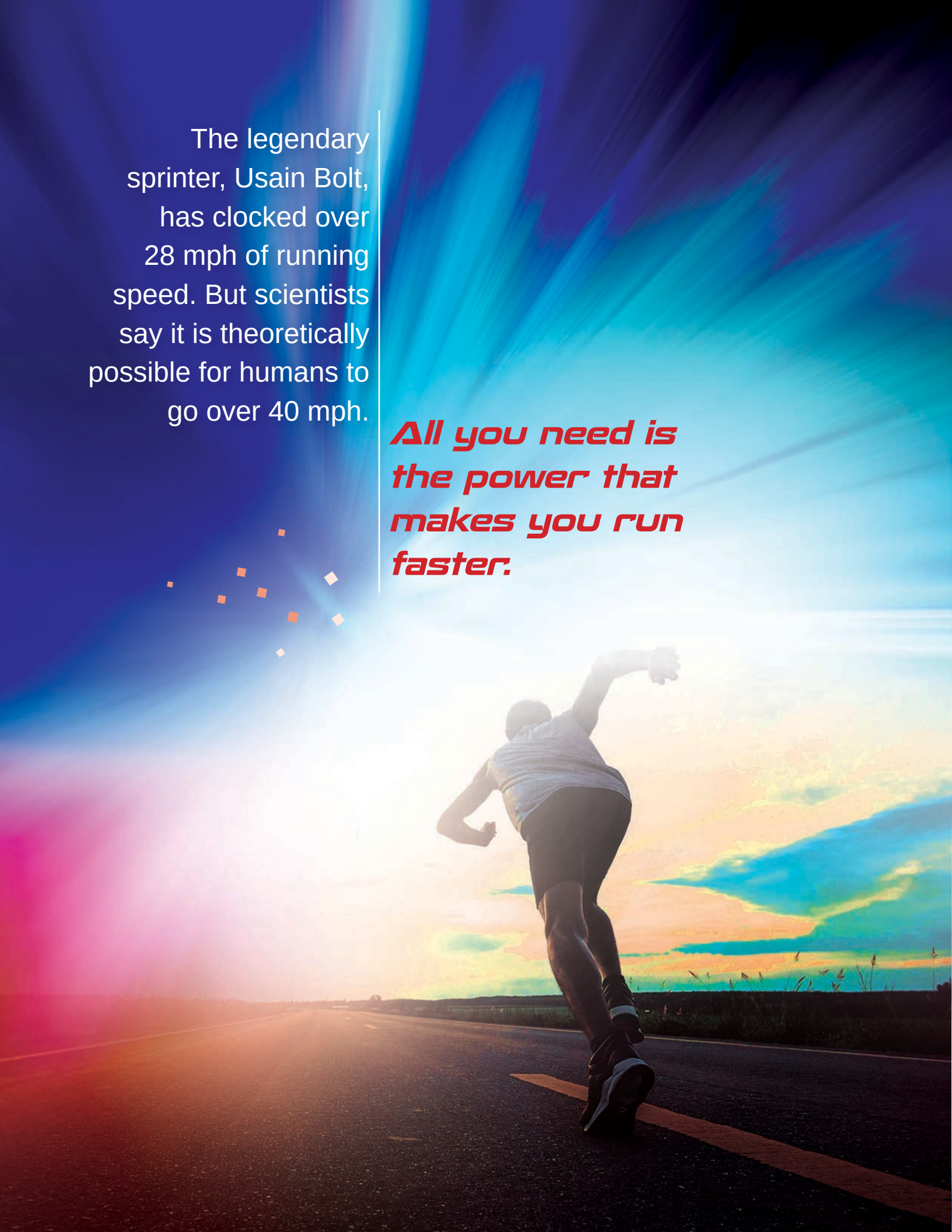
**Up to 1 TB**
Data offered per month / per subscriber
(with average consumption of 103 GB)

**₹ 710**
Average Revenue Per User (ARPU)



The legendary sprinter, Usain Bolt, has clocked over 28 mph of running speed. But scientists say it is theoretically possible for humans to go over 40 mph.

***All you need is the power that makes you run faster.***



# Powered to speed on...

**We are powered to speed on into the future by our differentiated growth strategy. It is a strategy crafted to deliver greater efficiencies, accelerated growth, improved customer experience and higher value to all stakeholders.**

## A growth strategy crafted for the future

### Differentiated customer experience

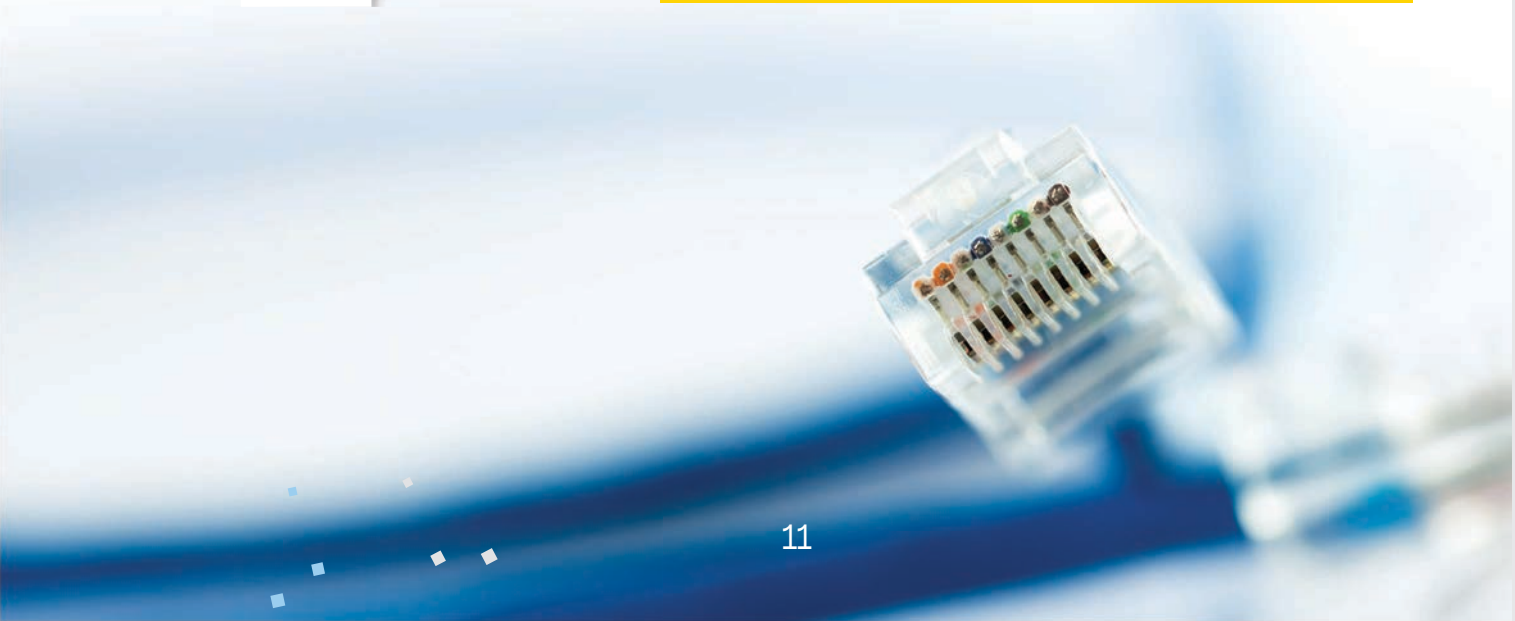
- Trendsetter in broadband industry on Speed, GBs, Price and Value-for-Money equation
- Leverage broadband presence to give differentiated content, services and applications

### Investment for growth

- Increase broadband customer base by increasing penetration in existing geographies

### Transforming costs

- Cost Leadership
  - Shared services model
  - Automation
  - Centralisation / outsourcing





**Fast-tracking into the future with technology**

Our business model is structured around a powerful core of intrinsic strengths, which we are continuously augmenting through strategic investments. Technology has emerged as a key driver of our growth strategy and we have in place, high-end infrastructure that deploys advanced technology and state-of-the-art equipment. Partnering us in this fast-track journey of growth and expansion are several Indian and global technology leaders, who are helping us make our business infra-ready to delight our customers, while speeding up growth in our subscriber base.

## We are the pioneers of high-speed 200-500 MBPS plans using FTTH technology in partnership with ZTE and 50 MPBS plans in India, using DOCSIS-3.0/3.1 technology in partnership with CISCO.

### Optical fibre cable network

Overground
**35,000 Kms**

Leased
**4,000 Kms**

Underground
**500 Kms**

### GPON Technology

Broadband speed
**up to 200-500 MBPS**

Passive Network (No Power)
**VoD, OTT capabilities**

### Others

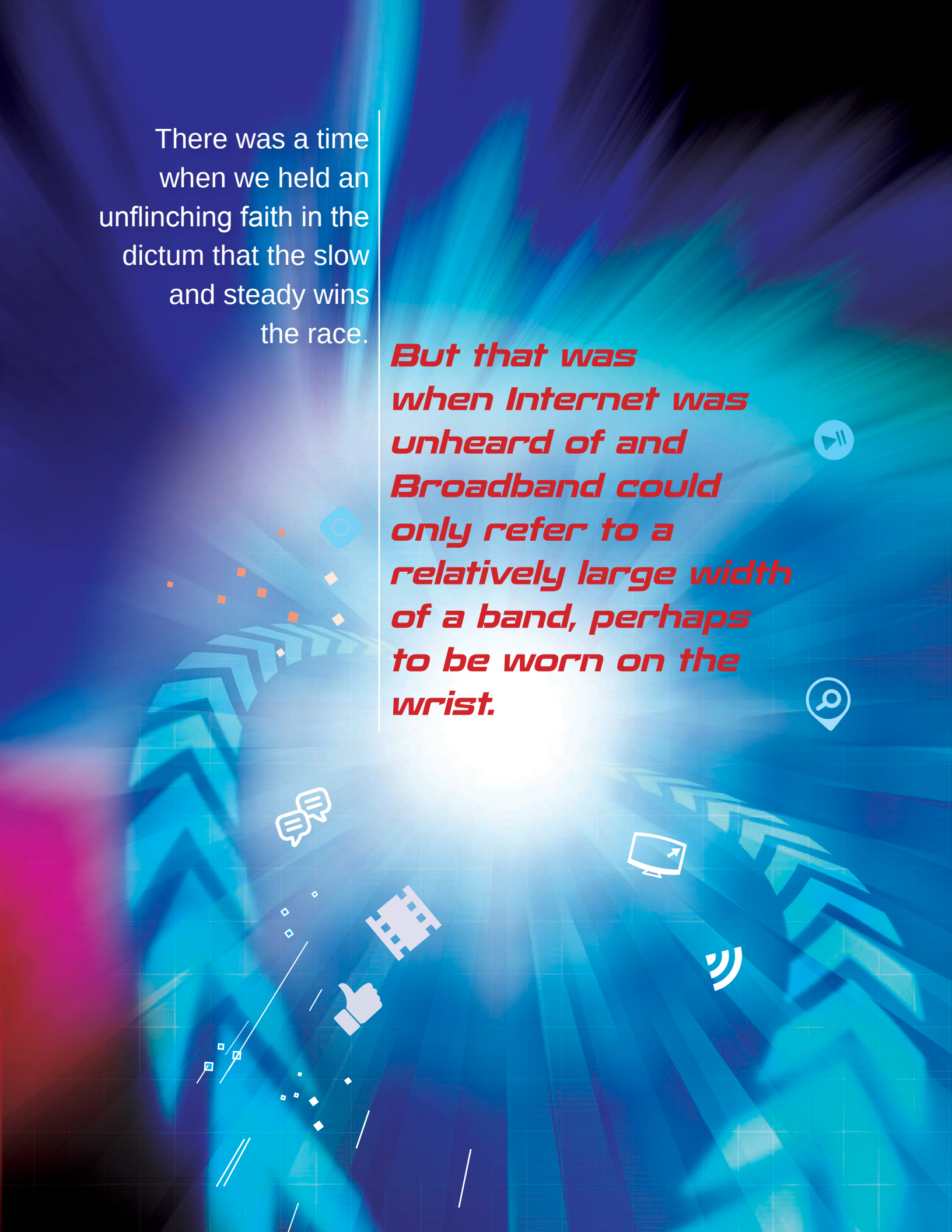
**Modems**

**CAS**

**NOC & OSS**

**ERP, Billing & Revenue Management System**


hathw@y
Broadband Internet
India's Most Loved Broadband
RAJAN GUPTA


There was a time when we held an unflinching faith in the dictum that the slow and steady wins the race.
But that was when Internet was unheard of and Broadband could only refer to a relatively large width of a band, perhaps to be worn on the wrist.

# Where speed is of essence...

**With Internet, came the concept of high-speed communication, which we have taken to new levels with our best-in-class technology initiatives, coupled with unique products and service offerings.**

We are cognizant of the criticality of speed to the success of our Broadband business, in which we have the biggest share of the Indian market pie. We continue to build on this competitive advantage through innovative schemes and plans, backed by technological infrastructure development, year-on-year.

FY 2018 saw us increase the base speed for all customers to 40 MPBS, taking the average speed nationally to 60 MBPS, while enhancing the data limits of all customers by 200 GB per month. Our new data centre and the various alliances we have forged on hosting content servers and peering, caching etc., are steering this game-changing transition, opening new avenues for augmenting customer engagement by offering better value for money.

### Leveraging speed to boost customer loyalty

Taking our speed thrust to a new level, we have further strengthened the value proposition for our customers:

- We have partnered with Microsoft to give 1 TB cloud storage and MS Office package to our year pay term customers on FOC basis. This enables them to download unlimited content on high speed and storing practically unlimited videos and other content
- We have also started deploying GPON Fibre to the Home Services in high potential DOCSIS markets, beginning with South Mumbai and parts of Bengaluru. We are offering 200 MBPS speed with 1000 GB data to our premium customers in these markets, enabling us to increase consumer stickiness and boost revenue as we move faster towards increasing our market share

## Wired for fast-paced growth

**The demand potential for our high-speed wireline Broadband service is manifest in the growth and the average usage is 103 GB per consumer per month. Armed with higher bandwidth and greater speed potential in data transmission, fibre optic cable continues to drive broadband growth across the country and we are ideally positioned to harness this growth opportunity.**

**Our Cable Television business showed an increase in ARPU whereby, ARPU for Phase I and II reached to ₹ 105* and ₹ 108* respectively, while the ARPU for Phase III reached to ₹ 70* as compared to ₹ 50* in the previous year and Phase IV ARPU has reached ₹ 55*, a strong improvement in rates and efficiencies which is clearly visible in this business segment.**

*Excluding taxes.



### Strengthening technological infrastructure

As we accelerate our growth strategy to power future expansion in the Broadband segment, we are completely focussed on strengthening the technological infrastructure across the value chain of this business – from Marketing to Sales, Customer Service, Billing and Collection, Call Centre and Technical Compliance.

- With the adoption of Oracle Billing and Revenue Management system, we have already leapfrogged into the next generation of high-speed growth
- We have launched our self-care app “Hathway Broadband” to provide customers easy access to their data usage pattern and billing cycle, enabling them to seamlessly make online payments

### Speeding up the process of digitisation

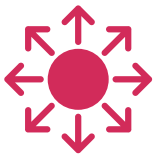
Using digital tools and automation has emerged as a key area of our efforts to strengthen our customer proposition for the future:

- The appointment of TCS as a system integrator to automate various processes and improve quality of service is another significant initiative which we expect to contribute to ring-fencing our high ARPU consumers
- The implementation of our Microsoft world-class CRM solution and chat board are well on track
- We have also partnered with various content providers, education portals and other lifestyle improvement players to create a more experiential interface for our customers
- Our collaborative venture with Yupp TV is providing a host of customer-centric services, while our LCO partnership, facilitated by close coordination between the Broadband and Cable on-ground teams, is co-creating new expansion plans



# Ramping up customer engagement

A diversified channel portfolio with 50+ HD channels, innovative packages customised to local needs, along with pre-paid services for primary subscribers and a unique electronic programme guide (EPG) for easy navigation – these are some of the elements of our customer delight proposition in Cable Television business.



**Increasing speed, improved service and growth in GBs per month are among the initiatives launched to deliver more value to our existing customers across the geographical expanse of the country.**

### Future-forward on the back of technology

Moving forward, we remain focussed on strengthening our customer proposition through more powerful technological initiatives to boost productivity. The roll-out of our FOS Productivity app in the first quarter of FY 2019 is aimed at faster assignment of field complaints to FOS, followed by their speedy resolution. The app will increase the average productive hours per FOS across India.

We are also striving to strengthen the simple SMS technology to close-loop complaints. Use of 2-way SMS will improve customer complaint delivery, with prompt response to customer feedback – the basic pillar of this methodology.

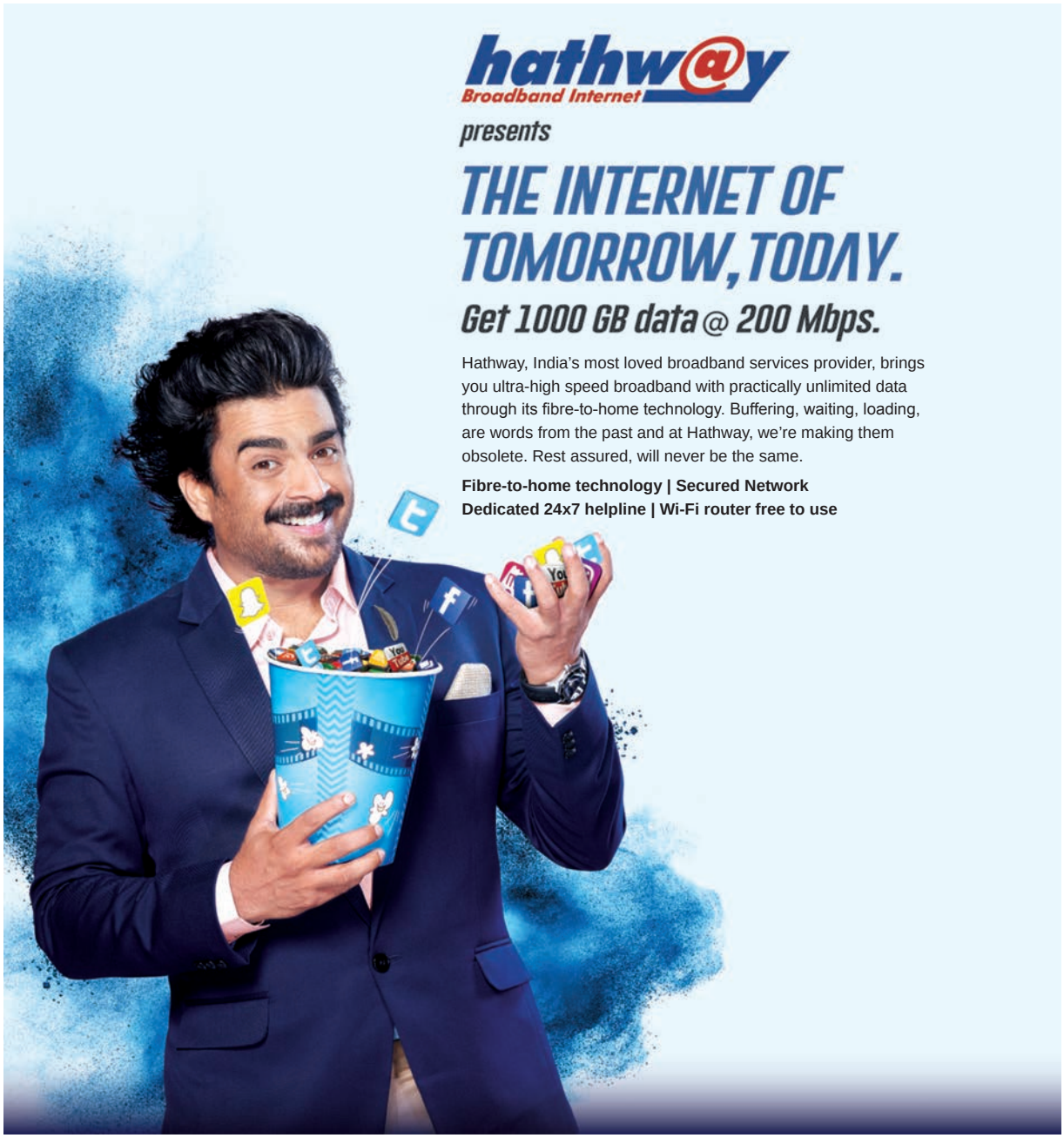
It is our constant endeavour to improve customer interface with the focussed aim of streamlining the payment process, improve self-service and reduce activation times for our customers.

Technological adoption has, in fact, emerged as a way of life at the Company, which has undertaken a series of initiatives over the past six months to reduce TAT and improve online performance. Our technological innovations are facilitating deeper and stronger customer engagement, which we see translating into increased growth and revenues in the future.



**In addition to the Productivity app, we are engaged in key enhancements in our Sales app, along with H-Fibre installation to reduce the turnaround time (TAT), while the shift to a new System Integrator will improve delivery and monitoring process, as well as manageability.**

**With actor R Madhavan donning the mantle of our pan India brand ambassador, we have stepped up the pace of our transition into the Broadband of the future.**




High Speed Broadband available in **Mumbai, Pune, Delhi, Chennai, Hyderabad, Bangalore, Kolkata, Indore, Aurangabad and Surat**.
For more information **visit www.hathway.com**

# Scaling customer experience…

Our Cable Television business offers the dual advantage of the speed of digitisation and the robustness of cable connectivity to scale-up our customer experience manifold. As an early proponent and adopter of digitisation, we have mastered the intricacies of the process of transition through effective monetisation, resulting in significant ARPU increase – right from Phase I to Phase IV of digitisation.

Customer focus remains the key to our growth, amid an increasingly competitive industry landscape. Our business strategy in this segment is centred on retaining customers, propelling incremental growth in EBIDTA quarter-on-quarter, while concurrently ring-fencing all our high ARPU customers.

A de-risked business model is sustaining our growth momentum in this segment, through a combination of steady revenues from customers and broadcasters, as well as limited fixed overheads, backed by higher bargaining power with broadcasters. Our diversified core strengths has enabled Hathway's emergence as one of India's largest MSOs, operating on several head-ends in various geographies around the country.

Content is directly downloaded from broadcasters and transmitted via a robust technological framework to LCOs, or directly to subscribers. Of our total digital base of 7.2 Mn subscribers, we have 0.35 Mn primary subscribers, spread across 350+ cities, while the remaining are managed through LCOs.



**Of our total digital base of 7.2 Mn subscribers, we have 0.35 Mn primary subscribers, spread across 350+ cities, while the remaining are managed through LCOs.**



Imagine yourself in the midst of an exciting, action and speed-packed movie when the signal goes off your Set Top Box, leaving you staring at the blank screen of your Television.

**Fortunately, Cable Television is free from such disruptions, triggered by erratic weather or other obstructions.**



# Cable Television – Overview

hathway CONNECT
MUNAFEWALI PARTNERSHIP

## Cable Television

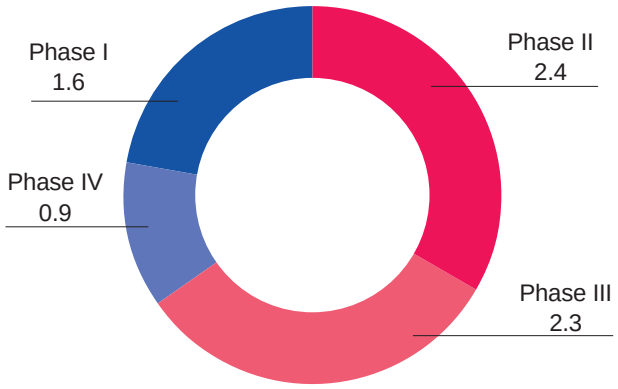
**7.2 Mn STBs**

**2/3rd Base Served through Hathway Connect**

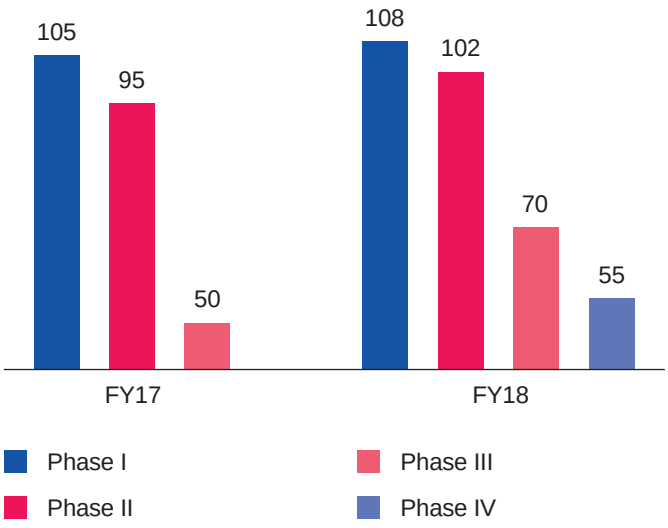
**55% Online Collection**

**350+ Presence in cities and major towns**

## Cable Television STBs (Mn)




## Cable Television Exit ARPU (₹)



# Speeding up the regional connect

Our strategic investment in GTPL Hathway Limited focusses on expanding faster, in the high-potential regional Cable Television markets. With 37.32% stake in GTPL Hathway Limited, the Company is powering the growth of this cable subsidiary in the niche regional markets of its presence through cutting-edge technologies and customised content.

GTPL Hathway Limited is today a leading regional Multi System Operator, offering cable television as well as broadband services in select markets of the country, where it holds a strong leadership position at the back of its hi-tech edge and service excellence.



**GTPL Hathway Limited owns and operates 26 channels, offering localised, regional content across the complete gamut of genres, ranging from culture, films, music to religion and education.**







**GTPL Hathway Limited is the #1 MSO in Gujarat. As of March 2018, the total market share was 67% in Gujarat and 24% in Kolkata with 8.7 Mn boxes seeded as part of Cable Television and 1.3 Mn broadband Home Passes with an active broadband subscriber base of 0.28 Mn.**

### Moving seamlessly with speed

GTPL Hathway Limited is one of the leading and largest MSO in India, with presence in, over 11 states, foraying into Digital Cable Television and Broadband businesses. It also has 26 indigenous cable channels being run on its platform. The Cable Television services are catered through main state-of-the-art head-end set-up at Ahmedabad and 4 support head-ends with a network of approximately over 20,000 Kms of Optical Fibre Cable spread across India reaching to over 500+ cities and 8.7 Mn households.

# Speeding into the future with number excellence

### Consolidated Revenue (Incl. Other Income)

**FY18**
**₹ 15,444 Mn**

FY17 ₹ 13,682 Mn

### Consolidated EBITDA

**FY18**
**₹ 3,454 Mn**

FY17 ₹ 2,205 Mn

### Broadband Homes Passed

**FY18**
**5.2 Mn**

FY17 4.4 Mn

### Broadband Subscribers

**FY18**
**0.8 Mn**

FY17 0.6 Mn

### Cable Television Digital Subscribers

**FY18**
**7.2 Mn**

FY17 7.2 Mn

# Awards galore

**Hathway was bestowed with two Awards for its Annual Report 2016-17, at the LACP 2016/17 Vision Awards – an Annual Report Competition, organised by the 'League of American Communication Professionals, USA' (LACP).**

**The forum appreciates the best-in-class practices within the publications industry, while recognising those who demonstrate exemplary communications capabilities. It witnesses participation of hundreds of companies across the world, including some of the Fortune 500 firms.**

**Recognised for developing one of the Top 100 Reports Worldwide ranking at #18 among all reports reviewed during the year.**







**Platinum Award presented for excellence within its industry for the Annual Report 2016-17.**

# NOTICE

**NOTICE is hereby given that the Fifty Eighth Annual General Meeting of the Company will be held on Tuesday, September 11, 2018 at 3:00 p.m. at ISKCON's Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai – 400049, to transact the following business:**

**ORDINARY BUSINESS:**

**1. To receive, consider and adopt:**

(a) Standalone Financial Statements for the year ended 31st March, 2018 comprising of the Audited Balance Sheet as at 31st March, 2018 and the statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with Report of Directors and Auditors thereon;

(b) Consolidated Financial Statements for the year ended 31st March, 2018 comprising of the consolidated Audited Balance Sheet as at 31st March, 2018 and consolidated statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with Report of Auditors thereon;

**2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 read with rules thereunder, Mr. Vinayak Aggarwal (DIN 00007280), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as Non-Executive Director of the Company."

**SPECIAL BUSINESS:**

**3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014 (including any subsequent amendment/modification thereof) or any other law for the time being in force and upon recommendation of the Audit Committee of Board of Directors of the Company, M/s. Ashok Agarwal & Co., Cost Accountants, (Firm Registration No. 000510), appointed as the Cost Auditors of the Company by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year 2018-19 at a remuneration of ₹ 5,75,000/- (Rupees Five Lakh Seventy Five Thousand only) plus reimbursement of out of pocket expenses, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

**Ajay Singh**
**Head Corporate Legal,**
**Company Secretary &**
**Chief Compliance Officer**
FCS NO: 5189

**Place :** Mumbai
**Date :** May 28, 2018

**Registered Office**
Rahejas, 4th Floor,
Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai 400054
CIN: L64204MH1959PLC011421
Tel No. 022-26001306
Fax No. 022-26001307
Mail: info@hathway.net
website: www.hathway.com

**NOTES:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, to vote instead of himself/herself and such proxy need not be a member of the Company.
2. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the meeting. Proxies submitted on behalf of the Companies must be supported by appropriate resolution/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate Members intending to send their Authorised Representatives to attend the Annual General Meeting ("AGM") are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the AGM.

5. Any member proposing to seek any clarification on the accounts is requested to send the queries to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.

6. Pursuant to the amendment to the section 139 of the Companies Act, 2013, effective from 7th May, 2018, the ratification of the appointment of auditors by the members at every Annual General Meeting has been done away with. Accordingly, the ratification of appointment of M/s. Nayan Parikh & Co., Chartered Accountants, who were appointed as the Statutory Auditors at the Fifty Seventh Annual General Meeting held on 15th September, 2017, for a period of 5 years, is not required at the ensuing Annual General Meeting.

7. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM as per provisions of Section 171 and Section 189 of the Companies Act, 2013 respectively.

8. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, for Special Business, setting out all material facts and the statement of particulars of directors seeking re-appointment, are annexed hereto.

9. Members are requested to bring their copy of Annual Report and attendance slip to the meeting.

10. The Annual Accounts of the Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder during working hours for a period of twenty-one days before the date of AGM.

11. Hard copy of the details of accounts of subsidiaries required by any shareholders can be obtained with a written request to the Company Secretary of the Company at the Registered Office of the Company.

12. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of AGM.

13. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold in physical form are requested to write their folio number in the attendance slip.

14. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent in respect of shares held in physical form and with respective Depository Participants (DP) where the shares are held in dematerialised form. Shareholders holding shares in physical form can send their email address for registration to **rnt.helpdesk@linkintime.co.in** quoting the Folio Number and Name of the Company.

15. The Annual Report and other documents will also be available on the Company's website www.hathway.com. The Company will be sending physical copy of Annual Report and other documents to all shareholders whose email address is not available with the Company. You may, anytime, request a printed copy of the Annual Report and other documents from the Company in spite of having registered under E-Communication facility.

16. The Company is providing facility for voting by electronic means and the business may be transacted through e-voting.

17. The facility for voting through ballot or polling paper shall be made available at the meeting and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

(i) The voting period begins on **Saturday, September 8, 2018 at 10:00 am** and ends on **Monday, September 10, 2018 at 5:00 pm**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Tuesday, 4th September, 2018** may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the address sticker / Attendance slip indicated in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Hathway Cable and Datacom Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians resectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of **Tuesday, 4th September, 2018**.

Mr. Himanshu S. Kamdar, Practicing Company Secretary (Membership No. 5171) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared after the conclusion of the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hathway.com and on the website of CDSL. The results will also be communicated to the Stock Exchanges on which the Company's equity shares are listed.

By Order of the Board

**Ajay Singh**
**Head Corporate Legal,**
**Company Secretary &**
**Chief Compliance Officer**
FCS NO: 5189

**Place :** Mumbai
**Date :** May 28, 2018

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

The Board of the Directors of the Company as per the recommendation of the Audit Committee, has approved the appointment of M/s. Ashok Agarwal & Co., Cost Accountants, (Firm Registration No. 000510), as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year 2018-19 and also approved the remuneration of ₹ 5,75,000/- (Rupees Five Lakh Seventy Five Thousand only) to be paid to him.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, it is proposed to seek approval of the members by passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested financially or otherwise in the above resolution.

By Order of the Board

**Ajay Singh**
**Head Corporate Legal,**
**Company Secretary &**
**Chief Compliance Officer**
FCS NO: 5189

**Place :** Mumbai
**Date :** May 28, 2018

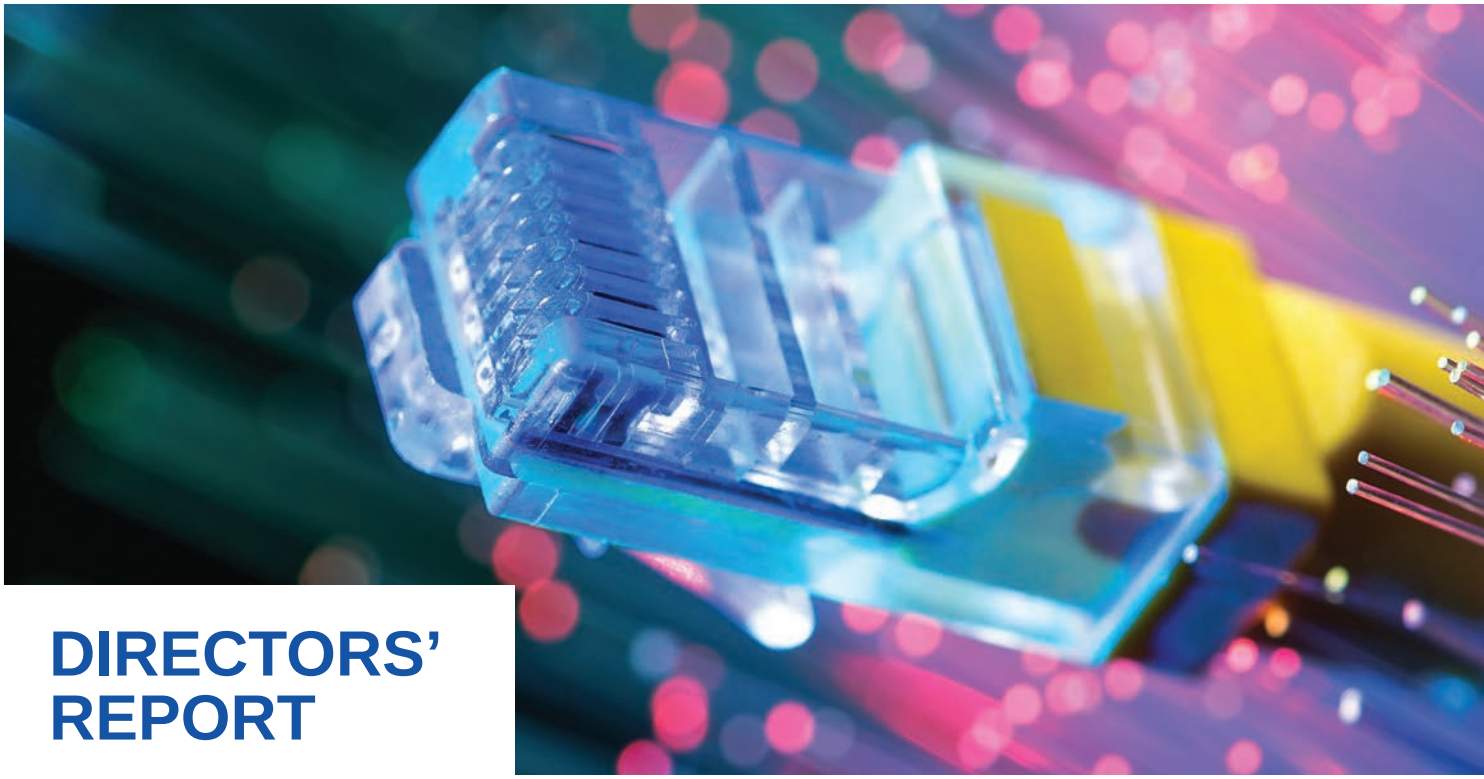
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website: www.hathway.com

## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 58TH ANNUAL GENERAL MEETING

| Name of Director | Mr. Vinayak Aggarwal |
|---|---|
| Date of Birth | 12/04/1969 |
| Nationality | Indian |
| Date of Appointment on the Board | 04/06/1996 |
| Qualification | B. Com, ICWA and Diploma from IIM, Ahmedabad |
| Expertise in Specific Functional Area | More than two decades of work experience in Project Appraisal, Mergers and Acquisitions, Treasury Operations, etc. |
| Number of shares held in the Company | NIL |
| Disclosure of relationships between directors inter-se | -- |
| Names of listed entities in which the director holds the directorship and the membership of the Committees of the Board | • **Listed entities in which the director holds the directorship**<br>a) Hathway Cable and Datacom Limited<br>• **Listed entities in which the director holds the membership of the Committees of the Board**<br>b) **Hathway Cable and Datacom Limited**<br>Stakeholders' Relationship Committee-Chairman<br>Investment and Loan Committee-Member<br>Finance Committee-Chairman<br>Business Responsibility Committee- Chairman<br>Corporate Social Responsibility Committee-Member<br>Administrative-Cum-Regulatory Committee-Member |

## ROUTE MAP FROM VILE PARLE RAILWAY STATION TO ISKCON, JUHU





# DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 58th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

## 1. FINANCIAL AND OPERATION OVERVIEW:

### a. Financial Highlights:

Your Company's performance during the year ended 31st March, 2018 as compared to the previous financial year, is summarised as below:

(₹ in Crores)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| **Particulars** | **2017-18** | **2016-17** | **2017-18** | **2016-17** |
| Operating & Other Income | 556.51 | 1330.50 | 1544.36 | 1368.23 |
| Earnings before interest, depreciation, amortisation, exceptional item, share of profit of associates and JVs & taxes | 236.98 | 259.93 | 345.37 | 220.56 |
| Finance Cost | 78.34 | 110.30 | 152.76 | 110.75 |
| Depreciation & Amortisation | 97.19 | 300.76 | 334.70 | 305.75 |
| Exceptional Items | (16.21) | 3.49 | 5.34 | 0.74 |
| Share of profit / (loss) of an associate and joint ventures | - | - | 39.13 | 2.89 |
| Provision for Taxation – Current Tax & Deferred Tax | - | - | 0.44 | 0.34 |
| Net Profit/(Loss) | 77.66 | (154.62) | (107.86) | (193.45) |
| Other Comprehensive Income/(Loss) | 1.26 | 0.31 | 2.65 | 0.26 |
| **Total Comprehensive Income/(Loss)** | **78.92** | **(154.31)** | **(105.21)** | **(193.19)** |

During the year under review, the total income of your Company was ₹ 556.51 Crores on a standalone basis and ₹ 1544.36 Crores on a consolidated basis as compared to the previous financial year's total income of ₹ 1330.50 Crores on a standalone basis and ₹ 1368.23 Crores on a consolidated basis. For the financial year under review, the Company has earned net profit of ₹ 78.92 crores on a standalone basis reflecting a significant growth of 151.00% as against net loss of



₹ 154.31 crores in the previous financial year. During the year under review, the net loss of the Company was ₹ 105.21 crores compared to ₹ 193.19 crores in the previous financial year on a consolidated basis.

As of closing hours of 31st March 2017, the Company had transferred its Cable Television business through slump sale to its wholly owned subsidiary, Hathway Digital Private Limited. Hence the standalone numbers for the current financial year are not comparable with the standalone numbers of previous financial year.

### b. Operational Highlights:

During the year under review, the broadband business has performed exceptionally well. The new upgraded technology DOCSIS 3.1, advent of GPON Fiber to the home, delighting customers with enhanced data limits and efficient customer services have helped your Company reach 5th position in cable wireline broadband. (Source TRAI - The Indian Telecom Services Performance Indicators - Jan - Mar, 2018)

Your Company has carved out its Cable Television business and transferred it to its wholly owned subsidiary – Hathway Digital Private Limited (f.k.a Hathway Datacom Central Private Limited), through slump sale as of closing hours of March 31, 2017. Hathway Digital Private Limited (HDPL) is now, one of the largest MSO with 7.2 Mn digital subscribers which are spread across pan India. HDPL has made concentrated efforts to accelerate monetisation across all the phases.

During the year, the focus has been on monetisation of Phase III and IV in Cable Television Business and to increase Broadband foot prints through, network expansion in Chennai, Indore and Kolkata.

GTPL Hathway Limited, one of the Joint ventures of your Company, has been successfully listed on BSE Limited and National Stock Exchange of India Limited on 4th July, 2017. Your Company had offered sale of 7.2 Mn shares in the Initial Public Offer (IPO) and money received from such sale of shares has been used for repayment of debt. Post the IPO, the Company now holds 37.32% in GTPL Hathway Limited.

**BROADBAND BUSINESS:**

Due to constant focus on network expansion, your Company has added 0.8 Mn Home Pass during the year, reaching 5.2 Mn Home Pass at the end of the year under review.

India has around 17.96 Mn wireline broadband subscribers as on 31st March, 2018 (As per revised definition i.e. a Broadband customer is a customer having minimum speed of 512 kbps). Comparing the trend on year on year basis, the wireline broadband number has declined by 0.28 Mn subscribers (March 2017 18.24 Mn) [Source -TRAI report December 2017]. However, your Company has added 0.16 Mn customers during the year. Customers increasingly prefer wireline broadband as it allows online media consumption and seamless accessibility of data to multiple devices while at home.

As of 31st March, 2018, your Company has 0.80 Mn broadband subscribers with ARPU of ₹ 710/. With high quality and high capacity Hybrid Fiber Coaxial (HFC) Network, your Company is well placed to garner a larger share of high speed broadband market.

Your Company is providing services in all 4 metros and all major mini metros with latest addition of ultra-high speed **'GPON FTTH'** technology in South and West regions. Your Company is the first MSO to provide GPON FTTH service to retail customers. GPON FTTH facilitates data speed up to 1 Gbps and the equipment and network is designed to provide data speed upto 1 Gbps without any incremental investment. Your Company currently offers data speed up to 200 Mbps – 500Mbps to premium customers and provides data limit up to 1 Terabytes per customer per month (PCPM).

The average download PCPM has now increased to 103 GB / PCPM which clearly shows the consumption pattern shift from the small screen to larger screen.

We continue to upgrade our Docsis 3.0 customers to 3.1 and at the same time GPON FTTH parallel network is being deployed in high potential Docsis home passes. This increases the opportunities to increase market share by offering 200-500 Mbps speed to premium customers.

The customer consumption habits have changed and their experience of watching content has been enhanced in last 3 years due to abundant availability of regional content and content provided by Over The Top (OTT) players such as Netflix, Hotstar, Voot, Zee5, Sun Nxt, Yupp TV etc. This allows your customers to watch media content on the larger screen without compromising on the speed.

Your Company is equipped with technical upgrades that can provide speed up to 1 Gbps with nearly unlimited data access (upto 1024 GB/PCPM) at any point of time without any further investment or increase in cost.

Our National brand ambassador is versatile and popular actor R. Madhavan, he has added star power to drive the broadband business. He is a well-known actor and has been among the early movers in digital phenomenon and we are extremely proud to have him as the face of our brand.

**CABLE TELEVISION BUSINESS:**

Your company's footprints through its 100% wholly owned subsidiary i.e. HDPL in DAS III and IV market has now started getting monetised. During the year, in the Phase III and IV market the ARPUs have significantly increased to ₹ 70/- from ₹ 50/- last year and subsequently the Phase IV ARPUs have now reached ₹ 55/- which has resulted in healthy growth in subscription revenue.

The Company's online portal "Hathway Connect" has been implemented in 2/3rd of our customer base and 55% of payment by LCOs and primary subscribers are now paid online. This creates stability in business and increase in collection efficiency to 98%.

### New regulation

With reference to the new regulations i.e. Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 (The Regulations), the Telecommunications (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 (The Tariff Order) and The Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017 (QOS) brought in by the Sector Regulator-Telecom Regulatory Authority of India and notified on 3rd March, 2017, which were stayed, have now, post the Order by majority pronounced by the Hon'ble High Court of Madras on 2nd March, 2018 and 23rd May, 2018 have been vacated, where it was pending for hearing.

The Madras High Court after hearing all parties to the Writ Petition vide its majority view, has rejected the plea of Star India Private Limited and Vijay Television Private Limited and held that the challenge to the Regulation and Tariff Order by the above Broadcasters should fail.

These regulations envisage sweeping changes in the existing model and is expected to benefit all the stakeholders in the value chain (viz) Broadcaster, MSO, LCO and Customer. The proposed regulation is the outcome of several issues arising out of flaws and imbalances in the erstwhile regulatory regime which was skewed in favour of the broadcaster and LCO.

### IT & Other initiatives

To serve our growing customer base and taking the lead for future your Company has taken various initiatives on backend IT support.

The Company has tied up with Tata Consultancy Service (TCS) as Implementation Partners to automate various functions/processes and to improve the Quality of services.

To support "Digital India" Flag ship campaign and for customer convenience, your company has promoted the "Go Cashless" options by encouraging online payment options including a tie up with digital wallet platforms to encourage LCOs and the Subscribers to pay online. Due to these initiatives we now receive 70% of our Broadband collections online and 55% of our Cable television business collections online.

The Company is focusing constantly on utilisation of technology to automate its processes across functions to achieve cost optimisation.

### c) Consolidated Accounts:

The consolidated financial statements of your Company for the financial year 2017-2018 are prepared in compliance with applicable provisions of

the Companies Act, 2013, Indian Accounting Standards ("Ind AS") notified u/s 133 of the Companies Act, 2013 and relevant rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)) as prescribed by the Securities and Exchange Board of India.

### d) Report on performance of subsidiary companies, associate companies and joint ventures:

A statement containing the performance and financial position of each of the subsidiaries, associates and joint ventures for the financial year ended 31st March, 2018 is given pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 (including any subsequent amendment thereof) in AOC-1 in **Annexure - I** to this report.

**Details of Companies/entities which have become or ceased as subsidiary company, associates and joint ventures, during the year under review, are as under:**

| Name of the Company | Relationship with the Company | Details of changes | Date of change |
|---|---|---|---|
| *GTPL Hathway Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Anjali Cable Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Solanki Cable Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Zigma Vision Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL SK Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Video Badshah Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Broadband Private Limited (f.k.a GTPL Kutch Network Private Limited) | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL City Channel Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL SMC Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Surat Telelink Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Vidarbha Telelink Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Space City Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Vision Services Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Narmada Cyberzone Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Shivshakti Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Link Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL VVC Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Blue Bell Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Parshwa Cable Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Insight Channel Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Kolkata Cable & Broadband Pariseva Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |

| Name of the Company | Relationship with the Company | Details of changes | Date of change |
|---|---|---|---|
| GTPL Dahod Television Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Jay Santoshima Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Sorath Telelink Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| Gujarat Telelink East Africa Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Shiv Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL DCPL Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Bansidhar Telelink Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Sharda Cable Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Ahmedabad Cable Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| DL GTPL Cabnet Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL V & S Cable Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Video Vision Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| Vaji Communication Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL KCBPL Broad band Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Junagadh Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Deesha Cable net Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Kaizen Infonet Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Meghana Distributors Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Abhilash Communication Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Chelikam Networks (India) Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| Vizianagar Citi Communications Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL Jay Mataji Network Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| GTPL TV Tiger Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| DL GTPL Broadband Private Limited | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 04.07.2017 |
| Hathway Patiala Cable Private Limited (f.k.a. Hathway Sukhamrit Cable and Datacom Private Limited) | Subsidiary Company | Ceased to be Subsidiary Company of the Company | 31.03.2018 |

**GTPL Hathway Limited is now an Associate Company.*

** During the financial year 2017-18, the investment in equity shares of Hathway Patiala Cable Private Limited (f.k.a. Hathway Sukhamrit Cable and Datacom Private Limited) was classified as investment in Joint Venture. However, the management no longer intends to exercise its influence in operations of Hathway Patiala Cable Private Limited. Accordingly, such interest in Hathway Patiala Cable Private Limited has been reclassified and measured as financial assets in terms of IndAS 109 and hence ceases to be a subsidiary company.

The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

### e) Management Discussion and Analysis:

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure and development, business overview, financial performance review in broadband business, key growth drivers, opportunities and threats, risks and concerns, internal control systems and its adequacy.

### f) Dividend:

Considering the losses incurred during the year under review, your directors have not recommended any dividend for the financial year under review. However, as per Regulation 43A of SEBI (LODR), the Company has formulated Dividend Distribution Policy, which can be accessed through web link http://www.hathway.com/About/Policies

### g) Transfer to reserves:

In view of losses incurred during the year under review, your Directors have not recommended transfer of any amount to reserves during the financial year under review.

### h) Revision of financial statement:

There was no revision of the financial statements for the year under review.

### i) Deposits:

Your Company has not accepted any public deposits during the year under review within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

### j) Disclosure of Internal Financial Controls:

Your Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. Your Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Your Company uses an enterprise resource planning (ERP) system to record data for accounting and management information purposes and connects to different locations for efficient exchange of information. Your Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, process and operating level standard operating procedures. It has continued its efforts to align all its processes and controls with global best practices.

The entity level policies include code of conduct, whistle blower policy and other polices (like organisation structure, insider trading policy, HR policy, Electronic Communication policy and Forex policy). The Company has also prepared Risk Control Matrix (RCM) for each of its processes like procure to pay, order to cash, treasury, fixed assets, inventory etc.

The Management Audit Team (MAT) had conducted a review and evaluated the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company. Management testing has been conducted on a sample basis for Revenue ISP, Expenses and payables, Fixed Assets, Inventory, Procure to pay processes, Borrowings, Investments, Leases, Forex Exposure and Hedging, Compliances, Related Party, Consolidation, Retirement Benefit, Finalisation, Loans & Advances, Contingent Liability and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. A summary of operating controls covered during the year are as follows:

| Sr. No. | Particulars | No. |
|---|---|---|
| 1 | Total controls | 1158 |
| 2 | Controls verified | 1103 |
| 3 | % of coverage | 96 |

During the year, no reportable material weakness in design and effectiveness was observed.

Based on the above, the Management believes that adequate Internal Financial Controls exist in relation to its Financial Statements.

### k) Particulars of loans, guarantees, investments and securities:

As per Section 186 (11)(a) read with Schedule VI of the Companies Act, 2013, since the Company qualifies to be the Company providing infrastructural

facilities, it is exempted from the applicability of Section 186 except for sub-section (1) of section 186 of the Companies Act, 2013. Accordingly, disclosure of details with respect to investment made, loan given, guarantee given and security made during the financial year 2017-18 in terms of Section 186(4) of the Companies Act, 2013 is not applicable.

## 2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Vinayak Aggarwal (DIN: 00007280), shall retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Your Directors recommend the same for your approval.

In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors are liable to retire by rotation.

Mr. Vineet Garg resigned as Chief Financial Officer (Key Managerial Personnel) of the Company w.e.f May 15, 2018.

### b. DECLARATION BY INDEPENDENT DIRECTORS:

Your Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

## 3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### a. BOARD MEETINGS:

The Board of Directors of the Company met 7 (seven) times during the financial year ended 31st March, 2018 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors of the Company met during the financial year under review are as under:

| Sr. No. | Date of Meeting |
|---|---|
| 1. | 30th May, 2017 |
| 2. | 21st July, 2017 |
| 3. | 10th August, 2017 |
| 4. | 15th September, 2017 |
| 5. | 2nd November, 2017 |
| 6. | 22nd December, 2017 |
| 7. | 12th February, 2018 |

### b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2018, the Board of Directors of the Company hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for that year;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### c. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors have in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining credentials, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Personnel. **Annexure-II** to this report provides Nomination and Remuneration Policy.

### d. AUDIT COMMITTEE:

The scope and terms of reference of the Audit Committee is in accordance with section 177 of the Companies Act, 2013, Audit Charter adopted by the Board of Directors in their meeting held on 11th February, 2015 and the applicable provisions of SEBI (LODR).

The Audit Committee as on the date of this report comprises of:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Mr. Sridhar Gorthi | Chairman |
| 2 | Mr. Viren Raheja | Member |
| 3 | Mr. Sasha Mirchandani | Member |
| 4 | Mr. Devendra Shrotri | Member |
| 5 | Ms. Ameeta Parpia | Member |

During the year under review, the Board of Directors of the Company accepted all the recommendations of the Committee.

### e. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013, the Company has Stakeholders' Relationship Committee of Board of Directors comprising of the following as on the date of this report:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Mr. Vinayak Aggarwal | Chairman |
| 2 | Mr. Viren Raheja | Member |
| 3 | Mr. Rajan Gupta | Member |

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

### f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company have pursuant to the provisions of Section 178(9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, framed "Vigil Mechanism Policy" for directors and employees of the Company. The said policy provides a mechanism which ensures adequate safeguard to employees and directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/ grievance to the Chairman of the Audit Committee.

Your Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

### g. RISK MANAGEMENT POLICY:

The Board of Directors of the Company have designed Risk Management Policy and guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

### h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013 and any subsequent amendment thereof, the Board of Directors have constituted Corporate Social Responsibility (CSR) Committee. However, since the Company has no profits in the immediately preceding 3 (three) financial years, no amount was required to be spent for corporate social responsibility activities. However, the Company voluntarily spends on various social causes. The CSR Policy of the Company is available on the Company's website and can be accessed in the link provided herein below:

http://www.hathway.com/assets/InvFile/HCDL_CSR_Policy.pdf

### i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The performance of the Board of Directors and its Committees, Individual Directors and Chairman was evaluated and the same was recorded as satisfactory. The manner of performance evaluation was carried as set out in Nomination and Remuneration Policy.

### j. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION AMENDMENT RULES, 2016:

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review and Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is given in **Annexure - III.**

### k. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Board of Directors of the Company have complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

## 4. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

### a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018:

The report of Statutory Auditors on accounts for the year ended 31st March, 2018 forms part of the financial statement. The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board of Directors under Section 134(3) of the Companies Act, 2013.

### b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2018:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. Rathi and Associates, Company Secretaries had been appointed to issue Secretarial Audit Report for the financial year 2017-18.

Secretarial Audit Report issued by M/s. Rathi and Associates, Company Secretaries in Form MR-3 for the financial year 2017-18 forms part to this report and the same is attached as **Annexure - IV**. The said report does not contain any qualification, reservation or adverse remark and therefore do not call for any further explanation or comments from the Board of Directors under Section 134(3) of the Companies Act, 2013.

### c. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting held on 28th May, 2018, appointed M/s. Ashok Agarwal & Co, Cost Accountants, as the Cost Auditors of the Company for the financial year 2018-19. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM would not be exceeding ₹ 5,75,000/- (Rupees Five Lakh Seventy Five Thousand only) plus reimbursement of out of pocket expenses plus applicable taxes, if any. The Cost Audit Report will be filed within the stipulated period of 180 days from the closure of the financial year.

## 5. OTHER DISCLOSURES

### A) OTHER DISCLOSURES AS PER PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 ARE FURNISHED AS UNDER:

#### a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92(3) of the Companies Act, 2013 is attached as **Annexure -V** which forms part of this Report.

#### b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure - VI** which forms part of this Report.

#### c. RELATED PARTY TRANSACTIONS:

During the financial year 2017-18, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014 and any amendment thereof, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder and Regulation 34(3) and 53(f) and Schedule V of SEBI (LODR). During the financial year 2017-18, there were no transactions with related parties which qualify as material transactions under the applicable provisions of Companies Act, 2013 and SEBI (LODR).

d. **CORPORATE GOVERNANCE: (Applicable to Companies giving remuneration as per Section II of Schedule V):**

| Particulars | Rajan Gupta |
|---|---|
| All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors **(Applicable only in case of Managing Director)** | ₹ 21,916,092* |
| Details of fixed component and performance linked incentives along with the performance criteria | Fixed: ₹ 19,853,092*<br>Variable: ₹ 2,063,000 |
| Service contracts, notice period, severance fees | - |
| Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable | - |

**Includes provident fund of ₹ 665,520/-*

## B) BUSINESS RESPONSIBILITY REPORT

As stated under Regulation 34(2)(f) of SEBI (LODR), since the Company falls under top 500 listed entities based on market capitalisation, as on 31st March, 2018, your Company is required to prepare the Business Responsibility Report covering key principles on areas like environment, social, governance, stakeholders' relationships etc. and should form part of the Annual Report. As per SEBI's Press Release No. 283/2015, the Business Responsibility Report can be given on the website of the Company, as a green initiative and a website link for the same can be given in Annual Report.

In accordance with the aforesaid, your Company has published the Business Responsibility Report on its website which can be accessed through web link http://www.hathway.com/About/AnnualReport

## 6. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. Issue of sweat equity shares to employees of the Company as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
4. Issue of equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
5. Instances of exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
6. Payment of remuneration or commission from any of its holding or subsidiary companies to the Managing Director of the Company.
7. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
8. Cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
9. There were no frauds reported by the auditor of the Company pursuant to sub-section 12 of section 143 of the Companies Act, 2013.

## 7. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions, Regulatory bodies and Central and State Governments for their consistent support and encouragement to the Company.

**For and on behalf of the Board**

**Rajan Gupta**
Managing Director
DIN 07603128

**Vinayak Aggarwal**
Director
DIN 00007280

Place : Mumbai
Date : 28th May, 2018

**Registered Office**
Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai 400054
CIN: L64204MH1959PLC011421
Tel No. 022-26001306 Fax No. 022-26001307
Mail: info@hathway.net
website: www.hathway.com

## ANNXEXURE I

## AOC-1

### Part - A

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES, PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**Reporting period : 01/04/2017 to 31/03/2018 & Reporting Currency in INR**

**(₹ In Crore unless otherwise stated)**

| Sr. No. | Name of the Subsidiary | Note | Date of Acquisition | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Channels India Network Pvt. Ltd. | | 20/04/1995 | 0.09 | (1.41) | 0.02 | 1.34 | - | 0.00 | - | - | - | NA | 95.63 |
| 2 | Vision India Network Pvt. Ltd. | | 07/04/1998 | 0.09 | (2.15) | 0.01 | 2.07 | - | 0.00 | - | - | - | N.A | 100.00 |
| 3 | Liberty Media Vision Pvt. Ltd. | | 07/04/1998 | 0.01 | (2.28) | 0.07 | 2.35 | - | - | (0.00) | - | (0.00) | N.A | 100.00 |
| 4 | Ideal Cables Pvt. Ltd. | | 07/04/1998 | 0.08 | (0.85) | 0.00 | 0.78 | - | 0.04 | 0.04 | - | 0.04 | NA | 100.00 |
| 5 | Hathway Channel 5 Cable & Datacom Pvt. Ltd. | | 07/04/1998 | 0.49 | (0.14) | 4.17 | 3.81 | - | 0.00 | (0.31) | - | (0.31) | N.A | 51.00 |
| 6 | Bee Network & Communication Pvt. Ltd. | | 07/04/1998 | 0.10 | (1.44) | - | 1.34 | - | 0.00 | - | - | - | NA | 100.00 |
| 7 | Elite Cable Network Pvt. Ltd. | | 07/04/1998 | 0.06 | (0.08) | - | 0.02 | - | 0.00 | - | - | - | NA | 80.00 |
| 8 | Binary Technology Transfers Pvt.Ltd. | | 07/04/1998 | 0.01 | (1.64) | 0.02 | 1.65 | - | 0.07 | 0.07 | 0.01 | 0.06 | NA | 100.00 |
| 9 | Hathway Media Vision Pvt. Ltd. | | 13/08/1998 | 0.07 | (0.14) | 5.14 | 5.22 | 1.85 | 0.08 | (0.29) | - | (0.29) | N.A | 100.00 |
| 10 | UTN Cable Communications Pvt.Ltd. | | 31/05/1999 | 0.76 | (15.93) | 7.37 | 22.54 | - | 7.15 | (4.82) | (0.05) | (4.77) | N.A | 100.00 |
| 11 | ITV Interactive Media Pvt. Ltd | | 09/09/1999 | 0.08 | (0.50) | 0.03 | 0.45 | - | 0.00 | - | - | - | N.A | 100.00 |
| 12 | Chennai Cable Vision Network Pvt. Ltd. | | 30/09/1999 | 0.18 | (2.18) | 0.00 | 2.00 | - | 0.00 | - | - | - | NA | 75.99 |
| 13 | Win Cable & Datacom Pvt. Ltd. | | 15/03/2000 | 0.20 | (19.90) | 0.52 | 20.22 | - | 0.00 | (0.00) | - | (0.00) | N.A | 100.00 |
| 14 | Hathway Space Vision Cabletel Pvt. Ltd. | | 15/03/2000 | 0.01 | (1.05) | 0.00 | 1.04 | - | 0.00 | - | - | - | NA | 100.00 |
| 15 | Hathway Software Developers Pvt.Ltd. | | 21/03/2000 | 0.76 | (7.73) | 10.38 | 17.35 | 0.00 | 4.74 | (4.06) | (0.06) | (4.00) | N.A | 100.00 |
| 16 | Hathway Nashik Cable Network Pvt. Ltd. | | 17/06/2000 | 0.05 | (10.41) | 0.03 | 10.40 | - | 0.00 | (0.60) | - | (0.60) | N.A | 90.06 |
| 17 | Hathway Cnet Pvt. Ltd. | | 27/07/2000 | 0.10 | (0.53) | 0.02 | 0.45 | - | 0.00 | - | - | - | NA | 100.00 |
| 18 | Hathway United Cables Pvt. Ltd. | | 01/12/2000 | 0.01 | (0.17) | 0.03 | 0.18 | 0.00 | 0.00 | (0.00) | - | (0.00) | NA | 100.00 |
| 19 | Hathway Internet Satellite Pvt. Ltd. | | 01/01/2001 | 0.01 | (1.64) | 0.03 | 1.66 | - | 0.07 | 0.07 | 0.01 | 0.06 | NA | 100.00 |
| 20 | Hathway Krishna Cable Pvt. Ltd. | | 22/07/2002 | 7.81 | (14.80) | 8.26 | 15.26 | 0.00 | 9.38 | (6.29) | (0.12) | (6.18) | N.A | 100.00 |
| 21 | Hathway Mysore Cable Network Pvt. Ltd. | | 29/11/2003 | 1.04 | (14.81) | 4.08 | 17.84 | 0.00 | 3.96 | (4.71) | 0.02 | (4.73) | N.A | 100.00 |
| 22 | Hathway Prime Cable & Datacom Pvt. Ltd. | | 03/02/2006 | 0.45 | (0.52) | 0.23 | 0.31 | - | 0.00 | (0.14) | (0.01) | (0.12) | N.A | 51.00 |
| 23 | Hathway Gwalior Cable & Datacom Pvt. Ltd. | | 01/05/2007 | 0.01 | (0.58) | 0.07 | 0.64 | - | 0.10 | 0.09 | - | 0.09 | N.A | 100.00 |
| 24 | Hathway Digital Saharanpur Cable and Datacom Pvt. Ltd. | | 01/03/2008 | 0.02 | (4.20) | 0.62 | 4.80 | - | 0.00 | (0.01) | - | (0.01) | N.A | 51.00 |
| 25 | Hathway Enjoy Cable Network Pvt. Ltd. | | 07/06/2007 | 0.01 | (0.01) | 0.01 | 0.01 | - | 0.00 | (0.00) | - | (0.00) | N.A | 100.00 |

| Sr. No. | Name of the Subsidiary | Note | Date of Acquisition | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26 | Hathway JMD Farukhabad Cable Network Pvt. Ltd. | | 01/05/2007 | 0.01 | (0.01) | 0.01 | 0.00 | - | 0.00 | - | - | - | N.A | 100.00 |
| 27 | Hathway Kokan Crystal Cable Network Pvt. Ltd. | | 01/11/2011 | 0.15 | 1.20 | 5.31 | 3.96 | - | 3.32 | (0.95) | (0.33) | (0.62) | N.A | 96.36 |
| 28 | Hathway Latur MCN Cable & Datacom Pvt. Ltd. | | 15/01/2008 | 0.10 | 0.21 | 2.29 | 1.99 | - | 4.14 | 0.16 | 0.19 | (0.03) | N.A | 51.00 |
| 29 | Hathway MCN Pvt. Ltd. | | 01/06/2007 | 1.89 | 5.03 | 15.48 | 8.57 | 0.41 | 18.50 | (0.98) | (0.17) | (0.81) | N.A | 51.00 |
| 30 | Hathway Sonali OM Crystal Cable Pvt Ltd | 1 & 7 | 01/06/2008 | 0.10 | (18.59) | 2.97 | 21.46 | - | 2.33 | (0.60) | - | (0.60) | N.A | 68.00 |
| 31 | Hathway ICE Television Pvt Ltd | | 15/10/2007 | 0.20 | (0.81) | 1.04 | 1.65 | - | 0.00 | (0.01) | 0.00 | (0.01) | N.A | 51.00 |
| 32 | Hathway Digital Private Limited (Formerly known as Hathway Datacom Central Private Limited) | 3 | 31/12/2007 | 355.79 | (190.22) | 1,540.46 | 1,374.90 | 14.56 | 995.17 | (178.74) | - | (178.74) | N.A | 100.00 |
| 33 | Net 9 Online Hathway Pvt Ltd | 5 | 01/03/2008 | 0.01 | 1.94 | 3.53 | 1.58 | - | 8.23 | 0.57 | 0.15 | 0.42 | N.A | 50.00 |
| 34 | Hathway New Concept Cable & Datacom Pvt. Ltd. | | 01/09/2008 | 0.15 | (0.26) | 11.42 | 11.53 | - | 4.83 | (1.03) | - | (1.03) | N.A | 100.00 |
| 35 | Hathway Sai Star Cable & Datacom Pvt. Ltd. | 1 | 01/09/2008 | 0.14 | 37.71 | 45.63 | 7.78 | - | 28.29 | 12.99 | - | 12.99 | N.A | 51.00 |
| 36 | Hathway Cable MCN Nanded Pvt. Ltd. | 4 | 17/06/2008 | 3.36 | (2.92) | 3.70 | 3.27 | - | 5.95 | (0.98) | (0.13) | (0.85) | N.A | 45.05 |
| 37 | Hathway Palampur Cable Network Pvt. Ltd. | | 01/04/2008 | 0.03 | 0.44 | 1.47 | 1.01 | - | 0.07 | (0.41) | - | (0.41) | N.A | 51.00 |
| 38 | Hathway Mantra Cable & Datacom Pvt. Ltd. | | 30/08/2008 | 0.01 | (12.77) | 9.32 | 22.08 | - | 14.55 | (7.80) | - | (7.80) | N.A | 100.00 |
| 39 | Hathway Dattatray Cable Network Pvt. Ltd. | 1 | 13/05/2009 | 0.04 | (6.17) | 8.24 | 14.37 | - | 13.43 | 0.60 | - | 0.60 | N.A | 51.00 |
| 40 | "Hathway CBN Multinet Pvt. Ltd. (f.k.a. Hathway Bhaskar CBN Multinet Pvt. Ltd.)" | 2 | 01/07/2008 | 0.05 | (0.00) | 5.96 | 5.91 | - | 3.65 | (0.45) | - | (0.45) | N.A | 51.00 |
| 41 | "Hathway CCN Multinet Pvt. Ltd. (f.k.a. Hathway Bhaskar CCN Multinet Pvt. Ltd.)" | 1 & 2 | 01/07/2008 | 0.48 | 2.90 | 11.50 | 8.13 | - | 8.93 | 0.74 | 0.18 | 0.56 | N.A | 51.00 |
| 42 | "Hathway CCN Entertainment (India) Pvt. Ltd. (f.k.a. Hathway Bhaskar CCN Entertainment (India) Pvt. Ltd.)" | 2 | 01/07/2008 | 0.50 | 2.62 | 8.98 | 5.86 | - | 8.16 | 0.31 | 0.11 | 0.19 | N.A | 51.00 |
| 43 | Hathway Bhaskar CCN Multi Entertainment Pvt. Ltd. | 2 | 29/09/2011 | 0.01 | 0.32 | 1.48 | 1.14 | - | 0.75 | 0.17 | (0.02) | 0.19 | N.A | 70.00 |
| 44 | Hathway Bhawani Cabletel & Datacom Ltd. | 3 | 31/08/2009 | 8.10 | (12.03) | 6.19 | 10.12 | 0.55 | 7.32 | (0.17) | - | (0.17) | N.A | 51.60 |

| Sr. No. | Name of the Subsidiary | Note | Date of Acquisition | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | Hathway Bhawani NDS Network Pvt. Ltd. | 6 | 13/10/2010 | 1.55 | (0.87) | 0.78 | 0.10 | 0.01 | 1.09 | 0.00 | (0.30) | 0.30 | N.A | 26.32 |
| 46 | Hathway Broadband Pvt. Ltd. | | 15/10/2014 | 2.50 | 0.51 | 3.02 | 0.01 | - | 0.24 | 0.23 | 0.07 | 0.16 | N.A | 100.00 |

**Notes**

1 The company has consolidated the provisional accounts, Refer Note No. 4.13 of Notes to Accounts of the Consolidated Financial Statements. Hence details given as per last Management Signed Accounts as on March 31, 2018.

2 Held through subsidiary Hathway Digital Private Limited (Formerly known as Hathway Datacom Central Private Limited).

3 Partly held by the Company and partly through its subsidiary Hathway Media Vision Ltd.

4 Held through subsidiary Hathway MCN Pvt. Ltd. and has control over the Board of Directors.

5 Subsidiary based on our Company's right to appoint majority of directors on the board of the subsidiary Company.

6 Held through subsidiary Hathway Bhawani Cabletel & Datacom Ltd.

7 During the year, the Company acquired 17000 shares in Hathway Sonali Om Crystal Cable Private Limited. Hence the Company's shareholding has increased from 51.00% to 68.00%.

8 Definition of Subsidiary, Associate and JV have been considered as per Companies Act,2013. However some Subsidiaries have been considered as Joint Venture as per definition given under Indian Accounting Standards.

## Part - B

### Statement Pursuant To section 129(3) of the Companies Act, 2013 Relating to Associate Companies and Joint Ventures

(₹ In Crore unless otherwise stated)

| Sr. No. | Name of Associates/Joint Ventures | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Pan Cable Services Pvt. Ltd. | Hathway VCN Cablenet Pvt. Ltd. | Hathway SS Cable & Datacom LLP |
|---|---|---|---|---|---|
| 1 | Latest Audited Balance Sheet | 31 March 2018 | 31 March 2018 | 31 March 2018 | 31 March 2018 |
| 2 | Date of Acquisition | 10/12/2007 | 10/05/1995 | 18/03/2009 | 30/09/2012 |
| 3 | Shares of Associate/Joint Ventures held by the Company on the year end | | | | |
| | No. | 41972694 | 10 | 12520 | 0 |
| | Amount of Investment in Associates/Joint Venture | 41.97 | 0.00 | 0.10 | 1.68 |
| | Extend of Holding % | 37.32 | 33.33 | 25.03 | 50.99 |
| 4 | Description of how there is significant influence | By virtue of holding more than 20% of the total share capital of the Company. | The Holding Company by virtue of the Share Holding Agreement signed with JV Partners, has power to participate in the Operations and Financial activities of the Company | The Holding Company by virtue of the Share Holding Agreement signed with JV Partners, has power to participate in the Operations and Financial activities of the Company | By virtue of joint arrangement where by the Company has joint control and has the rights to the net assets of the arrangement |
| 5 | Reason why the Associate/Joint Venture is not Consolidated | NA | NA | NA | NA |
| 6 | Networth attributable to Shareholding as per latest audited Balance sheet | 662.67 | -0.62 | -8.09 | -1.84 |
| 7 | Profit/Loss for the year | | | | |
| | (i) Considered in Consolidation | 34.10 | 0 | 0.00 | 0.72 |
| | (ii)Not Considered in Consolidation | | 0 | | |

**Note**

During the financial year 2017-18, the investment (49%) in equity shares of Hathway Patiala Cable Private Limited (formerly known as Hathway Sukhamrit Cable & Datacom Private Limited) was classified as investment in Joint Venture. However, the management no longer intends to exercise its influence in operations of Hathway Patiala Cable Private Limited. Accordingly, such interest in Hathway Patiala Cable Private Limited has been reclassified and measured as financial assets in terms of Ind AS 109.

**For and on behalf of the Board**

**Vinayak Aggarwal**
Director
DIN : 00007280

**Rajan Gupta**
Managing Director
DIN : 07603128

**Ajay Singh**
Head Corporate Legal, Company Secretary & Chief Compliance Officer
FCS No.: 5189

Place: Mumbai
Date: May 28, 2018

**ANNXEXURE II**

## NOMINATION AND REMUNERATION POLICY

(DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT)

### PREAMBLE

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company in compliance with Section 178 of the Companies Act, 2013 (the "**Act**") read with applicable rules thereto and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR)"**), in order to recommend the persons to be appointed as Director of the Company and one level below the Board of Directors and to pay equitable remuneration to the Directors, Key Managerial Personnel and Senior Management of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

### OBJECTIVE

1) To lay down the criteria for identifying the persons who are qualified to become directors and who may be appointed in Senior Management and recommending to the Board of Directors of the Company their appointment and removal.

2) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director.

3) To formulate the policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.

4) To formulate the criteria for evaluation of performance of all the Directors on the Board.

5) To devise a policy on diversity of Board of Directors of the Company.

### DEFINITION

"**Board of Directors**" or "**Board**" in relation to a Company, means the collective body of the Directors of the Company, in terms of sub-section (10) of section 2 of the Act.

"**Independent Director**" means a director as referred to in sub-section (6) of section 149 of the Act.

"**Key Managerial Personnel**" in terms of sub-section (51) of section 2 of the Act means-

i. the Chief Executive Officer or the Managing Director or the Manager;

ii. the Company Secretary;

iii. the Whole Time Director;

iv. the Chief Financial Officer and

v. such other officer as may be prescribed.

"**Remuneration**" means any money or its equivalent given or passed to any person for position occupied in the Company and responsibility being vested on him and includes perquisites as defined under the Income Tax Act, 1961.

"**Senior Management**" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

"**Committee**" means Nomination and Remuneration Committee of the Board of Directors of the Company constituted under section 178 of the Act.

"**Other capitalised terms**" which are not defined in this Policy shall have the meaning as defined in the Act and SEBI(LODR).

This Policy is divided in four parts:

Part A-Policy for Appointment and Removal of Director, Key Managerial Personnel and Senior Management;

Part B-Policy for Remuneration of Directors, Key Managerial Personnel and Senior Management;

Part C-Policy for Performance Evaluation of Board of Directors of the Company;

Part D-Policy on Diversity of Board of Directors of the Company.

### PART A-POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

**A. APPOINTMENT**

1. The Committee shall identify and ascertain the person for appointment as Director, Key Managerial Personnel and Senior Management based on the following parameters:
   i. Integrity;
   ii. Qualification;
   iii. Knowledge and Competency and
   iv. Experience
2. The Committee to decide suitability of the qualification, expertise and experience possessed by a person for the concerned position.

3. The Committee shall recommend the appointment to the Board of Directors of the Company.

4. The appointment of Managing Director and Independent Director of the Company shall be strictly in accordance with the applicable provisions of the Companies Act, 2013 and any other applicable law for the time being in force.

5. The Committee to impart training to the person appointed as Director of the Company, on matters related to the Company viz. profile, the core business, its area of operations and work mechanism etc.

**B. TERM/TENURE**

1. The tenure for the Executive Directors, Non-Executive Directors and Independent Directors shall be governed by the terms defined in the Act and SEBI (LODR).

2. The tenure of the Key Managerial Personnel (except Managing Director) and Senior Management will be governed by the Company's Human Resource Policy.

**C. REMOVAL**

1. Subject to the applicable provisions of the Act and SEBI (LODR), the Committee may recommend the removal of any of the Board of Directors of the Company if he/she has incurred disqualification under Section 164 of the Act or as per Section 167 or Section 169 of the Act. The reason for removal needs to be recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations and forward it to the Board of Directors for their consideration.

2. The removal of the Key Managerial Personnel (except Managing Director) and Senior Management will be governed by the Human Resource Policy.

**D. RETIREMENT**

The Whole-time Directors (WTD), Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and prevailing policy of the Company. The Board will have the discretion to retain the WTD, Key Managerial Personnel and the Senior Management Personnel in the same position/ remuneration or otherwise, even after attaining the retirement age for the benefit of the Company.

## PART B-POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

**A. REMUNERATION TO MANAGING DIRECTOR**

1. The remuneration to Managing Director of the Company shall be governed by the applicable provisions of the Act or under any other enactment for the time being in force.

2. The Committee may make such recommendations to the Board of Directors of the Company as it may consider appropriate in connection with the remuneration to Managing Director.

**B. REMUNERATION TO DIRECTORS OTHER THAN MANAGING DIRECTOR**

1. The directors other than Managing Director of the Company shall receive remuneration by way of sitting fees for attending meetings of Board or Committee, as per the provisions of Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

2. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and SEBI (LODR), as amended from time to time.

3. Commission, if applicable, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (EXCEPT MANAGING DIRECTOR) AND SENIOR MANAGEMENT**

1. The remuneration to Key Managerial Personnel (except Managing Director) and Senior Management shall consist of fixed pay and incentive pay in compliance with the Act and in accordance with the Company's Policy.

2. The fixed pay shall include monthly remuneration, employers' contribution etc. as decided from time to time.

3. The payment of incentive shall be decided based on the performance of the Company and performance of Key Managerial Personnel (except Managing Director) and Senior Management.

## PART C-POLICY FOR PERFORMANCE EVALUATION OF BOARD OF DIRECTORS OF THE COMPANY

### A. EVALUATION

1. The Committee shall carry out the evaluation of performance of every director on an annual basis.

2. The evaluation criteria shall vary for:
   i. Board as a whole;
   ii. Committees of the Board;
   iii. Individual Directors and Chairman and
   iv. Key Managerial Personnel and Senior Management.

### i. Board as a whole

Some of the specific areas that should be considered in a performance evaluation of the entire Board by the Independent Directors:

| Sr. No. | Assessment Criteria |
|---|---|
| 1. | Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organisational performance in the light of future strategy and to conduct its affairs effectively? |
| 2. | Whether there is sufficient diversity in the Board with proper mix of qualification? |
| 3. | Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues? |
| 4. | Independent Directors meet all applicable independence requirements. |
| 5. | The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations. |
| 6. | The information provided, for the agenda to be dealt with, to directors prior to board meetings meets expectations in terms of length and level of details sufficient for the Board to take decision. Whether Board members come prepared to meetings and discuss the matter at length in the best interest of the Company and address issues that might present a conflict of interest. |
| 7. | The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organisation are sound and reviews the organisation's performance in achieving mission on a regular basis. |
| 8. | Company has necessary Committees which are required and these Committees are working effectively as per the reference approved by the Board. |
| 9. | Nomination and appointment of Board members and their remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee. |
| 10. | The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities. |

### ii. Committees of the Board

Some of the specific areas that should be considered in a performance evaluation of the Committees of the Board:

| Sr. No. | Assessment Criteria |
|---|---|
| 1. | Whether the mandate, composition and working procedures is clearly defined and disclosed and as per the provisions of the applicable law(s)? |
| 2. | Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable? |
| 3. | Are sufficient numbers of meetings, of appropriate length, being held to enable proper consideration of agenda? |
| 4. | The information provided to members prior to meetings meets expectations in terms of length and level of detail and members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest. |
| 5. | Whether the Committee's recommendations contribute effectively to the decisions of the Board? |

### iii. Individual Directors and Chairman

**Non-Executive Directors:**

Some of the specific issues and questions that should be considered in a performance evaluation of the Non-Executive Directors:

| Sr. No. | Assessment Criteria |
|---|---|
| 1. | Attendance at meetings of the Board and Committees, if applicable, thereof. |
| 2. | Participation at the Board Meeting and Committee Meetings, if applicable thereof. |
| 3. | Leadership initiative like innovative ideas and planning towards growth of the Company and steps initiated towards Branding of the Company. |
| 4. | Adherence to ethical standards and Code of Conduct of Company. |
| 5. | Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest. |
| 6. | Contribution towards growth of the Company including actual vis-a-vis budgeted performance. |
| 7. | Interpersonal relations with other directors and management. |
| 8. | Safeguarding of confidential information. |

**Independent Directors:**

Some of the specific issues and questions that should be considered in a performance evaluation of the Independent Directors:

| Sr. No. | Assessment Criteria |
|---|---|
| 1. | Attendance at meetings of the Board and Committees, if applicable, thereof. |
| 2. | Participation at the Board Meeting and Committee Meetings. |
| 3. | Understanding of the Company and the external environment in which it operates and contribution to strategic direction. |
| 4. | Adherence to ethical standards and Code of Conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest. |
| 5. | Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings. |
| 6. | Contribution towards growth of the Company including actual vis-a-vis budgeted performance. |
| 7. | Interpersonal relations with other directors and management. |
| 8. | Objective evaluation of Board's performance, rendering independent, unbiased opinion. |
| 9. | Safeguarding of confidential information. |
| 10. | Contribution to the enhancement of brand image of the Company. |

**Chairman:**

Some of the specific issues and questions that should be considered in a performance evaluation of the Chairman:

| Sr. No. | Assessment Criteria |
|---|---|
| 1. | Attendance at meetings of the Board and Committees, if applicable, thereof. |
| 2. | Participation at the Board Meeting and Committee Meetings, if applicable thereof. |
| 3. | Whether the Chairman possess quality of leadership, coordination and steering skills, etc. |
| 4. | Whether the Chairman is sufficiently committed to the Board and its meetings. |
| 5. | Adherence to ethical standards and Code of Conduct of Company. |
| 6. | Whether the Chairman is impartial in conducting discussions, seeking views and dealing with dissent. |
| 7. | Whether due importance is being given for shareholder's interest in discussions and taking appropriate decisions. |
| 8. | Interpersonal relations with other directors and management. |
| 9. | Safeguarding of confidential information. |
| 10. | Whether the Chairman displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to co-ordinate the discussion etc. and is overall able to steer the meeting effectively. |

### iv. Key Managerial Personnel and Senior Management

Some of the specific issues and questions that should be considered in a performance evaluation of the Key Managerial Personnel and Senior Management:

| Sr. No. | Assessment Criteria |
|---|---|
| 1. | Understanding of the Company and the external environment in which it operates and contribution to strategic direction. |
| 2. | Adherence to ethical standards and Code of Conduct of Company. |
| 3. | Concerns to be highlighted to the Board and provide constructive contribution to resolve issues at meetings. |
| 4. | Contribution towards growth of the Company including actual vis-a-vis budgeted performance. |
| 5. | Interpersonal relations with management. |
| 6. | Safeguarding of confidential information. |
| 7. | Contribution to the enhancement of brand image of the Company. |

**B. RATING SCALE**

A five point rating scale for performance review is to be followed:

| Scale | Performance |
|---|---|
| 5 | Excellent |
| 4 | Very Good |
| 3 | Good |
| 2 | Average |
| 1 | Poor |

**C. FEEDBACK**

Based on the criteria and rating scale accorded to each of the aforesaid levels, written assessment may be given to them which would be honest and without bias.

**D. REVIEW**

1. The performance evaluation process and related tools will be reviewed by the Committee on need basis and the Committee may periodically seek independent external advice in relation to the process.

2. The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

## PART D-POLICY ON DIVERSITY OF BOARD OF DIRECTORS OF THE COMPANY

**A. POLICY STATEMENT**

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. Diversity at Board level is an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of varieties of skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when required should be balanced appropriately.

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background and any other factors that the Board might consider relevant and applicable from time to time for it to function effectively. In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

**I. OPTIMUM COMPOSITION**

a) The Board shall have an optimum combination of executive and non-executive directors and not less than fifty per cent of the Board of Directors comprising non-executive directors;

b) At least half of the Board should comprise of independent directors (where the Chairman of the Board is executive) or at least one-third of the Board should comprise of independent directors (where the Chairman of the Board is non-executive);

c) The Company shall continue to have at least one woman director on the Board to ensure that there is no gender inequality on the Board.

**II. RECOMMENDATION**

While recommending the appointment of new directors, the Committee will:

a) Review Board composition, consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

b) Identify suitable candidates for appointment to the Board, consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

### III. FUNCTIONAL DIVERSITY

a) Appointment of directors to the Board of the Company should be based on specific needs and business of the Company. Appointment should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company;

b) Knowledge of and experience in domain areas such as finance, legal, risk management, industry, etc. should be duly considered while making appointments to the Board level;

c) While appointing Independent Directors, care should be taken as to the independence of the proposed appointee;

d) Directorships in other companies may also be taken into account while determining the candidature of a person.

### IV. EVALUATION

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee shall consider the balance of skills, experience, independence and knowledge of Directors on the Board, the diversity representation of the Board, how the Board works together as a unit, and other factors relevant to its effectiveness.

## B. MEASURABLE OBJECTIVES

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

## C. REVIEW OF THE POLICY

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy.

## ANNEXURE III

**DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

Median Remuneration: ₹ 714,996 per annum.

Except Managing Director, no other director has been paid any remuneration. Remuneration paid to Mr. Rajan Gupta, Managing Director of the Company for the year ended 31st March, 2018 is ₹ 21,916,092/-

The percentage increase in the median remuneration of employees in the financial year: 0.74

The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

| Sr. No. | Name of the Director*/KMP & their Designation | Remuneration of Director/ KMP for financial year 2017-18 (Amount in ₹) | % increase in Remuneration in the Financial Year 2017-18 | Ratio of remuneration of each Director to median remuneration of employees |
|---|---|---|---|---|
| 1. | Mr. Rajan Gupta<br>Managing Director | 21,916,092 | --** | 30.65 |
| 2. | Mr. Vineet Garg<br>Chief Financial Officer | 9,988,705 | 5.77 | 13.97 |
| 3. | Mr. Ajay Singh<br>Head Corporate Legal, Company Secretary and Chief Compliance Officer | 6,942,390 | 15.84 | 9.71 |

Note : *Remuneration is paid only to Managing Director and not to other directors of the Company.

**% increase in remuneration in the financial year 2017-18 is not comparable for Mr. Rajan Gupta as he was appointed as Managing Director on 25th November, 2016 during the financial year 2016-17.

There were 379 permanent employees on the rolls of the Company.

The remuneration paid to Managing Director is as per the Nomination and Remuneration Policy of the Company and the remuneration paid to the employees of the Company is as per the Company's Human Resource Policy.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 50.

The percentile increase in managerial remuneration in the last financial year is also 50.

**STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016:**

**A. List of top 10 employees of the Company in terms of remuneration drawn and employees who drew remuneration during the financial year not less than ₹ 1.02 Crores per annum:**

| Sr. No. | Name | Designation | Date of Joining | Remuneration (in ₹) | Age (years) | Experience (Years) | Qualification | Last employment and designation held |
|---|---|---|---|---|---|---|---|---|
| 1. | Mr. Rajan Gupta | Managing Director | 01.07.2014* | 21,916,092 | 44 | 18 | MBA, BE (Civil) | Tata Teleservices Limited-Chief Operating Officer |

*He joined as President-ISP on 1st July, 2014 and was appointed as Managing Director of the Company on 25th November, 2016.*

1. *The contractual terms of Mr. Rajan Gupta are governed by the resolution passed by the shareholders through postal ballot on 13th January, 2017.*
2. *The employee mentioned above is not related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.*

3. *None of the employees of the Company, who were employed throughout the financial year 2017-18, were in receipt of remuneration in excess of that drawn by the managing director and hold by themselves or along with their spouse and dependent children, not less than two percent of the equity shares of the Company.*
4. Except Mr. Rajan Gupta, none of the employees' employment is contractual in nature.
5. Remuneration of managerial personnel as per Schedule V of the Companies Act, 2013 includes salary, bonus, performance linked incentive, commission, various allowance, contribution to provident fund and superannuation fund and taxable value of perquisites but excluding provision for gratuity and leave encashment.

**B. Employees employed for the part of the year and drew remuneration during the financial year 2017-18 at a rate which in aggregate was not less than ₹ 8.50 Lakhs per month: N.A.**

| Sr. No. | Name | Designation | Date of Joining | Remuneration (in ₹) | Age (years) | Experience (Years) | Qualification | Last employment and designation held |
|---|---|---|---|---|---|---|---|---|
| N.A. | | | | | | | | |

**For and on behalf of the Board**

| | **Rajan Gupta** | **Vinayak Aggarwal** |
|---|---|---|
| | Managing Director | Director |
| Place : Mumbai | DIN 07603128 | DIN 00007280 |
| Date : 28th May, 2018 | | |

**Registered Office**
Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai 400054
CIN: L64204MH1959PLC011421
Tel No. 022-26001306 Fax No. 022-26001307
Mail: info@hathway.net
website: www.hathway.com

## ANNEXURE IV

**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

To,

The Members
**HATHWAY CABLE AND DATACOM LIMITED**
Rahejas, 4th Floor,
Corner of Main Avenue, V. P. Road,
Santacruz (West),
Mumbai – 400 054

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Hathway Cable and Datacom Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hathway Cable and Datacom Limited (hereinafter called "the Company") as given in **Annexure I**, for the Financial Year ended on 31st March, 2018, according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made there under;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      iii. The Securities and Exchange Board of India (Issue of Capital Disclosure) Regulations, 2009; and
      iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') were not applicable to the Company under the Financial Year under report:-
   (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
   (v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted to the Company under the financial year under report.
4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable to the Company:
   1. Cable Television Networks (Regulation) Act, 1995, Cable Television Network (Regulation) Rules, 1994 and Content Certification Rules, 2008;

2. The Cinematography Act, 1952;
3. Telecom Regulatory Authority of India Act, 1997;
4. Indecent Representation of Women (Prohibition) Act, 1986.

We have also examined compliance with the applicable clauses of the secretarial standards including the amended secretarial standards applicable w.e.f. 1st October, 2017 issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

During the financial year under report, the Company has:

- generally complied with the provisions of the Secretarial Standards referred to above;
- complied with the provisions of the other applicable Acts, Rules, Regulations, Guidelines etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one woman director in compliance with the provisions of the Companies Act, 2013.

Except in case of meetings convened at a shorter notice, adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda were sent atleast seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the following event(s)/ action(s) had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

a) Major actions pertaining to the implimentation of slump sale agreement executed between Hathway Cable and Datacom Limited and Hathway Digital Private Limited dated 24th March, 2017 for the sale of Cable Television business to Hathway Digital Private Limited were completed during the year under review.

b) Investment of ₹ 354 crores in Hathway Digital Private Limited, wholly owned subsidiary of the Company 354,000,000 Equity Shares of ₹ 10/- each for cash at par.

c) Loan of ₹ 150 crores to Hathway Digital Private Limited, wholly owned subsidiary of the Company.

**For Rathi & Associates**
Company Secretaries

**Himanshu S. Kamdar**
Partner
FCS : 5171
COP: 3030

Place : Mumbai
Date : 28th May 2018

Note: This report should be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

## ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March, 2017;
3. Minutes of the Board of Directors and Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee of the Company along with the respective Attendance Registers for meetings held during the Financial Year under report;
4. Minutes of General Body Meetings held during the Financial Year under report;
5. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee Meetings.
6. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.
7. Policies framed by the Company under the Companies Act, 2013 and the LODR Regulations.
8. Statutory Registers under Companies Act, 2013
9. Copies of Notice, Agenda and Notes to Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation;
10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;
11. Intimations received from directors under the prohibition of Insider Trading Code;
12. e-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report;
13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered with the Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
14. E-mails evidencing dissemination of information related to closure of Trading window;
15. Internal Code of Conduct for prevention of Insider Trading by Employee/Directors/ Designated Persons of the Company;
16. Compliance Certificate placed before the Board of Directors from time to time; Quarterly Related Party Transactions statements;
17. Documents filed with Stock Exchanges;
18. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

## ANNEXURE – II

To
The Board of Directors of
**HATHWAY CABLE AND DATACOM LIMITED**
Rahejas 4th Floor,
Corner of Main Avenue, V.P. Road,
Santacruz (West), Mumbai – 400 054

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Rathi & Associates**
Company Secretaries

**Himanshu S. Kamdar**
Partner
FCS : 5171
COP: 3030

Place : Mumbai
Date : 28th May 2018

## ANNEXURE V

**MGT-9-EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| CIN | : | L64204MH1959PLC011421 |
| Registration Date | : | 07th August, 1959 |
| Name of the Company | : | Hathway Cable and Datacom Limited |
| Category / Sub-Category of the Company | : | Public Limited Company |
| Address of the Registered office and contact details | : | Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054 |
| Whether listed company | : | Yes / ~~No~~ |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | : | Link Intime India Private Limited<br>C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083<br>Tel : (022) 49186000 Fax : (022) 49186060 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Broadband Service | Division 61- 61104<br>(NIC Code of 2008) | 100 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---|---|---|---|---|
| Sr. No. | Name and address of the Company | CIN / GLN | Holding/ subsidiary/ associate | % of Shareholding | Applicable section |
| 1. | Vision India Network Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64204MH1996PTC291662 | Subsidiary | 100.00 | 2(87)(ii) |
| 2. | Liberty Media Vision Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64204MH1996PTC291662 | Subsidiary | 100.00 | 2(87)(ii) |
| 3. | Ideal Cables Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U74999MH1996PTC288227 | Subsidiary | 100.00 | 2(87)(ii) |
| 4. | Bee Network & Communications Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64200MH1996PTC287619 | Subsidiary | 100.00 | 2(87)(ii) |
| 5. | Binary Technology Transfers Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U74140MH1987PTC045344 | Subsidiary | 100.00 | 2(87)(ii) |

| PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---|---|---|---|---|
| **Sr. No.** | **Name and address of the Company** | **CIN / GLN** | **Holding/ subsidiary/ associate** | **% of Shareholding** | **Applicable section** |
| 6. | Hathway Media Vision Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64204MH1995PTC086909 | Subsidiary | 100.00 | 2(87)(ii) |
| 7. | UTN Cable Communications Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U92132MH1998PTC294956 | Subsidiary | 100.00 | 2(87)(ii) |
| 8. | ITV Interactive Media Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U45200MH1991PTC064230 | Subsidiary | 100.00 | 2(87)(ii) |
| 9. | Win Cable & Datacom Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64200MH1999PTC120865 | Subsidiary | 100.00 | 2(87)(ii) |
| 10. | Hathway Space Vision Cabletel Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64200MH1998PTC128169 | Subsidiary | 100.00 | 2(87)(ii) |
| 11. | Hathway Software Developers Private Limited Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | U72200MH1994PTC078279 | Subsidiary | 100.00 | 2(87)(ii) |
| 12. | Hathway Cnet Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U99999MH1999PTC123302 | Subsidiary | 100.00 | 2(87)(ii) |
| 13. | Hathway United Cables Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U31300MH2000PTC129833 | Subsidiary | 100.00 | 2(87)(ii) |
| 14. | Hathway Internet Satellite Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64200MH1999PTC123303 | Subsidiary | 100.00 | 2(87)(ii) |
| 15. | Hathway Krishna Cable Private Limited Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | U92132MH2001PTC130548 | Subsidiary | 100.00 | 2(87)(ii) |
| 16. | Hathway Mysore Cable Network Private Limited Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | U31300MH2000PTC129831 | Subsidiary | 100.00 | 2(87)(ii) |

| PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---|---|---|---|---|
| **Sr. No.** | **Name and address of the Company** | **CIN / GLN** | **Holding/ subsidiary/ associate** | **% of Shareholding** | **Applicable section** |
| 17. | Hathway Gwalior Cable & Datacom Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64204MH2007PTC170939 | Subsidiary | 100.00 | 2(87)(ii) |
| 18. | Hathway Enjoy Cable Network Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U32305MH2007PTC171401 | Subsidiary | 100.00 | 2(87)(ii) |
| 19. | Hathway JMD Farukhabad Cable Network Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64204MH2007PTC171161 | Subsidiary | 100.00 | 2(87)(ii) |
| 20. | Hathway Digital Private Limited (f.k.a. Hathway Datacom Central Private Limited)<br>805/806, 8th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U92130MH2007PTC290016 | Subsidiary | 100.00 | 2(87)(ii) |
| 21. | Hathway New Concept Cable & Datacom Private Limited<br>Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | U72900MH2000PTC129837 | Subsidiary | 100.00 | 2(87)(ii) |
| 22. | Hathway Mantra Cable & Datacom Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64204MH2007PTC173624 | Subsidiary | 100.00 | 2(87)(ii) |
| 23. | Hathway Broadband Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U74999MH2014PTC257407 | Subsidiary | 100.00 | 2(87)(ii) |
| 24. | Hathway Kokan Crystal Cable Network Private Limited<br>Shraddha Saburi, Ground Floor, P M Road, Behind Meghdoot Building, Vile Parle East, Mumbai – 400057 | U64203MH2008PTC182256 | Subsidiary | 96.36 | 2(87)(ii) |
| 25. | Channels India Network Private Limited<br>103, 5th Floor, New Awadi Road, Kilpauk,Chennai-600010 | U74999TN1995PTC030929 | Subsidiary | 95.63 | 2(87)(ii) |
| 26. | Hathway Nashik Cable Network Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U64200MH1999PTC122539 | Subsidiary | 90.06 | 2(87)(ii) |

| PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---|---|---|---|---|
| **Sr. No.** | **Name and address of the Company** | **CIN / GLN** | **Holding/ subsidiary/ associate** | **% of Shareholding** | **Applicable section** |
| 27. | Elite Cable Network Private Limited 103, 5th Floor, New Awadi Road, Kilpauk, Chennai 600010 | U74300TN1995PTC032771 | Subsidiary | 80.00 | 2(87)(ii) |
| 28. | Chennai Cable Vision Network Private Limited 1, Ramaswamy Naicken Street, T. T. K. Road, Avertpet, Chennai - 600018 | U64204TN1999PTC042488 | Subsidiary | 75.99 | 2(87)(ii) |
| 29. | Hathway Bhaskar CCN Multi Entertainment Private Limited BTV, Dainik Bhaskar Building, 2nd Floor, 4/54, Press Complex, A.B. road, Indore - 452 003 | U92130MP2011PTC026839 | Subsidiary | 70.00 | 2(87)(ii) |
| 30. | Hathway Sonali OM Crystal Cable Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U72900MH2000PTC129836 | Subsidiary | 68.00 | 2(87)(ii) |
| 31. | Hathway Bhawani Cabletel & Datacom Limited Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | L65910MH1984PLC034514 | Subsidiary | 51.60 | 2(87)(ii) |
| 32. | Hathway Channel 5 Cable & Datacom Private Limited Plot No. B1/G3, 4th, 5th & 6th Floor, Mohan Industrial Estate, Main Mathura Road, New Delhi - 110044 | U64204DL1996PTC083083 | Subsidiary | 51.00 | 2(87)(ii) |
| 33. | Hathway Prime Cable & Datacom Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U31300MH2000PTC129830 | Subsidiary | 51.00 | 2(87)(ii) |
| 34. | Hathway Digital Saharanpur Cable and Datacom Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U72200MH2008PTC177805 | Subsidiary | 51.00 | 2(87)(ii) |
| 35. | Hathway Latur MCN Cable & Datacom Private Limited 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U92100MH2008PTC177328 | Subsidiary | 51.00 | 2(87)(ii) |
| 36. | Hathway MCN Private Limited 310/311, Akshaydeep Plazatown Centre, CIDCO Jalna Road, Aurangabad, Maharashtra – 431005 | U92130MH2005PTC152694 | Subsidiary | 51.00 | 2(87)(ii) |
| 37. | Hathway Ice Television Private Limited D-59/149, Shivpurva, Sigra, Varanasi – 221010 | U64203UP2007PTC032933 | Subsidiary | 51.00 | 2(87)(ii) |

| PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---|---|---|---|---|
| **Sr. No.** | **Name and address of the Company** | **CIN / GLN** | **Holding/ subsidiary/ associate** | **% of Shareholding** | **Applicable section** |
| 38. | Hathway Sai Star Cable & Datacom Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U72900MH2008PTC184787 | Subsidiary | 51.00 | 2(87)(ii) |
| 39. | Hathway Palampur Cable Network Private Limited<br>1, Lohana, Palampur, Himachal Pradesh - 176061 | U92190HP2008PTC030849 | Subsidiary | 51.00 | 2(87)(ii) |
| 40. | Hathway Dattatray Cable Network Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U74900MH2009PTC192366 | Subsidiary | 51.00 | 2(87)(ii) |
| 41. | Hathway CBN Multinet Private Limited<br>(f.k.a. Hathway Bhaskar CBN Multinet Private Limited)<br>Plot No 5, Block 1, Akashganga Complex, Supela, Bhilai, Chattisgarh - 490023 | U72900CT2006PTC018352 | Subsidiary | 51.00 | 2(87)(ii) |
| 42. | Hathway CCN Multinet Private Limited<br>(f.k.a. Hathway Bhaskar CCN Multinet Private Limited)<br>Pagariya Complex, Mini Mata Parisar, Near Pandri Bus Station, Pandri, Raipur, Chhattisgarh - 492003 | U64200CT2007PTC020440 | Subsidiary | 51.00 | 2(87)(ii) |
| 43. | Hathway CCN Entertainment (India) Private Limited<br>(f.k.a. Hathway Bhaskar CCN Entertainment (India) Private Limited)<br>Ware House Road, Bilaspur, (C.G.) - 495001 | U74999CT2008PTC020658 | Subsidiary | 51.00 | 2(87)(ii) |
| 44. | Net 9 Online Hathway Private Limited<br>2 Prithvi Emperor, New Prabhadevi Road, Prabhadevi, Mumbai - 400025 | U64202MH2004PTC149657 | Subsidiary | 50.00 | 2(87)(i) |
| 45. | Hathway Cable MCN Nanded Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U92130MH2008PTC179952 | Subsidiary | 45.05 | 2(87)(i) |
| 46. | Hathway Bhawani NDS Network Private Limited<br>805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098 | U74990MH2010PTC208960 | Subsidiary | 26.32 | 2(87)(i) |
| 47. | Hathway SS Cable & Datacom LLP<br>Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | AAB-0552 | Associate | 50.99 | 2(6) |

| PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---|---|---|---|---|
| Sr. No. | Name and address of the Company | CIN / GLN | Holding/ subsidiary/ associate | % of Shareholding | Applicable section |
| 48. | GTPL Hathway Ltd. (f.k.a GTPL Hathway Private Limited) 202, Sahajanand Shopping Center, Opposite Swaminarayan Mandir, Shahibaug, Ahmedabad - 380004 | L64204GJ2006PLC048908 | Associate Company | 37.32 | 2(6) |
| 49. | Pan Cable Services Private Limited 104, Mansi Complex, Premchand Nagar, Satellite Road, Ahmedabad - 380015 | U31300GJ1995PTC025831 | Associate Company | 33.33 | 2(6) |
| 50. | Hathway VCN Cablenet Private Limited Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (W), Mumbai - 400054 | U92190MH1999PTC117912 | Associate Company | 25.03 | 2(6) |

* During the financial year 2017-18, the investment in equity shares of Hathway Patiala Cable Private Limited (f.k.a. Hathway Sukhamrit Cable & Datacom Private Limited) was classified as investment in Joint Venture. However, the management no longer intends to exercise its influence in operations of Hathway Patiala Cable Private Limited. Accordingly, such interest in Hathway Patiala Cable Private Limited has been reclassified and measured as financial assets in terms of IndAS 109.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i. Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2017) | | | | No. of Shares held at the end of the year (31.03.2018) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 240,966,000 | 0 | 240,966,000 | 29.0148 | 240,966,000 | 0 | 240,966,000 | 29.0148 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 120,095,015 | 0 | 120,095,015 | 14.4607 | 120,095,015 | 0 | 120,095,015 | 14.4607 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Sub-total(A)(1):** | **361,061,015** | **0** | **361,061,015** | **43.4754** | **361,061,015** | **0** | **361,061,015** | **43.4754** | **-** |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(2):** | **-** | **0** | **-** | **0.0000** | **-** | **0** | **-** | **0.0000** | **-** |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | **361,061,015** | **0** | **361,061,015** | **43.4754** | **361,061,015** | **0** | **361,061,015** | **43.4754** | **-** |

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2017) | | | | No. of Shares held at the end of the year (31.03.2018) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **B. Public Shareholding** | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 53,697,658 | 0 | 53,697,658 | 6.4657 | 30,896,930 | 0 | 30,896,930 | 3.7203 | -2.7454 |
| b) Banks / FI | 2,486,122 | 0 | 2,486,122 | 0.2993 | 2,521,134 | 0 | 2,521,134 | 0.3035 | 0.0042 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| h) Alternate Investment Funds | - | - | - | - | 7,570,243 | 0 | 7,570,243 | 0.9115 | 0.9115 |
| i) Foreign Portfolio Investor (Corporate) | 266,685,222 | 0 | 266,685,222 | 32.1116 | 248,741,671 | 0 | 248,741,671 | 29.9510 | -2.1606 |
| j) Others | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):** | **322,869,002** | **0** | **322,869,002** | **38.8798** | **289,729,978** | **0** | **289,729,978** | **34.8864** | **-3.9934** |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 93,63,280 | 0 | 9,363,280 | 1.1274 | 14,389,753 | 0 | 14,389,753 | 1.7327 | 0.6053 |
| ii) Overseas | 99,976,265 | 0 | 99,976,265 | 12.0382 | 99,976,265 | 0 | 99,976,265 | 12.0382 | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 7,798,962 | 265 | 7,799,227 | 0.9424 | 13,179,274 | 265 | 13,179,539 | 1.5870 | 0.6446 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 11,812,596 | 0 | 11,812,596 | 1.4224 | 31,963,963 | 0 | 31,963,963 | 3.8488 | 2.4264 |
| c) Others | | | | | | | | | |
| Non Resident Indian | 15,306,604 | 0 | 15,306,604 | 1.8400 | 16,972,689 | 0 | 16,972,689 | 2.0436 | 0.2036 |
| Clearing Member | 1,061,126 | 0 | 1,061,126 | 0.1278 | 1,692,177 | 0 | 1,692,177 | 0.2038 | 0.0760 |
| Trust | 808,750 | 0 | 808,750 | 0.0974 | 871,250 | 0 | 871,250 | 0.1049 | 0.0075 |
| Hindu Undivided Family (HUF) | 409,320 | 0 | 409,320 | 0.0493 | 630,556 | 0 | 630,556 | 0.0759 | 0.0266 |
| Director (Other than Promoter) | 27,315 | 0 | 27,315 | 0.0032 | 27,315 | 0 | 27,315 | 0.0032 | - |
| **Sub-total(B)(2):** | **146,564,218** | **265** | **146,564,483** | **17.6448** | **179,703,242** | **265** | **179,703,507** | **21.6381** | **3.9933** |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **469,433,220** | **265** | **469,433,485** | **56.5246** | **469,433,220** | **265** | **469,433,485** | **56.5246** | **-** |
| **C. Shares held by** | - | - | - | - | - | - | - | - | - |
| Custodian for | - | - | - | - | - | - | - | - | - |
| GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| **Grand Total(A+B+C)** | **830,494,235** | **265** | **830,494,500** | **100.0000** | **830,494,235** | **265** | **830,494,500** | **100.0000** | **-** |

## ii. SHAREHOLDING OF PROMOTERS:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the Year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Akshay Rajan Raheja | 121,413,000 | 14.62 | 0 | 121,413,000 | 14.62 | 0 | - |
| 2 | Viren Rajan Raheja | 119,553,000 | 14.40 | 0 | 119,553,000 | 14.40 | 0 | - |
| 3 | Hathway Investments Private Limited | 81,845,015 | 9.86 | 0 | 81,845,015 | 9.86 | 0 | - |
| 4 | Spur Cable and Datacom Private Limited | 38,250,000 | 4.60 | 0 | 38,250,000 | 4.60 | 0 | - |
| | **Total** | **361,061,015** | **43.48** | **0** | **361,061,015** | **43.48** | **0** | **-** |

## iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Since there was no change in Promoters' Shareholding during the financial year 2017-18, the below information is not applicable.

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-17 to 31-03-18) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-17)/end of the year (31-03-18) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | N.A. | | | | |

## iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-17 to 31-03-18) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1. | CLSA Global Markets Pte. Limited | 79,458,924 | 9.56 | 01/04/2017 | | | | |
| | | | | 21/04/2017 | 85,000 | Sale | 79,373,924 | 9.56 |
| | | | | 02/02/2018 | 27,000 | Sale | 79,346,924 | 9.55 |
| | | **79,346,924** | **9.55** | **31/03/2018** | | | **79,346,924** | **9.55** |
| 2. | P6 Mauritius India Holding Limited | 70,717,760 | 8.52 | 01/04/2017 | -- | No change | | |
| | | **70,717,760** | **8.52** | **31/03/2018** | | | **70,717,760** | **8.52** |
| 3. | P5 Asia Holding Investments (Mauritius) Limited | 52,783,220 | 6.36 | 01/04/2017 | -- | No change | | |
| | | **52,783,220** | **6.36** | **31/03/2018** | | | **52,783,220** | **6.36** |
| 4. | Infrastructure India Holdings Fund LLC | 27,843,045 | 3.35 | 01/04/2017 | -- | No change | | |
| | | **27,843,045** | **3.35** | **31/03/2018** | | | **27,843,045** | **3.35** |
| 5. | Reliance Capital Trustee Co. Ltd A/c Reliance Equity Opportunities Fund | 33,655,387 | 4.05 | 01/04/2017 | | | | |
| | | | | 28/04/2017 | 91,844 | Sale | 33,563,543 | 4.04 |
| | | | | 05/05/2017 | 1,509,253 | Sale | 32,054,290 | 3.86 |
| | | | | 19/05/2017 | 3,000,000 | Sale | 29,054,290 | 3.50 |
| | | | | 26/05/2017 | 1,000,000 | Sale | 28,054,290 | 3.38 |
| | | | | 22/09/2017 | 1,000,000 | Sale | 27,054,290 | 3.26 |
| | | | | 29/09/2017 | 500,000 | Sale | 26,554,290 | 3.20 |
| | | | | 15/12/2017 | 279,994 | Sale | 26,274,296 | 3.16 |
| | | | | 22/12/2017 | 200,256 | Sale | 26,074,040 | 3.14 |
| | | | | 19/01/2018 | 1,000,000 | Sale | 25,074,040 | 3.02 |
| | | **25,074,040** | **3.02** | **31/03/2018** | | | **25,074,040** | **3.02** |
| 6. | Government Pension Fund Global | -- | -- | 01/04/2017 | | | | |
| | | | | 07/04/2017 | 8,100,000 | Acquisition | 8,100,000 | 0.98 |
| | | | | 14/04/2017 | 24,000 | Acquisition | 8,124,000 | 0.98 |
| | | | | 21/04/2017 | 3,376,000 | Acquisition | 11,500,000 | 1.38 |
| | | | | 05/05/2017 | 1,700,000 | Acquisition | 13,200,000 | 1.59 |
| | | | | 19/05/2017 | 1,800,000 | Acquisition | 15,000,000 | 1.81 |
| | | | | 26/05/2017 | 1,000,000 | Acquisition | 16,000,000 | 1.93 |
| | | | | 28/07/2017 | 131,000 | Acquisition | 16,131,000 | 1.94 |
| | | | | 11/08/2017 | 748,374 | Acquisition | 16,879,374 | 2.03 |
| | | | | 25/08/2017 | 1,000,000 | Acquisition | 17,879,374 | 2.15 |
| | | | | 01/09/2017 | 602,626 | Acquisition | 18,482,000 | 2.22 |
| | | | | 08/09/2017 | 1,000,000 | Acquisition | 19,482,000 | 2.34 |
| | | | | 15/09/2017 | 515,685 | Acquisition | 19,997,685 | 2.41 |
| | | | | 22/09/2017 | 218,315 | Acquisition | 20,216,000 | 2.43 |
| | | | | 29/09/2017 | 783,376 | Acquisition | 20,999,376 | 2.53 |

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-17 to 31-03-18) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 06/10/2017 | 60,624 | Acquisition | 21,060,000 | 2.53 |
| | | | | 13/10/2017 | 997,000 | Acquisition | 22,057,000 | 2.65 |
| | | | | 27/10/2017 | 1,163,000 | Acquisition | 23,220,000 | 2.79 |
| | | | | 03/11/2017 | 75,000 | Acquisition | 23,295,000 | 2.80 |
| | | | | 10/11/2017 | 35,000 | Acquisition | 23,330,000 | 2.81 |
| | | | | 22/12/2017 | 120,000 | Acquisition | 23,450,000 | 2.82 |
| | | | | 19/01/2018 | 1,450,000 | Acquisition | 24,900,000 | 3.00 |
| | | **24,900,000** | **3.00** | **31/03/2018** | | | **24,900,000** | **3.00** |
| 7. | Morgan Stanley Asia (Singapore) PTE. | 25,316,227 | 3.04 | 01/04/2017 | | | | |
| | | | | 10/11/2017 | 118,170 | Sale | 25,198,057 | 3.03 |
| | | | | 17/11/2017 | 1,000,000 | Sale | 24,198,057 | 2.91 |
| | | **24,198,057** | **2.91** | **31/03/2018** | | | **24,198,057** | **2.91** |
| 8. | East Bridge Capital Master Fund Limited | 22,772,213 | 2.74 | 01/04/2017 | -- | No change | | |
| | | **22,772,213** | **2.74** | **31/03/2018** | | | **22,772,213** | **2.74** |
| 9. | P6 Asia Holding Investments IV (Mauritius) Limited | 19,350,000 | 2.33 | 01/04/2017 | -- | No change | | |
| | | **19,350,000** | **2.33** | **31/03/2018** | | | **19,350,000** | **2.33** |
| 10. | Satish Raheja | 11,146,880 | 1.34 | 01/04/2017 | -- | No change | | |
| | | **11,146,880** | **1.34** | **31/03/2018** | | | **11,146,880** | **1.34** |
| 11. | Smallcap World Fund, Inc. | 29,276,000 | 3.52 | 01/04/2017 | | | | |
| | | | | 12/01/2018 | 177,612 | Sale | 29,098,388 | 3.50 |
| | | | | 19/01/2018 | 20,195,095 | Sale | 8,903,293 | 1.07 |
| | | | | 26/01/2018 | 6,809,122 | Sale | 2,094,171 | 0.25 |
| | | | | 02/02/2018 | 589,331 | Sale | 1,504,840 | 0.18 |
| | | | | 09/02/2018 | 1,067,829 | Sale | 437,011 | 0.05 |
| | | | | 16/02/2018 | 437,011 | Sale | -- | -- |
| | | **--** | **--** | **31/03/2018** | | | **--** | **--** |
| 12. | American Funds Insurance Series Global Small Capitalisation Fund | 11,750,000 | 1.41 | 01/04/2017 | | | | |
| | | | | 21/04/2017 | 1,970,000 | Sale | 9,780,000 | 1.18 |
| | | | | 12/01/2018 | 59,333 | Sale | 9,720,667 | 1.17 |
| | | | | 19/01/2018 | 6,746,416 | Sale | 2,974,251 | 0.36 |
| | | | | 26/01/2018 | 2,274,668 | Sale | 699,583 | 0.08 |
| | | | | 02/02/2018 | 196,872 | Sale | 502,711 | 0.06 |
| | | | | 09/02/2018 | 356,722 | Sale | 145,989 | 0.02 |
| | | | | 16/02/2018 | 145,989 | Sale | -- | -- |
| | | **--** | **--** | **31/03/2018** | | | **--** | **--** |

Note: 1. The aforesaid details include top 10 shareholders as on 31.03.2017 and 31.03.2018 and changes therein.

2. Date of acquisition/sale of shares is the date of Benpos.

## v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-17 to 31-03-18) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | Mr. Rajan Raheja Non-Executive Director | 0 | 0.00 | 01/04/2017 | 0 | - | | |
| | | **0** | **0.00** | **31/03/2018** | | | **0** | |
| 2. | Mr. Akshay Raheja Non-Executive Director | 12,14,13,000 | 14.62 | 01/04/2017 | -- | No change during the year | 12,14,13,000 | 14.62 |
| | | **12,14,13,000** | **14.62** | **31/03/2018** | | | **12,14,13,000** | **14.62** |
| 3. | Mr. Viren Raheja Non-Executive Director | 11,95,53,000 | 14.40 | 01/04/2017 | -- | No change during the year | 11,95,53,000 | 14.40 |
| | | **11,95,53,000** | **14.40** | **31/03/2018** | | | **11,95,53,000** | **14.40** |
| 4. | Mr. Rajan Gupta Managing Director | 0 | 0.00 | 01/04/2017 | -- | -- | 0 | 0.00 |
| | | **0** | **0.00** | **31/03/2018** | | | **0** | **0.00** |
| 5. | Mr. Sridhar Gorthi Chairman & Non-Executive Independent Director | 0 | 0.00 | 01/04/2017 | -- | -- | 0 | 0.00 |
| | | **0** | **0.00** | **31/03/2018** | | | **0** | **0.00** |
| 6. | Mr. Vinayak Aggarwal Non-Executive Director | 0 | 0.00 | 01/04/2017 | -- | -- | 0 | 0.00 |
| | | **0** | **0.00** | **31/03/2018** | | | **0** | **0.00** |
| 7. | Mr. Sasha Mirchandani Non-Executive Independent Director | 0 | 0.00 | 01/04/2017 | -- | -- | 0 | 0.00 |
| | | **0** | **0.00** | **31/03/2018** | | | **0** | **0.00** |
| 8. | Mr. Devendra Shrotri Non-Executive Independent Director | 0 | 0.00 | 01/04/2017 | -- | -- | 0 | 0.00 |
| | | **0** | **0.00** | **31/03/2018** | | | **0** | **0.00** |
| 9. | Ms. Ameeta Parpia Non-Executive Independent Director | 27,315 | 0.00 | 01/04/2017 | -- | No change during the year | 27,315 | 0.00 |
| | | **27,315** | **0.00** | **31/03/2018** | | | **27,315** | **0.00** |

## II. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(in ₹)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 8,271,484,286 | 97,415,346 | 0 | 8,368,899,632 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 31,488,013 | 638,812 | - | 32,126,825 |
| **Total (i+ii+iii)** | **8,302,972,299** | **98,054,159** | **0** | **8,401,026,457** |
| **Change in Indebtedness during the financial year** | | | | |
| • Addition | 3,982,622,960 | 252,069,044 | 0 | 4,234,692,004 |
| • Reduction | 4,175,518,870 | 200,484,387 | 0 | 4,376,003,257 |
| • IND AS Adjustment | (32,584,815) | (525,001) | 0 | (33,109,816) |
| Net Change | **(225,480,725)** | **51,059,656** | **0** | **(174,421,069)** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 8,046,003,562 | 148,475,001 | 0 | 8,194,478,563 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 37,165,714 | | - | 37,165,714 |
| **Total (i+ii+iii)** | **8,083,169,276** | **148,475,001** | **0** | **8,231,644,277** |

## III. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)

| Sr. No. | Particulars of Remuneration | Name of Managing Director |
|---|---|---|
| | | **Mr. Rajan Gupta** |
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 19,187,572 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | - |
| | - others, specify- Incentive | 2,063,000 |
| 5 | Others, please specify-Provident Fund | 665,520 |
| | **Total (A)** | **21,916,092** |
| | Ceiling as per the Act | 26,635,000 |

### B. REMUNERATION TO OTHER DIRECTORS:

None of the other Directors receive remuneration except sitting fees.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Mr. Ajay Singh Company Secretary | Mr. Vineet Garg Chief Financial Officer | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 5,233,590 | 8,215,105 | 13,448,695 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify-Incentive | 1,500,000 | 1,500,000 | 3,000,000 |
| 5 | Others, please Specify: Provident Fund Exempt from tax (Incl. PF) | 208,800 | 273,600 | 482,400 |
| | **Total** | **6,942,390** | **9,988,705** | **16,931,095** |

## IV PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were neither any penalties/punishment levied on the Company nor the compounding of offences was done during the year under review.

**For and on behalf of the Board**

**Rajan Gupta**
Managing Director
DIN 07603128

**Vinayak Aggarwal**
Director
DIN 00007280

Place : Mumbai
Date : 28th May, 2018

**Registered Office**
Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai 400054
CIN: L64204MH1959PLC011421
Tel No. 022-26001306 Fax No. 022-26001307
Mail: info@hathway.net
website: www.hathway.com

## ANNEXURE VI

**DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014**

**(A) Conservation of energy:**

| | |
|---|---|
| Steps taken or impact on conservation of energy | Not Applicable |
| Steps taken by the company for utilizing alternate sources of energy | |
| Capital investment on energy conservation equipment | |

**(B) Technology absorption:**

| | |
|---|---|
| Efforts made towards technology absorption | Not Applicable |
| Benefits derived like product improvement, cost reduction, product development or import substitution | |
| In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): | |
| • Details of technology imported | Not Applicable |
| • Year of import | |
| • Whether the technology has been fully absorbed | |
| • If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | |
| Expenditure incurred on Research and Development | |

**(C) Foreign exchange earnings and Outgo:**

| | 1st April, 2017 to 31st March, 2018 *[Current F.Y.]* Amount (₹ In Crores) | 1st April, 2016 to 31st March, 2017 *[Previous F.Y.]* Amount (₹ In Crores) |
|---|---|---|
| Actual Foreign Exchange earnings | 0.00 | 1.60 |
| Actual Foreign Exchange outgo | 128.99 | 311.26 |

**For and on behalf of the Board**

| | **Rajan Gupta** | **Vinayak Aggarwal** |
|---|---|---|
| Place : Mumbai | Managing Director | Director |
| Date : 28th May, 2018 | DIN 07603128 | DIN 00007280 |

**Registered Office**
Rahejas, 4th Floor, Corner of Main Avenue & V. P. Road,
Santacruz West, Mumbai 400054
CIN: L64204MH1959PLC011421
Tel No. 022-26001306 Fax No. 022-26001307
Mail: info@hathway.net
website: www.hathway.com

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF ECONOMY

### GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performance in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest for seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook. *(Source: IMF and OECD)*.

### INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction and an expansion in agriculture. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020. *(Source: OECD and Economic Times)*

Fiscal deficit for 2017-18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 inspite of transformation in the economy. In addition to initiatives like; "Make in India", "Housing for All", "Digital India" government has also introduced "Sagar Mala" and "Bharat Mala" initiatives which are expected to boost the domestic growth of the country. *(Source: IBEF and Trading Economics)*

## MEDIA & ENTERTAINMENT INDUSTRY

The Indian M&E sector reached INR 1.5 Tn (USD 22.7 Bn) in 2017, a growth of almost 13 percent over 2016. With its current trajectory, it is expected to cross INR 2 Tn (USD 31 Bn) by 2020, at a CAGR of 11.6 per cent.

The Media and Entertainment sector grows with the economy although at a higher pace and its medium - term outlook is bright. The M&E industry's continual growth is a reflection of the growing disposable income led by stable economic growth. The Television segment will grow in 5 years @ 9.8% CAGR by CY2020E.

**The Indian Media and entertainment industry size and projections:**

| Segment | CY2016 | CY2017 | CY2018E | CY2020E | CAGR 2016 - 20 |
|---|---|---|---|---|---|
| Television | 594 | 660 | 734 | 862 | 9.8% |
| Print | 296 | 303 | 331 | 369 | 5.7% |
| Filmed entertainment | 122 | 156 | 122 | 156 | 11.9% |
| Digital media | 92 | 119 | 151 | 224 | 24.9% |
| Animation and VFX | 54 | 67 | 80 | 114 | 20.4% |
| Live events | 56 | 65 | 77 | 109 | 18.0% |
| Online gaming | 26 | 30 | 40 | 68 | 27.5% |
| Out Of Home media | 32 | 34 | 37 | 43 | 7.7% |
| Radio | 24 | 26 | 28 | 34 | 8.6% |
| Music | 12 | 13 | 14 | 18 | 10.6% |
| **Total** | **1,308** | **1,473** | **1,660** | **2,032** | **11.6%** |

(Gross of taxes, INR billion)
*Source: EY Analysis*

In 2016, the Indian television, film and digital media Industry was at INR 808 Bn. It is growing with a CAGR of more than 12% and is expected to reach INR 1,242 Bn by 2020. The addition of over INR 434 Bn by these 3 segments is expected to transform the way the content is produced, delivered and accessed by the consumers leading to an exponential growth in value creation for the entire ecosystem

Consumers, who have at least one Pay TV subscription and/or OTT subscription are driven by sachet pricing of content, would provide a high volume-lower value subscription base to content distributors. This segment could, on the back of digital and micro payment systems being rolled out in the country, reach as high as 20 Mn households from 6 Mn in 2017.

Mass consumers would form the largest segment of the M&E sector in 2020. These consumers would consume traditional media (either pay or free) and free OTT content, on the back of falling data charges and growing free Wi-Fi access. These consumers are expected to cross 500 Mn by 2020 from around 200 Mn in 2017.

### Customer Segments in India by 2020

| | 2017 (Subscribers in Mn) | 2020 (Subscribers in Mn) |
|---|---|---|
| Digital Only | 1 to 1.5 | 4 |
| Tactical digital consumer | 6 | 20 |
| Mass consumers | 200+ | 500+ |

Source: MPA Analysis

### Indian Broadband Industry

India's internet market has grown significantly in recent years, with total internet subscribers increasing by a CAGR of 17.9% from 238.7 Mn subscribers in 2013, to 446.0 Mn in 2017 according to TRAI. Mobile internet has led this growth, driven by the proliferation of internet-enabled mobile devices and 3G/4G network deployments by telecom operators (Telco's). Mobile internet subscribers grew at a CAGR of 18.9% from 220.4 Mn in 2013 to 424.7 Mn in 2017. Wired internet subscribers grew over the period at a CAGR of 5.5% from 18.3 Mn subscribers in 2013 to 21.3 Mn in 2017.

### Overview of Broadband Internet in India

| India metrics | CY2012 | CY2013 | CY2014 | CY2015 | CY2016 | CY2017 | March 2018 |
|---|---|---|---|---|---|---|---|
| India's Internet Subscribers (million) | 213.7 | 238.7 | 267.4 | 331.7 | 391.5 | 445.9 | 493.9 |
| Wireless | 188.4 | 220.4 | 248.5 | 311.7 | 370.0 | 424.6 | 472.7 |
| Wired* | 25.3 | 18.3 | 18.9 | 20.0 | 21.5 | 21.3 | 21.2 |

*From the UN Report titled "World Urbanisation Prospects The 2014 Revision" published at Https://www.un.org/development/desa/publications/ publication last accessed in January 2018 and TRAI.*

** Including Narrow band*

### Wireline Broadband Internet penetration in India

While the advent of 3G/4G services has led to a rapid increase in mobile broadband penetration per capita (from 2.6% in 2013 to 17.2% in 2016, based on MPA estimates), fixed broadband penetration has only improved marginally from 5.5% of total households as of 31 December 2013 to 6.8% as of 31 December 2017. MPA believes both fixed and mobile broadband penetration will expand at a robust pace over the next five years as mobile and fixed broadband incumbents ramp up their existing networks. Mobile broadband penetration will surge from 23% of the population in 2016 to 37.9% by 2022. During the same period, the country's fixed broadband penetration of households will increase from 6.8% to 7.4% in CY2018 driving the growth in India's fixed broadband subscriber base at a CAGR of 10.4% from 17.86 Mn subscribers in 2017 to 32.4 Mn subscribers by 2022.

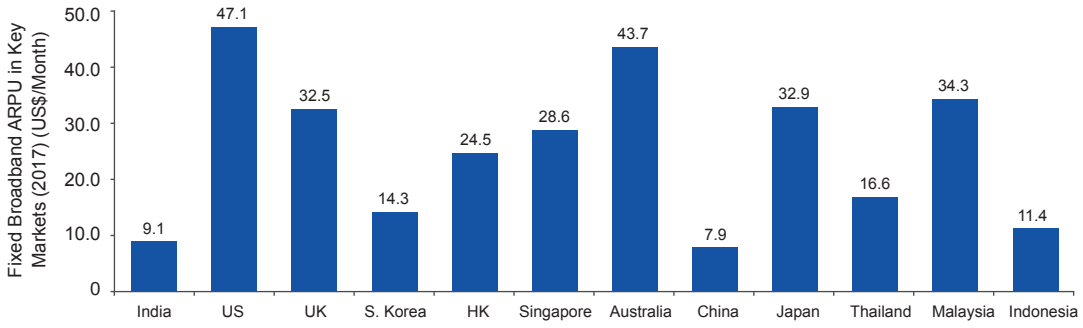
### Key Fixed Broadband Technologies Deployed

In anticipation of impending consumer and enterprise demand, fixed broadband providers are investing in technologies that offer faster broadband services. As of 31 December 2017, MPA notes that over 70% of fixed broadband homes in India are still connected through legacy ADSL networks. The future fixed broadband deployments in India will be led by FTTx-based technologies such as GPON.

### Average Revenue Per Unit (ARPU)

India has one of the lowest broadband ARPUs across Asia Pacific, but the scale of the market puts it in the top five in terms of broadband revenue. MPA forecasts that India will generate USD 4.8 Bn in revenue in 2022, putting it ahead of more advanced broadband markets such as Thailand and Taiwan. India is a long way away from achieving the revenue levels of markets such as China or Japan. However, India will be the fastest growing fixed broadband market in Asia Pacific during 2017-2021, exhibiting a CAGR of 10.9%.

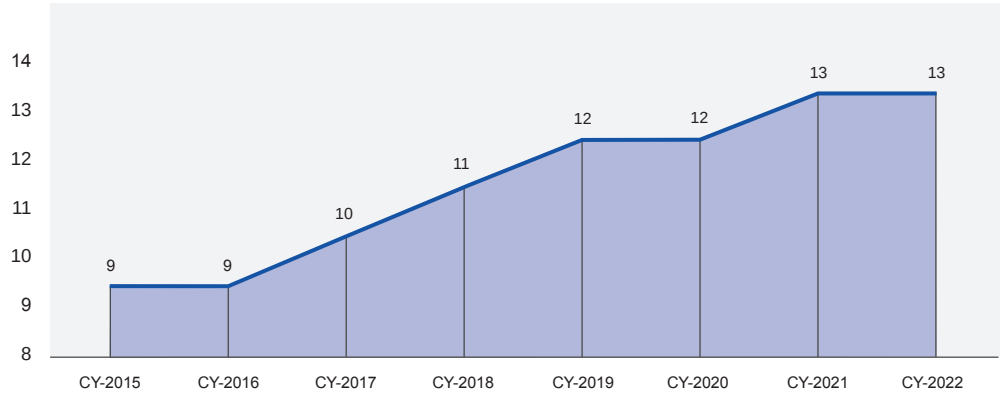
**Fixed Broadband ARPU in Key Markets**




*Source: Media Partners Asia 2017*

**Fixed Broadband ARPU growth in India -**

Fixed Broadband ARPU India US$/Month



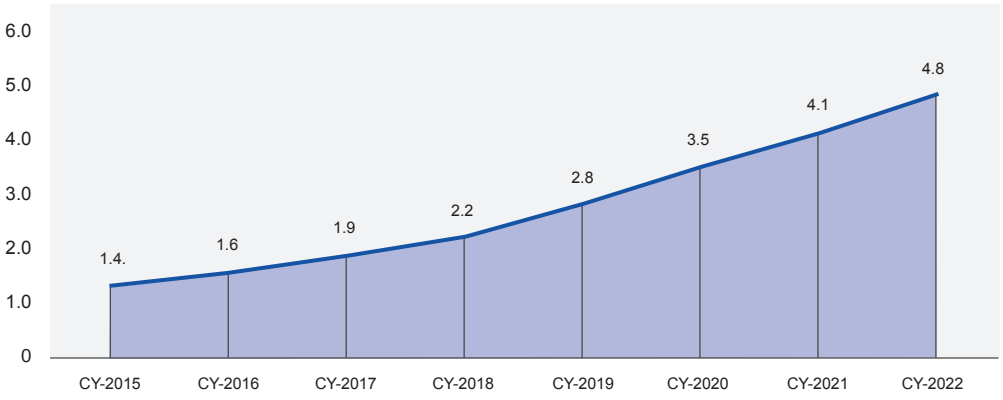

*Source: Media Partners Asia 2017*

## Fixed Broadband Internet Industry Revenue Forecasts

According to Industry reports, the factors discussed above will contribute to fixed broadband growth from a USD 1.9 Bn industry in 2017 into a USD 4.8 Bn market by 2022.

**Fixed Broadband Revenue growth in India**

Fixed Broadband Revenue US$ Bn

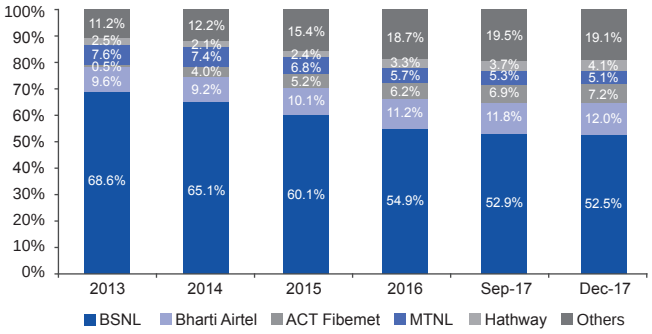



*Source: Media Partners Asia 2017*

## The Competitive Landscape of India's Fixed Broadband Market

India's fixed broadband market is highly competitive, with multiple national and regional players. It is dominated by the state-owned telco BSNL, although the company's market share has been diminishing. MPA estimates that BSNL, along with fellow telco incumbents MTNL and Bharti Airtel, accounted for 70% of total fixed broadband subscribers as of 30 March 2018, with cable operators and ISPs taking up the remainder. In recent years, cable broadband players have managed to eat into the telco player's share. Telco incumbents have also come under pressure following intense competition in the voice and mobile data business.

### Market Share of Fixed Broadband Players

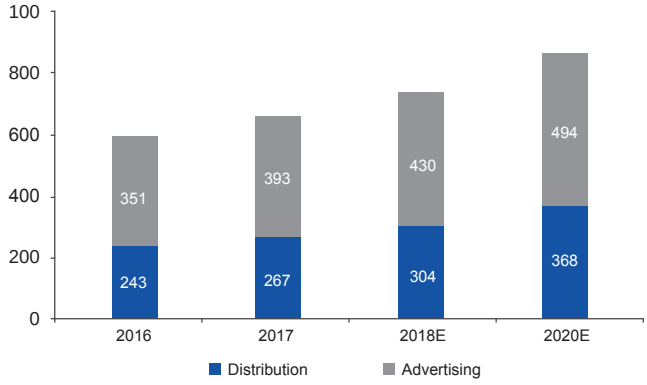



*Source: TRAI*

## India Digital Cable Telivision Industry

The TV industry grew from INR 594 Bn in 2016 to INR 660 Bn in 2017, a growth of 11.2%. Advertising grew by around 10% to INR 267 Bn in 2017 (INR 243 Bn in 2016) while distribution grew by around 12% to INR 393 Bn (INR 351 Bn).

### TV Industry Revenue Breakup




**Gross of taxes INR (In Billion)*
*Source: EY Analysis 2018*

## Distribution System

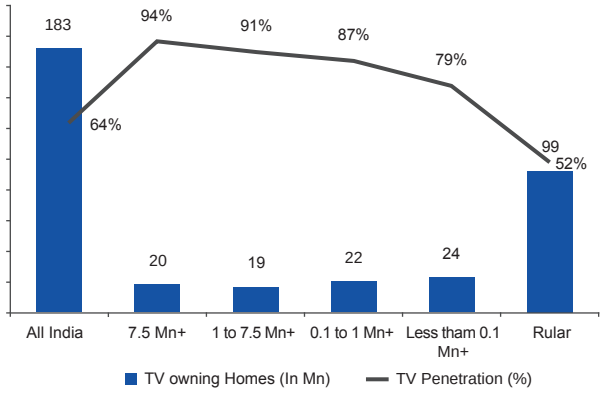
### Fragmented Market

The distribution segment in India has an estimated 60,000 local cable operators (LCOs) and more than 1,469 multi-service operators (MSOs). There were six pay direct-to-home(DTH) operators and Doordarshan's free satellite service in operation. In addition, there was one Headend-in-the-sky (HITS) operator. The DTH companies and 10 largest MSOs dominated the market, serving around 65% of pay TV homes.

### TV viewing households grew to 183 Mn

Of the estimated 286 Mn households in India, TV penetration reached 64% taking the total number of TV viewing household to 183 Mn in 2017, which is a 3.5% growth over 2016. This accounted for approximately 780 Mn viewers. 83% of the total TV households were paying households.

### Rural TV penetration crosses 50%.




*Source: Industry discussions, EY analysis*

## Digitisation resulted in increased customer ARPUs

Digitisation led to increased collections from end customers, across all DAS markets. While the increases varied by location approximate ranges are provided in the table below.

| Phase | Customer ARPU range (In INR, gross of tax) |
|---|---|
| 1 | 250-350 |
| 2 | 200-325 |
| 3 | 150-225 |
| 4 | 125-200 |

*Source: Industry discussions, EY analysis*

Consolidated cable subscription revenue during the year stood at INR 573.3 Crores versus INR 472.8 Crores in the previous year, reflecting an improvement of over 21% YoY. The technology innovation and transparency with channel partners has led our company to increase ARPUs year on year in our Cable television business.

During the year the ARPUs from Phase I and Phase II markets were INR 108 and INR 102 per subscriber per month respectively. In Phase III markets, ARPUs grew significantly from INR 50 to INR 70 per subscriber per month and Phase IV is now being monetised at an ARPU of INR 55.

Your company is one of the pioneers to provide STBs ahead of digitisation to the Indian consumer, giving them access to premium quality and niche entertainment content, thereby enhancing the viewing experience. Your company today is one of India's largest cable television distribution company serving over 7.2 Mn digital homes in over 350+ cities.

### Hathway Connect – Online Portal

The company's online portal, Hathway connect, has been implemented in 2/3rd of our customer base and 55% of payment by LCOs and primary subscribers are now paid online. This creates stability in business and has increased collection efficiency to 98%.

### DTH subscribers grew, but ARPUs were under pressure

The number of active DTH subscribers in India grew by over 3 Mn during 2017, primarily driven by digitisation in DAS III and DAS IV markets. However, due to demonetisation, implementation of GST and introduction of low value packs for rural markets and to counter the competition from Free Dish, ARPU has been flat at around INR 220 per month as compared to previous year, despite muted increases in package prices.

### HD subscribers crossed 10 Mn

As per industry estimates, HD grew with digitisation and has been estimated to cross 10 Mn, on the back of increased sale of large television screens of 40 inches and above, where the viewing experience requires higher quality content. In addition, many distributors are providing over 80 HD channels, including sports which is a large incentive for subscribers. HD audiences contribute to higher revenues for distribution companies due to the premium pricing that such channel commands. This will be the next subscription growth driver.

### OTT- A new name of entertainment

Over-the-Top (OTT) video viewing is a digital wave transforming the way we consume video in India. Television is viewed almost everywhere, on-demand, on-the-go, across devices and geographies, owing to burgeoning OTT platforms coupled with rapidly increasing Internet services.

Increasing bandwidth capacity and falling prices, best bundles for voluminous media consumption. The growth in smartphone penetration and improvement in Internet speeds is evolving into a multi-screen, time-shifted, mobile environment, with viewers deeming their smart device as their primary source of media and entertainment. The OTT video market in India is bustling with competition as leading operators Hotstar, Zee5, dittoTV, Jio TV, Amazon Prime Video, Netflix, ErosNow, and YuppTV battle to penetrate this lucrative market. According to Frost & Sullivan, there were 70 Mn unique video viewers in India (2016) with 1.3 Mn paid subscribers. Currently, there are at least 80 Mn unique connected-video viewers, with at least 1.75 Mn OTT paid-video subscribers. With a high growth rate of almost 30 percent, this number is rising rapidly with the recent unveiling of high speed broadband services.

### Company Overview

Hathway Cable & Datacom Limited, is one of India's leading Broadband players having 5.2 Mn Home passes and 0.8 Mn subscriber base. It is India' first MSO to launch GPON FTTH service in India.

The Stand-alone financials of the Company are not comparable due to slump sale of its Cable television business to 100% subsidiary Hathway Digital Private limited (formerly known as Hathway Central Datacom Private Limited) as of the closing hours of 31st March 2017.

Hathway Digital Private limited is a MSO, with 6+ main head ends and a network of approximately 35,000 Kms of optical fibre and coaxial cable, providing cable services to 7.2 Mn viewers (including through its fellow subsidiaries & associates) pan India and reach to 350+ cities and adjoining areas.

### Segment-wise Operational Review

**Broadband**

1) Your Company has rolled out 5.2 Mn Home Pass by March 2018 and its Broadband subscribers reached 0.8 Mn. During the year the company added 0.16 Mn subscribers at an ARPU of INR 710. The Company has shown growth of 10% in subscription revenue on year on year basis.

2) Your company has commercially rolled out GPON Fibre to the Home in Kolkata, Indore and Chennai, which enabled it to cater to customers by offering speeds of up to 200 MBPS with 1TB data at competitive prices.

3) Your company continues to bring in new technology for superior consumer experience and have upgraded its subscriber base to Docsis 3.1 and GPON FTTH service, which offers speeds up to 200 MBPS and 1TB data at competitive price points. Further, the company has partnered with IT Giants like Microsoft to provide free goodies like 1TB Microsoft cloud storage and Microsoft Office 365 to its subscribers. These initiatives helps to increase customer stickiness and to retain customers for longer duration.

4) The average usage per customer per month has now reached 103 GB which shows customers preference of watching online media and reflects the binge watching culture of users.

5) IT & Other Initiatives have helped us in cost optimisation and to provide system driven services

6) A new self-care app – 'Hathway Broadband' has been launched during the financial year which will provide customers access to their data usage pattern, billing cycle etc by integrating it to the Oracle billing and revenue management system (OBRM).

### Cable Television

1) Hathway's Cable Television business has seen significant growth in subscription revenue by 21%, led by increase in monetisation of Phase III and IV. Phase III ARPU has increased to INR 70 from INR 50 and Phase IV ARPU stands at INR 55. Similarly Phase I and II ARPU have increased to INR 108 and INR 102 respectively.

2) During the year, your company has increased the penetration in Hathway Connect to 2/3rd of its total base

which have helped company to achieve 55% of collection through online payment mechanism on the above base.

### Financial Review

| INR in Crs | FY18 | FY17 | Growth |
|---|---|---|---|
| **Standalone** | | | |
| Total Income | 556.5 | 1,330.5 | -58% |
| EBITDA | 237.0 | 259.9 | -9% |
| EBITDA Margin | 43% | 20% | |
| Net Profit/(Loss) | 78.9 | (154.3) | 151% |
| **Consolidated** | | | |
| Total Income | 1,544.4 | 1,368.2 | 13% |
| EBITDA | 345.4 | 220.6 | 57% |
| EBITDA Margin | 22% | 16% | |
| Net Loss | 105.2 | 193.2 | -46% |

Standalone Operating Revenue was at INR 544.5 crores. The steady growth was driven primarily by subscription, broadband, and other operating revenues. Operating EBITDA 227.1 Cr at the margin of 42% PAT stands at 78.9 Cr.

### Other Key Developments

The Company has successfully completed the process of spin off of its the Cable Television business into the Company's wholly owned subsidiary – Hathway Digital Private Limited (HDPL). However, in case of few lenders filing of relevant forms for charge documents inter-se between the holding Company and the Company with the Registrar of Companies is under process. The Company has successfully listed one of its JV's GTPL Hathway Limited on 4th July, 2017.

### SWOT ANALYSIS

**Strengths**

**Broadband**:

- First MSO to Launch GPON with 200 Mbps speed
- Average data consumption 103 Gb per subscriber per month
- Out of the total MSO cable broadband subscribers, the Company has a market share of 52%
- Partnering with various content providers, education portals and other lifestyle improvement players

**Cable:**

- 7.2 Mn digital subscribers base; Offers its cable television services across 350+ cities and towns, operating in pan India regions
- Implementation of Hathway connect, increase in transparency among the LCOs
- 2/3rd Base (Ex GTPL Hathway Limited) in Hathway connect with 55% online collections
- Centralised CAS provides feed from 6 main head-ends across the country

**Challenges**

**Broadband**:

- To retain Lower GB usage customers
- Continuously focusing to expand the footprint and upgrading network and infrastructure
- Expansion to power towns with a low cost model

**Cable:**

- High content cost due to southern market
- Lower paying capacity and poor infrastructure in Phase 3 and 4 markets
- Large number of subsidiaries to manage

**Opportunities**

**Broadband**:

- Rapid growth of the top power cities, demand for high speed connectivity fixed broadband
- Government initiatives for Smart City
- Increase in Media content through OTT platform main driver for online content consumption.

**Cable:**

- Implementation of New Tariff will have an impact on the content cost
- Collaboration with new technology will change the revenue model
- HD would continue to be opportunity by way of new channel launches and better regional content

**Threats**

**Broadband**:

- Low end users may move to wireless service providers due to competitive pricing
- Technology Changes will lead to upgradation

**Cable:**

- DTH companies, Free Dish to offer stiff competition in Phase III and IV Markets

(Being a trusted brand and one of the largest MSOs in the country, Hathway will always enjoy the 'first mover' advantage.)

## RISKS AND CONCERNS

| Product / Technology Risk | Competition |
|---|---|
| **Consequence:** The traditional cable customer preferences are changing and they are moving towards getting content in a non-linear manner. Inability to meet the customer's demand might lead to loss in business. Also Rapid advancements in technology leading to obsolescence of existing assets | **Consequence:** Broadband and Cable business verticals where Hathway is present, has low entry barriers and multiple players across geographies. |
| **Risk Mitigation Strategy:** Your company is well placed to serve the arising needs of the customers by offering OTT & broadband services to existing cable customers.<br>The shift to MPEG-4 STBs in cable and provision of providing broadband through DOCSIS 3.1 /GPON network is testament to the fact that we are sensitive to the rapidly changing technology trends and are cognisant to take counter measures. | **Risk Mitigation Strategy:** To take early lead with the competition, Hathway has offered cutting edge products & solutions at value for money pricing to enhance customers delight. Hathway is well poised to grow in this new segment and the market. |
| **Awareness Risk** | |
| **Consequence:** LCOs function as primary facilitators of our business expansion. Therefore, delay in updating/on boarding them on latest initiatives undertaken by the company would negate the first mover advantage. | **Risk Mitigation Strategy:** Your company has launched Hathway Connect portal for LCOs by imparting real-time training to help them manage their customers. Besides, there is regular collaboration with LCOs for our branding initiatives. A separate outreach initiative has been undertaken for our broadband services to ensure brand recall and educate the customers about the kind of services being offered. |

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large. Integrity, transparency, accountability and compliance with laws are the basis of good governance and also instrumental in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

The Company believes in adopting the 'best practices' in the area of corporate governance. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Non-Executive Directors.

In accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as SEBI (LODR), the report containing the details of governance systems and processes at Hathway Cable and Datacom Limited is as under:

## 2. BOARD OF DIRECTORS

### a) Composition of the Board of Directors:

As per the provisions of Regulation 17 of SEBI (LODR), the Board of the Company has optimum combination of Executive, Non-Executive and Independent Directors comprising of 1 (One) Executive Director and 8 (Eight) Non-Executive Directors of which 4 (Four) are Independent Directors. The Chairman of the Company is Non-Executive Independent Director. As, the Chairman of the Company is Non-Executive Independent Director, one third of the total number of directors are Independent Directors, who are not liable to retire by rotation. The provision of having one Woman Director on the Board has also been complied with. Ms. Ameeta Parpia is a Woman Director under the category of Independent Director.

None of the directors of the Company hold Directorship in more than 10 (Ten) Public Limited Companies or act as an Independent Director of more than 7 (Seven) Listed Companies. Further, none of the directors is member of more than 10 (Ten) committees or chairperson of more than 5 (Five) committees across all Public Limited Companies in which they hold the office of Directors.

**The composition of the Board and other relevant details relating to directors for the financial year ended March 31, 2018 are as under:**

| Name of the Director | Relationship with other Directors | Designation | Category of Directorship | No of Directorship in listed entities | No of memberships in statutory committees* (As per Regulation 26 of SEBI (LODR)) | No of post of Chairperson of statutory Committees* (As per Regulation 26 of SEBI (LODR)) |
|---|---|---|---|---|---|---|
| Mr. Sridhar Gorthi | None | Chairman | Independent | 2 | 2 | 1 |
| Mr. Rajan Raheja | Father of Mr. Akshay Raheja & Mr. Viren Raheja | Director | Non-Executive & Non Independent | 4 | 1 | 0 |
| Mr. Akshay Raheja | Son of Mr. Rajan Raheja & Brother of Mr. Viren Raheja | Director | Non-Executive & Non Independent | 2 | 1 | 0 |
| Mr. Viren Raheja | Son of Mr. Rajan Raheja & Brother of Mr. Akshay Raheja | Director | Non-Executive & Non Independent | 2 | 3 | 0 |

| Name of the Director | Relationship with other Directors | Designation | Category of Directorship | No of Directorship in listed entities | No of memberships in statutory committees* (As per Regulation 26 of SEBI (LODR)) | No of post of Chairperson of statutory Committees* (As per Regulation 26 of SEBI (LODR)) |
|---|---|---|---|---|---|---|
| Mr. Rajan Gupta | None | Managing Director | Executive | 2 | 2 | 0 |
| Mr. Vinayak Aggarwal | None | Director | Non-Executive & Non Independent | 1 | 1 | 1 |
| Mr. Sasha Mirchandani | None | Director | Independent | 2 | 1 | 0 |
| Mr. Devendra Shrotri | None | Director | Independent | 1 | 1 | 0 |
| Ms. Ameeta Parpia | None | Director | Independent | 3 | 7 | 3 |

** It excludes Private Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and alternate directorships and for determination of limit of committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee alone shall be considered.*

### b) Shares and convertible instruments held by Non-Executive Directors:

There are no convertible instruments issued by the Company. The details of equity shares of the Company held by Non-Executive Directors are given below:

| Sr. No. | Name of the Director | Shares Held |
|---|---|---|
| 1. | Mr. Akshay Raheja | 121,413,000 |
| 2. | Mr. Viren Raheja | 119,553,000 |
| 3. | Ms. Ameeta Parpia | 27,315 |

Apart from the details mentioned hereinabove, no other Non-Executive director hold any shares in the Company.

### c) Appointment/Re-appointment of Director:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association, Mr. Vinayak Aggarwal, Non-Executive Director shall retire by rotation at the forthcoming Annual General Meeting. In the opinion of the Board, he fulfills the condition specified in the Companies Act, 2013 for holding of office of director. Accordingly, the Board has recommended his re-appointment as Non-Executive Director of the Company.

The detailed resume of the said Non-Executive Director is provided in the explanatory statement annexed to the notice of the Annual General Meeting.

### d) Board Meetings and Annual General Meeting:

During the financial year 2017-18, 7 (Seven) Board Meetings were held and the gap between two Board Meetings was not more than 120 days. The details of Board Meetings held during the year are given below:

| Sr. No. | Date of Meeting |
|---|---|
| 1. | 30th May, 2017 |
| 2. | 21st July, 2017 |
| 3. | 10th August, 2017 |
| 4. | 15th September, 2017 |
| 5. | 2nd November, 2017 |
| 6. | 22nd December, 2017 |
| 7. | 12th February, 2018 |

The last Annual General Meeting of the Company was held on 15th September, 2017.

The directors were given an option of attending the Board Meeting through video conferencing. The details of attendance of directors in Board Meetings and the last Annual General Meeting are as follows:

| Name of the Director(s) | No. of Board Meetings Attended | Attendance at Annual General Meeting dated 15th September, 2017 |
|---|---|---|
| Mr. Sridhar Gorthi | 5 | Yes |
| Mr. Rajan Raheja | 5 | No |
| Mr. Akshay Raheja | 6 | Yes |
| Mr. Viren Raheja | 6 | Yes |
| Mr. Vinayak Aggarwal | 5 | Yes |
| Mr. Sasha Mirchandani | 7 | Yes |
| Mr. Devendra Shrotri | 1 | No |
| Ms. Ameeta Parpia | 7 | Yes |
| Mr. Rajan Gupta | 7 | Yes |

### e) Separate meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR), a separate meeting of the Independent Directors of the Company was held to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

### f) Induction and training of the Board Members:

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director on the Company's general business profile, industry in which it operates, legal, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads etc.

Details of familiarisation programmes imparted to Independent Directors are disclosed on the website of the Company and can be accessed through web link http://www.hathway.com/assets/pdf/Compliance%20Report/Familiarisation_%20Programme.pdf

### g) Evaluation of Board performance:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Company. The exercise was carried out through a structured evaluation process covering various aspects of the boards' functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors including the Board, Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of confidential information, adherence to ethical standards etc.

### h) Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

The Company has obtained the confirmation of the Compliance with the Code from all its Board members and Senior Management Personnel and a declaration on compliance of the Company's Code of Conduct signed by the Managing Director forms part of this Report.

### i) Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Internal Procedure and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders for Prevention of Insider Trading. All the Specified Persons who could have access to the unpublished price sensitive information of the Company are governed by this Code. The Trading Window for dealing in shares by the Specified Persons was closed during the time of declaration of results and occurrence of any material events as per the Code. Mr. Ajay Singh, Head Corporate Legal, Company

Secretary and Chief Compliance Officer is responsible for setting forth procedures and implementation of the Code for trading in Company's securities.

## 3. AUDIT COMMITTEE

### a) Constitution of Audit Committee:

The Committee comprises of 5 (Five) Non-Executive Directors out of which 4 (Four) are Independent Directors. All the members of the Committee are financially literate and Mr. Sasha Mirchandani, who has done his Business Administration from Strayer University and MMDP program at IIM, Ahmedabad has financial management expertise. The Chairman of the Audit Committee is an Independent Director.

### b) Composition of Audit Committee and Number of Meetings held and Attended by members:

During the Financial year 2017-18, 4 (Four) Audit Committee Meetings were held and the gap between two meetings was not more than 120 days. Details of meetings during the financial year 2017-18 are as under:

| Sr. No. | Date of Meeting |
|---|---|
| 1. | 30th May, 2017 |
| 2. | 10th August, 2017 |
| 3. | 2nd November, 2017 |
| 4. | 12th February, 2018 |

The members were also given an option of attending the meeting through video conferencing.

The composition of the Audit Committee and the number of meetings attended by each member is given as under:

| Committee Members attending the Meeting | Category | Designation | No. of Meetings Attended |
|---|---|---|---|
| Mr. Sridhar Gorthi | Independent | Chairman | 3 |
| Mr. Viren Raheja | Non - Executive & Non Independent | Member | 4 |
| Mr. Sasha Mirchandani | Independent | Member | 4 |
| Mr. Devendra Shrotri | Independent | Member | 1 |
| Ms. Ameeta Parpia | Independent | Member | 4 |

### c) Attendees:

The Audit Committee invites the Managing Director, Board Members and Senior Management team, as it considers appropriate to be present at its meetings. The Statutory Auditors and the Internal Auditors are also invited to these meetings.

### d) Terms of Reference:

i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems;

ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

iii) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors, approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

b) Changes, if any, in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of judgment by the management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any related party transactions.

g) Qualifications in the draft audit report.

v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer

document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

vii) Review and monitor the auditor's independence, performance and effectiveness of audit process;

viii) Approval or any subsequent modification of transactions of the company with related parties;

ix) Scrutiny of inter-corporate loans and investments;

x) Valuation of undertakings or assets of the company, wherever it is necessary;

xi) Evaluation of internal financial controls and risk management systems;

xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv) Discussion with internal auditors on any significant findings and follow up there on;

xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii) To review the functioning of the Whistle Blower mechanism;

xxix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### a) Constitution of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of 5 (Five) members. All the members of the Committee are Non-Executive Directors out of which 3 (Three) members are Independent Directors. The Chairman of the Committee is an Independent Director.

### b) Composition of Nomination and Remuneration Committee and the number of meetings held during the financial year 2017-18 and attendance by the members:

| Committee Members attending the Meeting | Category | Designation | No. of Meetings Attended |
|---|---|---|---|
| Mr. Sasha Mirchandani | Independent | Chairman | N.A. |
| Mr. Viren Raheja | Non - Executive & Non Independent | Member | N.A. |
| Mr. Akshay Raheja | Non - Executive & Non Independent | Member | N.A. |
| Mr. Sridhar Gorthi | Independent | Member | N.A. |
| Mr. Devendra Shrotri | Independent | Member | N.A. |

During the financial year 2017-18, no meeting of Nomination and Remuneration Committee was held.

### c) Terms of reference:

The Committee is empowered to –

(i) Formulate criteria for determining qualifications, positive attributes and independence of director and recommendation to Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

(ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel;

(iii) Support Board in performance evaluation of all the directors and annual self-assessment of the Board's overall performance;

(iv) Conduct annual performance review of Managing Director and Senior Management Personnel;

(v) Administration of Employee Stock Option Scheme (ESOS);

(vi) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

(vii) Devising a policy on diversity of Board of Directors.

## 5. REMUNERATION POLICY

The Remuneration Policy being part of the Nomination and Remuneration Policy of the Company has been provided in the Directors' Report section of the Annual Report as **Annexure-II**.

### a) Remuneration of directors:

**i. Management Staff:**

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary based on the grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.

**ii. Non-Executive Directors:**

Non-Executive Directors of the Company receive only sitting fees for attending Board Meetings and Committee Meetings. The sitting fees paid to non-executive directors is within the limits prescribed under the Companies Act, 2013.

**Details of the sitting fees during the financial year 2017-18 are as under:**

| Name of the Director | Sitting Fees (Amt. in ₹) |
|---|---|
| Mr. Akshay Raheja | 300,000 |
| Ms. Ameeta Parpia | 510,000 |
| Mr. Devandra Shrotri | 90,000 |
| Mr. Rajan Raheja | 250,000 |
| Mr. Sasha Mirchandani | 510,000 |
| Mr. Sridhar Gorthi* | 370,000 |
| Mr. Vinayak Aggarwal | 250,000 |
| Mr. Viren Raheja | 460,000 |
| **Grand Total** | **2,740,000** |

** Payments made directly to "Trilegal"*

**iii. Executive Directors:**

As of 31st March, 2018, Mr. Rajan Gupta, Managing Director is the only Executive Director of the Company.

**Details of remuneration paid to Mr. Rajan Gupta during year ended March 31, 2018 is given below:**

| Name of the Executive Director | Designation | Salary & Perquisites (₹) | Incentive (₹) | Others (Provident Fund) | Total (₹) |
|---|---|---|---|---|---|
| Mr. Rajan Gupta | Managing Director | 19,187,572 | 2,063,000 | 665,520 | 21,916,092 |

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### a) Constitution and Composition of Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. The Company has taken necessary steps to adequately comply with Regulation 20 of SEBI (LODR).

During the financial year 2017-2018, 4 (Four) meetings of Stakeholder's Relationship Committee were held as per the details given below:

| Sr. No. | Date of Meeting |
|---|---|
| 1. | 7th April, 2017 |
| 2. | 14th July, 2017 |
| 3. | 9th October, 2017 |
| 4. | 8th January, 2018 |

The composition of the Stakeholder's Relationship Committee and details of attendance of meetings by members is as under:

| Name of Director | Category | Designation | No. of Meetings Attended |
|---|---|---|---|
| Mr. Vinayak Aggarwal | Non - Executive & Non Independent | Chairman | 4 |
| Mr. Rajan Gupta | Executive | Member | 3 |
| Mr. Viren Raheja | Non - Executive & Non Independent | Member | 3 |

### b) Name and designation of the Compliance Officer:

Mr. Ajay Singh is the Head Corporate Legal, Company Secretary and Chief Compliance Officer of the Company.

### c) Status of the Complaints:

During the financial year 2017-18, no grievance from investors was received and therefore there were no complaints pending as at end of the year.

| Received from | Received During 2017-18 | Redressed during 2017-18 | Pending as on 31.03.2018 |
|---|---|---|---|
| SEBI | 0 | 0 | 0 |
| NSE | 0 | 0 | 0 |
| BSE | 0 | 0 | 0 |
| NSDL/CDSL | 0 | 0 | 0 |
| Direct from Investors | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** |

### d) Share Transfers in Physical Mode:

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects.

There was no transfer of shares held in physical form reported during the financial year 2017-18.

## 7. GENERAL BODY MEETINGS

### a) Location, time and date of holding of the last 3 (Three) Annual General Meetings are given below:

| Financial Year | Date of AGM | Venue | Time |
|---|---|---|---|
| 2014-15 | 11.08.2015 | ISKCONs Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3:00 pm |
| 2015-16 | 17.08.2016 | ISKCONs Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3:00 pm |
| 2016-17 | 15.09.2017 | ISKCONs Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3:00 pm |

### b) Special Resolutions during previous 3 (Three) Annual General Meetings:

| Date of AGM | Particulars of Special Resolutions Passed |
|---|---|
| 11.08.2015 | Nil |
| 17.08.2016 | Nil |
| 15.09.2017 | Nil |

### c) Postal Ballot:

During the financial year 2017-18, there was no special resolution passed through postal ballot.

## 8. MEANS OF COMMUNICATION

i. All the vital information relating to the Company like quarterly results, annual results, official press releases, presentations, if any, made to Institutional Investors or Analysts are posted on the website of the Company www.hathway.com on timely basis.

ii. The quarterly and annual financial result of the Company is published either in Aapla Mahanagar or Mumbai Lakshadeep (Marathi Newspaper) and Financial Express (English Newspaper). The said financial result is further submitted to the National Stock Exchange of India Limited and BSE Limited.

iii. The Management Discussion and Analysis Report is attached and forms part of this Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

| | | |
|---|---|---|
| a. | **Date, time and venue of Annual General Meeting of Shareholders** | Tuesday, September 11, 2018 at 3:00 p.m. at ISKCON's Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai - 400 049. |
| b. | **Financial Year** | The Company follows April-March as its financial year. The results for every quarter beginning from April are declared as per the SEBI (LODR). |
| c. | **Dividend Payment Date** | The Board of Directors of the Company has not recommended any dividend for the financial year ended 31st March, 2018. |
| d. | **Listing Information** | The Company's equity shares are listed on National Stock Exchange of India Limited and BSE Limited.<br>National Stock Exchange of India Limited<br>Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051<br>(Code: HATHWAY)<br>BSE Limited<br>Address: P.J. Towers, 1st Floor, Dalal Street, Mumbai-400001<br>(Code : 533162)<br>ISIN : INE982F01036<br>Annual listing fee for the financial year 2017-18 has been paid to National Stock Exchange of India Limited and BSE Limited. |
| e. | **Address for Correspondence** | **For General Correspondence:**<br>Mr. Ajay Singh-Head Corporate Legal, Company Secretary and Chief Compliance Officer<br>805/806, Windsor, Off C.S.T Road, Kalina, Santacruz (East), Mumbai-400098.<br>**For matters related to Share transfers, Dematerialisation etc.:**<br>Link Intime India Private Limited<br>C-101, 247 Park, LBS Marg, Vikroli West, Mumbai-400083<br>Tel : (022) 49186000 Fax : (022) 49186060. |
| f. | **Registrar and Transfer agents** | Link Intime India Private Limited<br>C-101, 247 Park, LBS Marg, Vikroli West, Mumbai-400083<br>Tel : (022) 49186000 Fax : (022) 49186060. |
| g. | **Share Transfer System** | Shares sent for physical transfer are generally registered and disposed off within a period of 15 days from the date of receipt, if the documents are complete in all respects. The Board of Directors of the Company is authorised to approve the share transfers. |
| h. | **Plant Locations** | The Company is not engaged in manufacturing activities. |

### i. Stock Market Price Data:

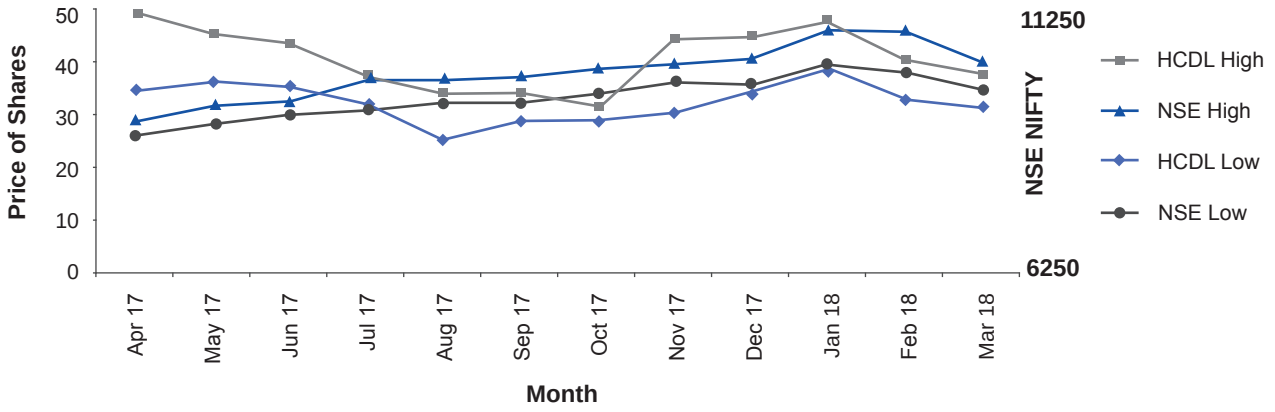
**National Stock Exchange of India Limited**

Monthly High and Low of Closing prices of the Company's Equity Shares traded at National Stock Exchange of India Limited for the financial year ended 31st March, 2018 is given below:

**Performance in comparison to NSE Nifty:**

| Month | NSE Nifty (High) | NSE Nifty (Low) | High Price | Low Price |
|---|---|---|---|---|
| April 2017 | 9367.15 | 9075.15 | 49.50 | 35.30 |
| May 2017 | 9649.60 | 9269.90 | 45.30 | 36.55 |
| Jun 2017 | 9709.30 | 9448.75 | 43.90 | 35.75 |
| July 2017 | 10114.85 | 9543.55 | 37.65 | 32.00 |
| Aug 2017 | 10137.85 | 9685.55 | 33.75 | 25.60 |
| Sept 2017 | 10178.95 | 9687.55 | 33.90 | 29.10 |
| Oct 2017 | 10384.50 | 9831.05 | 31.85 | 29.10 |
| Nov 2017 | 10490.45 | 10094.00 | 44.90 | 30.30 |
| Dec 2017 | 10552.40 | 10033.35 | 45.50 | 34.60 |
| Jan 2018 | 11171.55 | 10404.65 | 48.70 | 38.75 |
| Feb 2018 | 11117.35 | 10276.30 | 41.00 | 32.85 |
| Mar 2018 | 10525.50 | 9951.90 | 38.50 | 31.60 |

**Monthly High-Low SHare Price/NSE NIFTY**



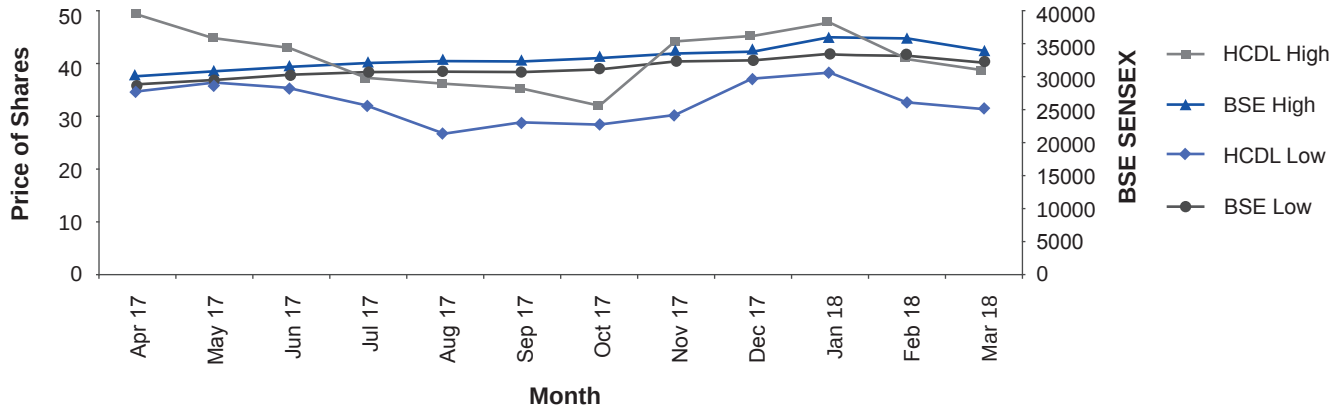

**BSE Limited**

Monthly High and Low of closing prices of the Company's Equity Shares traded at BSE Limited for the financial year ended 31st March, 2018 is given below:

**Performance in comparison to BSE Sensex:**

| Month | BSE SENSEX (High) | BSE SENSEX (Low) | High Price | Low Price |
|---|---|---|---|---|
| April 2017 | 30184.22 | 29241.48 | 49.45 | 35.40 |
| May 2017 | 31255.28 | 29804.12 | 45.25 | 36.80 |
| Jun 2017 | 31522.87 | 30680.66 | 43.50 | 35.75 |
| July 2017 | 32672.66 | 31017.11 | 37.60 | 32.00 |
| Aug 2017 | 32686.48 | 31128.02 | 36.60 | 27.05 |
| Sept 2017 | 32524.11 | 31081.83 | 35.50 | 29.25 |
| Oct 2017 | 33340.17 | 31440.48 | 31.70 | 28.50 |
| Nov 2017 | 33865.95 | 32683.59 | 44.85 | 30.30 |
| Dec 2017 | 34137.97 | 32565.16 | 45.60 | 37.25 |
| Jan 2018 | 36443.98 | 33703.37 | 48.50 | 38.80 |
| Feb 2018 | 36256.83 | 33482.81 | 41.05 | 33.00 |
| Mar 2018 | 34278.63 | 32483.84 | 38.45 | 31.65 |

**Monthly High-Low SHare Price/BSE SENSEX**



**j. a) Distribution of Shareholding as on 31st March, 2018:**

| Range | No. of Shareholders | % of Total Share holders | Share Amount (₹) | % of Total Share Capital |
|---|---|---|---|---|
| 1 – 1000 | 17,531 | 78.4490 | 5,786,998 | 0.3484 |
| 1001 -- 2000 | 2,258 | 10.1043 | 3,925,806 | 0.2364 |
| 2001 -- 4000 | 1,119 | 5.0074 | 3,630,714 | 0.2186 |
| 4001-- 6000 | 416 | 1.8615 | 2,181,318 | 0.1313 |
| 6001 -- 8000 | 174 | 0.7786 | 1,277,046 | 0.0769 |
| 8001 -- 10000 | 221 | 0.9889 | 2,149,020 | 0.1294 |
| 10001--20000 | 265 | 1.1858 | 4,111,968 | 0.2476 |
| 20001 & above | 363 | 1.6244 | 1,637,926,130 | 98.6115 |
| **Total** | **22,347** | **100.00** | **1,660,989,000** | **100.00** |

**b) Category wise Distribution Schedule as on 31st March, 2018:**

| Sr. No. | Category | No. of Shares held | % |
|---|---|---|---|
| 1. | Directors | 240,993,315 | 29.0181 |
| 2. | Corporate Bodies (Promoter Companies) | 120,095,015 | 14.4607 |
| 3. | Clearing Members | 1,692,177 | 0.2038 |
| 4. | Other Bodies Corporate | 14,389,753 | 1.7327 |
| 5. | Foreign Company | 99,976,265 | 12.0382 |
| 6. | Financial Institutions | 2,486,658 | 0.2994 |
| 7. | Foreign Portfolio Investors (Corporate) | 248,741,671 | 29.9510 |
| 8. | Mutual Funds | 30,896,930 | 3.7203 |
| 9. | Non Nationalised Banks | 30,968 | 0.0037 |
| 10. | Non Resident Indians | 12,861,369 | 1.5486 |
| 11. | Non Resident Indians (Non Repatriable) | 4,111,320 | 0.4950 |
| 12. | Public | 45,143,502 | 5.4357 |
| 13. | Hindu Undivided Family | 630,556 | 0.0759 |
| 14. | Trusts | 871,250 | 0.1049 |
| 15. | Nationalised Banks | 3,508 | 0.0004 |
| 16. | Alternate Investment Funds | 7,570,243 | 0.9115 |
| | **Total** | **830,494,500** | **100.00** |

**k. Dematerialisation of Shares and liquidity:**

The shares of the Company are compulsorily in demat segment and are available for trading in the depository systems of both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited under the ISIN INE982F01036.

As on 31st March, 2018, except 265 equity shares, all the shares are held in dematerialised form.

**l.** The Company has not issued any outstanding GDR's/ADR's/Warrants or any convertible instruments pending conversion and hence it does not have any outstanding GDR's/ADR's/Warrants or any convertible instruments pending conversion likely to impact the Equity Share Capital of the Company.

**m. Details as per clause F of Schedule V of SEBI (LODR):**

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account:

| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2017 | | Details of Shareholders approached during the FY 2017-18 for claiming of shares | | Details of Shareholders to whom the shares have been transferred during the FY 2017-18 | | Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2018 | |
|---|---|---|---|---|---|---|---|
| No. of share holders | No. of Shares | No. of share holders | No. of Shares | No. of share holders | No. of Shares | No. of share holders | No. of Shares |
| 11 | 4,250 | - | - | - | - | 11 | 4,250 |

Note: The Shareholders may please note that the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the same.

**Request to investors:**

a) Investors are requested to communicate change of address, if any, directly to the Registrar and Transfer agent of the Company at the mentioned address.

b) As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorised persons.

c) The Shareholders who still hold the shares in the physical mode are requested to convert their respective holding in dematerialised mode and get their email id registered with the Company/ Registrar and Transfer agent to enable the Company to send all the Communications / Correspondence through electronic mode.

d) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.

e) Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number etc.

## n. OTHER DISCLOSURES

**a) Related Party Transactions:**

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large. The transactions mentioned under the Section of Notes to Accounts which forms part of the Auditors' Report for the year ended 31st March, 2018 are non-material in nature.

The policy on dealing with the related party transaction and for determining material subsidiary is uploaded on the website, the link of which is given below:

http://www.hathway.com/assets/pdf/Policies/Related%20Party%20Transaction%20Policy_2014-15_13.11.2014.pdf

http://www.hathway.com/assets/pdf/Policies/Policy%20on%20material%20subsidiaries_2014-15_11.02.2015.pdf

**b) Details of Non-Compliance by the Company:**

There has not been any non-compliance by the Company and no penalties or strictures were imposed by the Stock Exchanges, SEBI or any other statutory authority in relation to any matter connected to capital markets, during the last three years.

**c) Whistle Blower Policy and Access of personnel to the Audit Committee:**

The Company has framed a Whistle Blower Policy which was approved by the Board of Directors on 29th May, 2014. The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

**d) Disclosure of Commodity Price Risks and Commodity hedging activities:**

Appropriate risk hedging strategy is in place to mitigate exchange fluctuation risks. Foreign exchange exposures are periodically reviewed and if necessary, hedged while avoiding trading and speculative positions.

**e) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:**

The Company has complied with the mandatory requirements of the Corporate Governance Clause of SEBI (LODR). The Company has not implemented the non-mandatory requirements as specified in Part E of Schedule II of SEBI (LODR).

**f) Compliance with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR):**

The Company has on a timely basis disclosed the compliance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) to the extent it is applicable to the Company except for the point mentioned in the 11(b).

## o. CEO/CFO CERTIFICATION

As required under Part B of Schedule II read with Regulation 17(8) of SEBI (LODR), the Managing Director of the Company has certified to the Board regarding his review on the Financial Statements, Cash Flow Statement and other matters related to internal controls in the prescribed format for the year ended 31st March, 2018.

## CODE OF CONDUCT DECLARATION

Pursuant to the provisions of SEBI (LODR), the Board members and Senior Management Personnel of the Company have confirmed compliance with the Code of Conduct of the Company.

**RAJAN GUPTA**
Managing Director
DIN: 07603128

Place : Mumbai
Date : 28th May, 2018

To,
The Members,
**HATHWAY CABLE AND DATACOM LIMITED**

## CORPORATE GOVERNANCE CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by **HATHWAY CABLE AND DATACOM LIMITED** ("Company") for the financial year ended 31st March, 2018, as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**FOR RATHI & ASSOCIATES**
**COMPANY SECRETARIES**

**HIMANSHU KAMDAR**
Partner
FCS No. 5171
C.P. No. 3030

Place : Mumbai
Date : 28th May, 2018

# INDEPENDENT AUDITOR'S REPORT

To the Members of Hathway Cable and Datacom Limited

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Hathway Cable and Datacom Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the relevant rules issued thereunder and relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our 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 thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and profit including (Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

## OTHER MATTERS

The standalone financial statements of the Company for the year ended March 31, 2017 were audited by predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2017.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;

e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 4.02 to the standalone financial statements;

ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

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

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

Place: Mumbai
Dated: May 28, 2018

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 under "Report on Other Legal & Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2018:**

(i) (a) The Company has maintained records of Property, Plant and Equipment showing particulars of assets including quantitative details and location except in case of certain types of distribution equipments like cabling, line equipments, access devices with end users. In view of the management, nature of such assets and business is such that maintaining location-wise particulars is impractical;

(b) Distribution equipments like cabling and other line equipments of selected networks were verified. The management plans to verify balance networks in a phased manner. Property, Plant and Equipment, other than distribution equipments and access devices with the end users were physically verified during the year based on verification programme adopted by the management. As per this programme, all assets will be verified at least once in a period of three years. The management has represented that physical verification of access devices with the end users is impractical; however, the same can be tracked, in case of most of the networks, through subscribers management system;

The Company is in the process of reconciling book records with outcome of physical verification, wherever physical verification was carried out and have accounted for the discrepancies observed on such verification;

In our opinion, frequency and procedure for verification of distribution equipments and subsequent reconciliation with book records need to be strengthened;

(c) The Company does not hold any immovable properties. Accordingly, the paragraph 3(i)(c) of the Order regarding title deeds of immovable properties is not applicable;

(ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;

(b) The discrepancies noticed on physical verification as compared to the book records were not material having regards to size and nature of operations and have been properly dealt with in the books of account;

(iii) (a) The Company has granted unsecured loan to parties covered in the register maintained under section 189 of the Act;

(b) In our opinion, the terms and conditions on which the loans had been granted to the companies listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

(c) According to the information and explanations given to us, no repayment schedules have been specified in respect of such loans granted and accordingly, the question of regularity in repayment of principal amount does not arise;

(d) There is no amount which is overdue for more than ninety days in respect of such loans.

(iv) Based on the audit procedures applied by us, during the year under audit, the Company has not granted loans, guarantee and security or made investments which require compliance in terms of the provisions contained in the section 185 or section 186 of the Act. The Management has, based on legal opinion, represented that overdue book debts are not in the nature of loan and hence do not fall within the scope of section 185 of the Act. In such circumstances, para 3(iv) of the Order is not applicable;

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard;

(vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and in our opinion; prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete;

(vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2018, for a period of more than six months from the date they became payable;

(b) The details of dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited with the concerned authorities on account of dispute are given below:

| Sr No | Name of the Statute | Nature of the Dues | Amount involved (in crores) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| 1 | Finance Act, 1994 | Service Tax | 0.04 | April 2003 to March 2004 | Commissioner (Appeals), Service Tax |
| 2 | Central Sales Tax Act, 1958 | Central Sales Tax | 0.02* | 2011-12 | Deputy Commissioner Appeals |
| 3 | Finance Act, 1994 | Service Tax | 3.70 | 2003-04 to 2006-07 | Additional Commissioner Service Tax |

* Amount demanded is fully paid

(viii) Based on our audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, bank, and government. The Company has not issued any debentures;

(ix) In our opinion and according to the information and explanations given to us and based on overall examination of records, the term loans have been applied for the purpose for which the loans were obtained; The Company did not raise any money by way of initial public offer or further public offer (including debt instruments);

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act;

(xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company;

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

(xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company;

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

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

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

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

Place: Mumbai
Dated: May 28, 2018

# ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(i) OF THE ACT

We have audited the internal financial controls with reference to financial statement of the Company as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

## AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2018 based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

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

Place: Mumbai
Dated: May 28, 2018

# STANDALONE BALANCE SHEET

**AS AT MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment | 2.01 | 740.73 | 617.32 |
| Capital work in progress | | 39.07 | 55.71 |
| Goodwill | 2.02 | - | 0.02 |
| Other Intangible assets | 2.02 | 18.41 | 15.55 |
| Financial Assets | | | |
| Investments | 2.03 | 1,089.74 | 833.23 |
| Loans | 2.04 | 27.67 | 18.24 |
| Other financial assets | 2.05 | 15.55 | 10.78 |
| Deferred tax assets (Net) | 2.06 | - | - |
| Other Non-current assets | 2.07 | 88.44 | 66.97 |
| **Total Non-current assets** | | **2,019.61** | **1,617.82** |
| **Current assets** | | | |
| Inventories | 2.08 | 15.64 | 20.12 |
| Financial Assets | | | |
| Trade receivables | 2.09 | 30.25 | 24.23 |
| Cash and cash equivalents | 2.10 | 4.47 | 13.79 |
| Loans | 2.04 | 65.51 | 76.58 |
| Other financial assets | 2.05 | 0.74 | 272.66 |
| Current Tax Assets (Net) | 2.11 | - | 23.34 |
| Other current assets | 2.07 | 39.89 | 52.85 |
| **Total Current assets** | | **156.50** | **483.57** |
| Non-current assets classified as held for sale | | - | 0.02 |
| **Total Assets** | | **2,176.11** | **2,101.41** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | 2.12 | 166.10 | 166.10 |
| Other Equity | 2.13 | 887.80 | 808.89 |
| **Total Equity** | | **1,053.90** | **974.99** |
| **LIABILITIES** | | | |
| **Non-current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 2.14 | 483.20 | 586.18 |
| Other financial liabilities | 2.15 | 6.75 | 14.96 |
| Provisions | 2.16 | 0.83 | 3.05 |
| Other Non-current liabilities | 2.17 | 2.86 | 1.16 |
| **Total Non-current liabilities** | | **493.64** | **605.35** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 2.14 | 30.44 | 42.40 |
| Trade payables | 2.18 | 48.36 | 46.54 |
| Other financial liabilities | 2.15 | 458.29 | 312.25 |
| Provisions | 2.16 | 2.03 | 2.31 |
| Other current liabilities | 2.17 | 89.45 | 117.57 |
| **Total current liabilities** | | **628.57** | **521.07** |
| **Total Equity and Liabilities** | | **2,176.11** | **2,101.41** |
| **Summary of Significant Accounting Policies** | 1 | | |

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

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

Place: Mumbai
Date: May 28, 2018

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

# STANDALONE STATEMENT OF PROFIT AND LOSS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 3.01 | 544.54 | 1,307.40 |
| Other Income | 3.02 | 11.97 | 23.10 |
| | | **556.51** | **1,330.50** |
| **EXPENDITURE** | | | |
| Pay Channel Cost | | - | 418.48 |
| Other Operational Expenses | 3.03 | 128.99 | 258.68 |
| Employee Benefits Expense | 3.04 | 41.91 | 86.48 |
| Finance Cost | 3.05 | 78.34 | 110.30 |
| Depreciation, Amortisation and Impairment | 3.06 | 97.19 | 300.76 |
| Other Expenses | 3.07 | 148.63 | 306.93 |
| | | **495.06** | **1,481.63** |
| **Profit / (Loss) before Exceptional items and Tax** | | **61.45** | **(151.13)** |
| Exceptional Items | 3.08 | (16.21) | 3.49 |
| **Profit / (Loss) before Tax** | | **77.66** | **(154.62)** |
| Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | 2.06 | - | - |
| **Profit / (Loss) for the Year (A)** | | **77.66** | **(154.62)** |
| **Other Comprehensive Income / (Loss) (Net of Taxes)** | | | |
| **Items that will not be reclassifled to profit or loss** | | | |
| Re-measurements of defined benefit plans | | 1.26 | 0.31 |
| Income tax effect relating to items that will not be reclassified to profit or loss | | - | - |
| **Other Comprehensive Income / (Loss) for the year (B)** | | **1.26** | **0.31** |
| **Total Comprehensive Income / (Loss) for the year (A+B)** | | **78.92** | **(154.31)** |
| **Earnings / (Loss) per equity share (Face value of ₹ 2/- each) (Refer Note 4.01):** | | | |
| Basic and diluted (in ₹) | | 0.94 | (1.86) |
| **Summary of Significant accounting policies** | 1 | | |

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

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

Place: Mumbai
Date: May 28, 2018

# STANDALONE STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED MARCH 31, 2018** (₹ in Crores unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount |
|---|---|---|
| **Balance at April 01, 2016** | 2.12 | **166.10** |
| Changes in Equity Share Capital during the year | | |
| **Balance at March 31, 2017** | **2.12** | **166.10** |
| **Balance at April 01, 2017** | | **166.10** |
| Changes in Equity Share Capital during the year | | |
| **Balance at March 31, 2018** | **2.12** | **166.10** |

## B. OTHER EQUITY

| Particulars | Reserves and Surplus | | | Total |
|---|---|---|---|---|
| | Securities Premium | Retained earnings | Employee Stock Options Outstanding Account | |
| **Balance at April 01, 2016** | **1,877.01** | **(913.81) *** | **0.01** | **963.21** |
| (Loss) for the year | - | (154.62) | - | (154.62) |
| Other Comprehensive Income / (Loss) for the year | - | 0.31 | - | 0.31 |
| Less: Expired during the year | - | - | (0.01) | (0.01) |
| **Balance at March 31, 2017** | **1,877.01** | **(1,068.12)** | **-** | **808.89** |
| Profit for the year | | 77.66 | - | 77.66 |
| Other Comprehensive Income / (Loss) for the year | | 1.26 | | 1.26 |
| **Balance at March 31, 2018** | **1,877.01** | **(989.21)** | **-** | **887.80** |

* Refer Note 4.13

**Summary of Significant accounting policies (Refer Note 1)**

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

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

Place: Mumbai
Date: May 28, 2018

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

# CASH FLOW STATEMENT

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit / (Loss) before Tax** | 78.92 | (154.62) |
| | | |
| Depreciation, Amortisation and Impairment | 97.19 | 300.76 |
| Amount no longer payable written back | * | (0.18) |
| Allowance on doubtful debts | 12.00 | 41.15 |
| Impairment of doubtful advances | - | 0.11 |
| Provision for leave encashment and gratuity | 0.44 | (3.81) |
| Share of loss from LLP | 0.79 | 0.75 |
| Net Sundry Advances Written Off | 0.05 | 1.44 |
| Employee share-based payment expense | - | (0.01) |
| Unrealised foreign exchange loss / (gain) | 0.21 | (2.36) |
| MTM (gain)/loss on swap | (0.83) | (11.69) |
| Allowance for doubtful advances / investments / receivables from entities under control / significant influence | - | 10.96 |
| Provision for Entertainment Tax Reversed | - | (9.70) |
| Loss on disposal of Property, Plant and Equipment | 0.09 | 2.04 |
| (Gain)/Loss on sale of current investments | (0.68) | 1.99 |
| (Gain)/Loss on sale of Non - current investments | (16.21) | - |
| Unwinding of Interest & Financial Guarantees | (2.96) | (3.76) |
| Income from Investments / Fixed Deposit | (4.03) | (1.93) |
| Dividend Income from associate | (4.20) | - |
| Interest and finance charges | 83.17 | 122.00 |
| | **243.95** | **293.14** |
| **Change in operating assets and liabilities :** | | |
| Decrease/(increase) in trade receivables | (18.02) | (129.23) |
| Decrease/(increase) in inventories | 4.48 | (3.46) |
| Increase/(decrease) in trade payables | 1.82 | 0.26 |
| Increase/(decrease) in other financial assets | (1.64) | (9.17) |
| Decrease/(increase) in other non-current assets | (0.90) | (33.14) |
| Decrease/(increase) in other current assets | 12.94 | 34.00 |
| Increase/(decrease) in provisions | (1.43) | (13.46) |
| Increase/(decrease) in other liabilities | (27.94) | 69.76 |
| Increase/(decrease) in other financial liabilities | (2.86) | 83.35 |
| **Cash generated from operations** | **210.43** | **292.04** |
| Less/(Add): Direct taxes paid (net of refunds) | 4.76 | (19.68) |
| **Net cash flow from operating activities (A)** | **205.67** | **311.72** |
| **Cash flow from investing activities** | | |
| Payments for acquisition of Property, Plant and Equipment | (155.74) | (310.99) |
| Loans & advances given to Subsidiaries, Joint Ventures, Associate & Others | - | (38.97) |
| Loans & advances repaid by Subsidiaries, Joint Ventures, Associate & Others | 2.07 | 1.43 |
| Investment in Subsidiaries, Joint Ventures, Associate & Others | (354.05) | (0.70) |
| Proceeds from sale of investments | 114.42 | 4.27 |
| Proceeds from transfer of Cable Television business** | 272.00 | 30.00 |
| Proceeds from sale of Property, Plant and Equipment | 0.02 | 1.41 |
| Income from Investments / Fixed Deposit | 3.34 | 1.41 |
| Income from associate received | 4.20 | - |
| **Net cash flow (used in) investing activities (B)** | **(113.74)** | **(312.14)** |

# CASH FLOW STATEMENT

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from Non - current Borrowings | 394.05 | 608.67 |
| Repayments of Non - current Borrowings | (400.69) | (427.85) |
| Current borrowings (Net) | 2.53 | (67.67) |
| Interest and finance charges | (82.71) | (127.49) |
| **Net cash flow from/(used in) in financing activities (C)** | **(86.82)** | **(14.34)** |
| **Net (decrease) in cash and cash equivalents (A+B+C)** | **5.11** | **(14.76)** |
| Cash and cash equivalents at the beginning of the year | 13.79 | 27.20 |
| Bank overdrafts at the beginning of the year | (20.00) | (18.65) |
| **Cash and cash equivalents at the end of the year** | **(1.10)** | **(6.21)** |
| **Reconciliation of cash and cash equivalents as per the cash flow statement :** | | |
| **Cash and cash equivalents** | | |
| Balances with banks: | | |
| On current accounts | 3.17 | 12.74 |
| Cash on hand | 1.30 | 1.05 |
| Bank overdrafts | (5.57) | (20.00) |
| **Balance as per the cash flow statement :** | **(1.10)** | **(6.21)** |

* Amount less than ₹ 50,000

** Refer Note 4.18

**Note :**

1) Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows.

2) Changes in liabilities arising from financing activities :

| Particulars | As at March 31, 2017 | Cash Flow | Non cash changes | | As at March 31, 2018 |
|---|---|---|---|---|---|
| | | | Foreign Exchange movement (Gain)/ Loss | Fair value changes | |
| Non - current Borrowings (including current maturities of Non-current borrowing) | 794.49 | (6.64) | 1.15 | - | 789.01 |
| Current borrowings | 22.40 | 2.53 | - | 0.06 | 24.87 |
| **Total liabilities from financing activities** | **816.89** | **(4.11)** | **1.15** | **0.06** | **813.88** |

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**For and on behalf of the Board**

**(K.Y. Narayana)**
Partner
Membership No : 060639

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

Place: Mumbai
Date: May 28, 2018

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS



## BACKGROUND

Hathway Cable and Datacom Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in distribution of internet services through cable and has strategic stake in entities engaged in Cable Television business. Its equity shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) in India.

### Authorisation of standalone financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2018

## 1.00 SIGNIFICANT ACCOUNTING POLICIES

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

## 1.01 BASIS OF PREPARATION

**(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) is measured at fair value; and
- defined benefit plans – plan assets measured at fair value

## 1.02 ROUNDING OF AMOUNTS

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

## 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents its assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current if:

(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is expected to be realised within twelve months after the reporting period; or

(iv) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

## 1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

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

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

### Key assumptions

(i) Financial instruments; (Refer Note 4.11)

(ii) Useful lives of Property, Plant and Equipment and Intangible Assets; (Refer Note 1.05 and 1.06)

(iii) Assets and obligations relating to employee benefits; (Refer Note 4.06)

(iv) Expected customer relationship period (i.e. expected life of the customer); (Refer Note 1.16)

(v) Evaluation of recoverability of deferred tax assets; (Refer Note 2.06) and

(vi) Contingencies (Refer Note 4.02).

## 1.05 PROPERTY, PLANT AND EQUIPMENT

### Property, Plant and Equipment acquired separately

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

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

(iii) Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalised or treated as sale, as the case may be.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

(v) Stores & Spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

**Derecognition of Property, Plant & Equipment**

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

**Depreciation on Property, Plant & Equipment**

(vii) Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the cost of Access devices at the customer's location which are depreciated on straight-line method over a period of eight years based on internal technical assessment.

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

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

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

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

## 1.06 INTANGIBLE ASSETS

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

**Intangible Assets acquired separately**

Intangible assets comprises of Network Franchisee, Bandwidth Rights, Goodwill and Softwares.

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

**Intangible Assets acquired in business combination**

Intangible Assets acquired in business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

**Amortisation of intangible assets**

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

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

- Network Franchisee are amortised over the period of five to twenty years.
- Softwares are amortised over the license period and in absence of such tenor, over five years.
- Bandwidth Rights are amortised over the period of the underlying agreements.

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

**Deemed cost for Intangible assets**

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

## 1.07 IMPAIRMENT OF ASSETS

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

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

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

## 1.08 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

## 1.09 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 realisable value.

Stock-in-trade comprising of access devices are valued at cost on weighted average method or at net realisable value, whichever is lower.

## 1.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management. Bank overdrafts are shown within borrowings under current liabilities in the balance sheet.

## 1.11 FINANCIAL INSTRUMENTS

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

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

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

**Classification and Subsequent Measurement: Financial Assets**

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

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

**Amortised Cost:**

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

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**FVTOCI:**

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

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

**FVTPL:**

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

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

**Impairment of Financial Assets**

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

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

**Classification and Subsequent measurement: Financial Liabilities**

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

**Financial Liabilities at FVTPL:**

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

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

**Other Financial Liabilities:**

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

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

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

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**Offsetting Financial Instruments:**

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

## 1.12 INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

A subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

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

The Company's investments in its subsidiaries, associates and joint ventures are accounted at cost and reviewed for impairment at each reporting date in accordance with the policy described in note 1.07 above.

## 1.13 BORROWING COSTS

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

## 1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

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

## 1.15 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

**(i) Short-term obligations**

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**(ii) Post-employment obligations**

The Company operates the following post-employment schemes:

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

**Gratuity obligations**

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

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

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

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

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

**Defined contribution plans**

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

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

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

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

**(iv) Bonus Plans**

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## 1.16 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

### Income from Rendering of services

Revenue from Operations is recognised on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognised on time proportion basis. In other cases of Internet Service plans, entire revenue is recognised in the period of sale.

Income from services does not include Service Tax (ST) / Goods and Service Tax (GST).

Consultancy Income:

Revenue from consulting services is recognised when the services are completed.

Rental income:

The Company's policy for recognition of revenue from operating leases is described in note below on Leases.

The Company collects GST, Value added Taxes (VAT), ST and Entertainment Tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

### Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from sale of goods is measured at the fair value of consideration received or receivable. Amount disclosed as revenue are net of returns and allowances, trade discounts and volume rebates but does not include VAT, Central Sales Tax (CST) and GST.

The Company collects VAT and GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Company and hence not included in revenue.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

### Other Operating Income

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognised upon achieving milestones as per the terms of underlying agreements.

### Interest Income

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

### Dividend Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### Share of profit / loss from Partnership firms

Share of profit / loss from Partnership firm is recognised in the Statement of Profit and Loss in respect of the financial year of the Partnership firm ending on or before the balance sheet date, on the basis of its audited accounts.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## 1.17 TAXES ON INCOME

**Current Tax:**

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

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

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

**Deferred tax:**

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

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

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

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

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

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

## 1.18 EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing cost associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.19 LEASES

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS



**As a Lessee**

**Operating Lease**

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

**As a Lessor**

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

## 1.20 FOREIGN CURRENCY TRANSLATIONS

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

**Monetary items:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

**Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 1.21 FINANCIAL GUARANTEE CONTRACT

The Company on case to case basis elects to account for financial guarantee contracts as financial instruments or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Company has regarded its financial guarantee contracts as insurance contracts on contract by contract basis. At the end of each reporting period the Company performs liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows) on financial guarantee contracts regarded as insurance contracts, and the deficiency is recognised in profit or loss.

## 1.22 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs which are administrative in nature are expensed out.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the standalone financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## 2.01 PROPERTY, PLANT AND EQUIPMENT :

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | | | | Depreciation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition | Disposal | Other Adjustments | As at March 31, 2018 | As at April 1, 2017 | For the Year | Elimination on disposal | Other adjustments | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| **Own Assets:** | | | | | | | | | | | | |
| Plant and Equipment | 679.12 | 210.39 | 5.67 | - | 883.84 | 78.48 | 85.92 | 2.43 | - | 161.97 | 721.87 | 600.64 |
| Air conditioners | 2.78 | 1.04 | 0.03 | - | 3.79 | 0.77 | 0.67 | 0.01 | - | 1.43 | 2.36 | 2.01 |
| Structural fittings | 1.17 | 1.31 | - | - | 2.48 | 0.35 | 0.28 | - | - | 0.63 | 1.85 | 0.82 |
| Furniture & Fixtures | 8.71 | 2.02 | 0.02 | - | 10.71 | 2.06 | 1.35 | 0.02 | - | 3.39 | 7.32 | 6.65 |
| Mobile & Telephone | 0.41 | 0.15 | - | - | 0.56 | 0.16 | 0.13 | - | - | 0.29 | 0.27 | 0.25 |
| Computers | 5.77 | 0.72 | 0.01 | - | 6.48 | 2.52 | 1.69 | * | - | 4.21 | 2.27 | 3.25 |
| Office Equipments | 1.61 | 0.79 | * | - | 2.40 | 0.60 | 0.68 | * | - | 1.28 | 1.12 | 1.01 |
| Electrical Fittings | 2.89 | 1.57 | * | - | 4.46 | 0.65 | 0.57 | * | - | 1.22 | 3.24 | 2.24 |
| Motor Vehicles | 0.58 | 0.04 | * | - | 0.63 | 0.13 | 0.06 | * | - | 0.19 | 0.43 | 0.45 |
| Movie Master Tapes | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total (A)** | **703.04** | **218.03** | **5.73** | **-** | **915.35** | **85.72** | **91.35** | **2.46** | **-** | **174.61** | **740.73** | **617.32** |
| **Assets taken on Finance Lease:** | | | | | | | | | | | | |
| Plant and Equipment | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total (B)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total (A+B)** | **703.04** | **218.03** | **5.73** | **-** | **915.35** | **85.72** | **91.35** | **2.46** | **-** | **174.61** | **740.73** | **617.32** |

* Amount less than ₹ 50,000/-

| Particulars | Gross Carrying Amount | | | | | Depreciation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2016 | Addition | Disposal ** | Other Adjustments | As at March 31, 2017 | As at April 1, 2016 | For the Year | Elimination on disposal** | Other adjustments | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| **Own Assets:** | | | | | | | | | | | | |
| Plant and Equipment | 1,400.94 | 448.05 | 1,237.33 | 67.46 | 679.12 | 186.55 | 243.28 | 364.24 | 12.89 | 78.48 | 600.64 | 1,214.39 |
| Air conditioners | 3.07 | 1.94 | 2.22 | - | 2.78 | 0.68 | 0.90 | 0.81 | - | 0.77 | 2.01 | 2.39 |
| Structural fittings | 1.06 | 0.60 | 0.49 | - | 1.17 | 0.21 | 0.30 | 0.16 | - | 0.35 | 0.82 | 0.85 |
| Furniture & Fixtures | 9.59 | 6.07 | 6.94 | - | 8.71 | 1.59 | 1.90 | 1.43 | - | 2.06 | 6.65 | 8.00 |
| Mobile & Telephone | 0.69 | 0.27 | 0.55 | - | 0.41 | 0.24 | 0.21 | 0.29 | - | 0.16 | 0.25 | 0.45 |
| Computers | 6.14 | 2.75 | 3.12 | - | 5.77 | 1.72 | 2.31 | 1.50 | - | 2.52 | 3.25 | 4.42 |
| Office Equipments | 1.79 | 1.16 | 1.34 | - | 1.61 | 0.47 | 0.63 | 0.49 | - | 0.60 | 1.01 | 1.32 |
| Electrical Fittings | 2.55 | 2.53 | 2.19 | - | 2.89 | 0.39 | 0.62 | 0.36 | - | 0.65 | 2.24 | 2.16 |
| Motor Vehicles | 1.07 | 0.02 | 0.51 | - | 0.58 | 0.15 | 0.13 | 0.15 | - | 0.13 | 0.45 | 0.92 |
| Movie Master Tapes | 0.01 | - | 0.01 | - | - | - | - | - | - | - | - | 0.01 |
| **Total (A)** | **1,426.91** | **463.39** | **1,254.70** | **67.46** | **703.04** | **192.00** | **250.28** | **369.43** | **12.89** | **85.72** | **617.32** | **1,234.91** |
| **Assets taken on Finance Lease:** | | | | | | | | | | | | |
| Plant and Equipment | 137.62 | - | 70.16 | (67.46) | - | 20.86 | 13.40 | 21.37 | (12.89) | - | - | 116.76 |
| **Total (B)** | **137.62** | **-** | **70.16** | **(67.46)** | **-** | **20.86** | **13.40** | **21.37** | **(12.89)** | **-** | **-** | **116.76** |
| **Total (A+B)** | **1,564.53** | **463.39** | **1,324.86** | **-** | **703.04** | **212.86** | **263.68** | **390.80** | **-** | **85.72** | **617.32** | **1,351.67** |

** Include assets transeferred through slump sale (Refer Note 4.18).

**Notes :**

1 During the year the Company has reclassified Assets under Finance Lease amounting to ₹ Nil (March 31, 2017: ₹ 67.46) (Gross Block) and ₹ Nil (March 31, 2017: ₹ 12.89) (Depreciation) as Owned Assets on completion of the lease period.

2 Loss of ₹ 1.14 arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipments has been capitalised and included in "Additions" (March 31, 2017 : Gain of ₹ 1.90 arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipments has been decapitalised and reduced from "Additions").

3 Depreciation charge for the year includes Impairment of Plant and Machinery ₹ 12.20 (March 31, 2017: ₹9.63).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## 2.02 INTANGIBLE ASSETS :

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | | | | Amortisation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition | Disposal | Other Adjustments | As at March 31, 2018 | As at April 1, 2017 | For the Year | Elimination on disposal | Other adjustments | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Goodwill | 0.11 | - | - | - | 0.11 | 0.09 | 0.02 | - | - | 0.11 | - | 0.02 |
| Network Franchisee | 6.05 | - | - | - | 6.05 | 1.09 | 0.63 | - | - | 1.72 | 4.33 | 4.96 |
| Softwares | 13.23 | 8.51 | - | - | 21.74 | 4.25 | 4.87 | - | - | 9.12 | 12.62 | 8.98 |
| Bandwidth Rights | 1.95 | 0.17 | - | - | 2.12 | 0.34 | 0.32 | - | - | 0.66 | 1.46 | 1.61 |
| **Total** | **21.34** | **8.68** | **-** | **-** | **30.02** | **5.77** | **5.84** | **-** | **-** | **11.61** | **18.41** | **15.57** |

| Particulars | Gross Carrying Amount | | | | | Amortisation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2016 | Addition | Disposal ** | Other Adjustments | As at March 31, 2017 | As at April 1, 2016 | For the Year | Elimination on disposal** | Other adjustments | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| Goodwill | 4.92 | 0.19 | 5.00 | - | 0.11 | 0.73 | 0.71 | 1.35 | - | 0.09 | 0.02 | 4.19 |
| Network Franchisee | 37.11 | - | 31.06 | - | 6.05 | 4.73 | 4.40 | 8.04 | - | 1.09 | 4.96 | 32.38 |
| Movie & Serial Rights | 10.40 | 6.13 | 16.53 | - | * | 4.22 | 7.41 | 11.63 | - | - | * | 6.18 |
| Softwares | 57.32 | 24.29 | 68.38 | - | 13.23 | 19.46 | 22.84 | 38.05 | - | 4.25 | 8.98 | 37.86 |
| Bandwidth Rights | 13.81 | 6.72 | 18.58 | - | 1.95 | 1.05 | 1.51 | 2.22 | - | 0.34 | 1.61 | 12.76 |
| Channel Design | - | 1.21 | 1.21 | - | * | - | 0.20 | 0.20 | - | - | * | - |
| **Total** | **123.56** | **38.54** | **140.76** | **-** | **21.34** | **30.19** | **37.07** | **61.49** | **-** | **5.77** | **15.57** | **93.37** |

** Include assets transeferred through slump sale (Refer Note 4.18).

* Amount less than ₹ 50,000/-

**Notes :**

1 Amortisation charge for the year includes Impairment of Network Franchisee ₹ 0.18 (March 31, 2017: ₹ 1.02) and impairment of Goodwill of ₹ 0.02 (March 31, 2017: ₹ 0.71)

2 Range of remaining period of amortisation as at March 31, 2018 of Intangible assets is as below :

| | 0 to 5 years | 6 to 10 years | 10 to 15 years | Total |
|---|---|---|---|---|
| Network Franchisee | 2.16 | 2.10 | 0.07 | 4.33 |
| Softwares | 12.62 | - | - | 12.62 |
| Bandwidth Rights | 1.17 | 0.25 | 0.04 | 1.46 |
| **Total** | **15.95** | **2.35** | **0.11** | **18.41** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 2.03 NON-CURRENT INVESTMENTS

| | Face Value ₹ Per Unit | March 31, 2018 | | March 31, 2017 | |
|---|---|---|---|---|---|
| | | Quantity | Amount | Quantity | Amount |
| **Investments (measured at cost)** | | | | | |
| **Investment in Subsidiaries, Joint Ventures and Associates** | | | | | |
| **Quoted (fully paid up)** | | | | | |
| **Investment in Equity Shares of Subsidiary** | | | | | |
| Hathway Bhawani Cabletel & Datacom Ltd. | 10 | 2,020,000 | 2.39 | 2,020,000 | 2.39 |
| Less : Impairment in value of investment | | | 0.60 | | 0.60 |
| **Investment in Equity Shares of Associate** | | | | | |
| GTPL Hathway Ltd. (f.k.a. GTPL Hathway Pvt. Ltd.) # | 10 | 41,972,694 | 568.60 | - | - |
| | | | **570.39** | | **1.79** |
| **Unquoted (fully paid up)** | | | | | |
| **Investment in Equity Shares of Subsidiaries** | | | | | |
| Hathway Digital Pvt. Ltd. (f.k.a. Hathway Datacom Central Pvt. Ltd.) | 10 | 355,734,833 | 432.67 | 1,734,833 | 78.67 |
| Hathway Krishna Cables Pvt. Ltd. | 10 | 7,808,333 | 15.41 | 7,808,333 | 15.41 |
| Hathway Mysore Cable Network Pvt. Ltd. ## | 10 | 1,041,000 | 10.09 | 1,041,000 | 10.09 |
| Hathway Software Developers Pvt. Ltd. | 10 | 758,000 | 9.53 | 758,000 | 9.53 |
| UTN Cable Communications Pvt. Ltd. | 10 | 756,000 | 4.94 | 756,000 | 4.94 |
| Hathway Kokan Crystal Network Pvt. Ltd. | 10 | 145,135 | 4.68 | 145,135 | 4.68 |
| Hathway New Concept Cable & Datacom Pvt. Ltd. | 10 | 150,000 | 3.23 | 150,000 | 3.23 |
| Hathway Broadband Pvt. Ltd. | 10 | 2,500,000 | 2.50 | 2,500,000 | 2.50 |
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 10 | 9,800 | 2.10 | 9,800 | 2.10 |
| Hathway Enjoy Cable Network Pvt. Ltd. | 10 | 10,000 | 0.01 | 10,000 | 0.01 |
| Hathway Media Vision Pvt. Ltd. | 10 | 65,040 | - | 65,040 | - |
| Ideal Cables Pvt. Ltd. | 10 | 76,020 | - | 76,020 | - |
| Channels India Network Pvt. Ltd. | 10 | 87,500 | - | 87,500 | - |
| Vision India Networks Pvt. Ltd. | 10 | 87,700 | - | 87,700 | - |
| Hathway C-Net Pvt. Ltd. | 10 | 100,000 | - | 100,000 | - |
| Chennai Cable Vision Network Pvt. Ltd. | 10 | 136,800 | - | 136,800 | - |
| Hathway Nashik Cable Network Pvt. Ltd. | 10 | 45,300 | - | 45,300 | - |
| Bee Network & Communication Pvt. Ltd. | 10 | 99,989 | - | 99,989 | - |
| Win Cable and Datacom Pvt. Ltd. | 10 | 200,000 | - | 200,000 | - |
| Elite Cable Network Pvt. Ltd. | 10 | 48,000 | - | 48,000 | - |
| Hathway Space Vision and Cabletel Pvt. Ltd. | 10 | 10,020 | - | 10,020 | - |
| Hathway Gwalior Cable & Datacom Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| Hathway JMD Farukhabad Cable Network Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| Binary Technology Transfers Pvt. Ltd. | 100 | 1,000 | - | 1,000 | - |
| Hathway Internet Satellite PrivateLtd. | 10 | 10,000 | - | 10,000 | - |
| Hathway United Cables Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| Hathway Universal Cabletel and Datacom Pvt. Ltd. | 100 | 202,214 | - | 202,214 | - |
| ITV Interactive Media Pvt. Ltd. | 100 | 8,250 | - | 8,250 | - |
| Liberty Media Vision Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| | | | **485.16** | | **131.16** |
| **Investment in Equity Shares of Joint Ventures** | | | | | |
| Hathway Sai Star Cable & Datacom Pvt. Ltd. | 10 | 68,850 | 10.40 | 68,850 | 10.40 |
| Hathway MCN Pvt. Ltd. | 10 | 963,000 | 8.01 | 963,000 | 8.01 |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | 10 | 68,000 | 5.29 | 51,000 | 5.27 |
| Net 9 Online Hathway Pvt. Ltd. | 10 | 5,000 | 2.01 | 5,000 | 2.01 |
| GTPL Hathway Ltd. (f.k.a. GTPL Hathway Pvt. Ltd.) # | 10 | - | - | 49,172,694 | 666.11 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| | Face Value ₹ Per Unit | March 31, 2018 | | March 31, 2017 | |
|---|---|---|---|---|---|
| | | Quantity | Amount | Quantity | Amount |
| Hathway Dattatray Cable Network Pvt. Ltd. | 10 | 20,400 | 1.56 | 20,400 | 1.56 |
| Hathway Cable MCN Nanded Pvt Ltd | 10 | 1,305,717 | 1.37 | 1,305,717 | 1.37 |
| Hathway Latur MCN Cable & Datacom Pvt. Ltd. | 10 | 51,000 | 0.97 | 51,000 | 0.97 |
| Hathway Palampur Cable & Datacom Pvt. Ltd. | 10 | 15,300 | 0.68 | 15,300 | 0.68 |
| Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited) ### | 10 | - | - | 71,175 | 2.01 |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | 10 | 10,200 | 0.48 | 10,200 | 0.48 |
| Hathway Channel 5 Cable & Datacom Pvt. Ltd. | 10 | 249,000 | - | 249,000 | - |
| Hathway ICE Television Pvt. Ltd. | 10 | 102,000 | - | 102,000 | - |
| Hathway Prime Cable & Datacom Pvt. Ltd. | 10 | 229,500 | - | 229,500 | - |
| Less : Impairment in value of investment | | | 0.48 | | 0.48 |
| | | | **30.29** | | **698.39** |
| **Investment in Equity Shares of Associates** | | | | | |
| Hathway VCN Cablenet Pvt. Ltd. | 10 | 12,520 | - | 12,520 | - |
| Pan Cable Services Pvt. Ltd. | 10 | 10 | - | 10 | - |
| | | | **-** | | **-** |
| **Investment in Partnership Firm in the nature of Joint Venture** | | | | | |
| Hathway SS Cable & Datacom LLP | | | 1.73 | | 1.73 |
| **Investments measured at amortised cost** | | | | | |
| **Unquoted** | | | | | |
| **Investment in Preference Shares of Subsidiary (fully paid up) *** | | | | | |
| Hathway Digital Pvt. Ltd. (f.k.a. Hathway Datacom Central Pvt. Ltd.) | 10 | 51,020 | 0.02 | 51,020 | 0.02 |
| **Investment in Government Securities** | | | | | |
| National Savings Certificates | | | 0.14 | | 0.14 |
| **Investment in equity shares of other companies (designated at FVTOCI)** | | | | | |
| Hathway Cable Entertainment Pvt. Ltd. | 10 | 47,009 | - | 47,009 | - |
| Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd. | 10 | 60,000 | - | 60,000 | - |
| Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited) ### | 10 | 71,175 | 2.01 | - | - |
| | | | **2.01** | | **-** |
| **Total Non-current Investments** | | | **1,089.74** | | **833.23** |
| **Aggregate amount of quoted investments** | | | **570.39** | | **1.79** |
| **Market Value of quoted investments** | | | **583.97** | | **0.78** |
| **Aggregate amount of unquoted investments** | | | **517.35** | | **831.44** |
| **Aggregate fair value of investments designated at FVTOCI** | | | **2.01** | | **-** |
| **Aggregate amount of impairment in value of investments** | | | **1.08** | | **1.08** |

* 5% Non-Cumulative Redeemable Preference Shares of ₹ 10 each - The carrying value of the equity component included in investment in 5% Non-cumulative and Redeemable Preference Shares issued by wholly owned subsidiary Hathway Digital Pvt. Ltd. is ₹ 0.02 (As at March 31, 2017 ₹ 0.02)

# Joint venture upto June 30, 2017 and associate thereafter. Shares of the Company were listed on July 04, 2017 and were not listed during the last Financial Year.

## Joint venture upto March 25, 2017 and subsidiary company thereafter.

### Refer Note 4.19

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 2.04 LOANS

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **LOANS TO RELATED PARTIES** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Loan to Subsidiaries, Joint Ventures and Associates | 19.85 | 10.70 | 62.35 | 73.56 |
| Loan to Firm in which Subsidiaries are partner | 0.21 | 0.21 | - | - |
| Doubtful | 69.05 | 69.05 | - | - |
| Less : Allowance for bad and doubtful loans | 69.05 | 69.05 | - | - |
| **(A)** | **20.06** | **10.91** | **62.35** | **73.56** |
| **OTHERS LOANS** | | | | |
| Security Deposits | 7.61 | 7.33 | 3.16 | 3.02 |
| **(B)** | **7.61** | **7.33** | **3.16** | **3.02** |
| **Total (A+B)** | **27.67** | **18.24** | **65.51** | **76.58** |

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

Further information about these loans is set out in Note 4.11 and 4.15. These financial assets are carried at amortised cost.

## 2.05 OTHER FINANCIAL ASSETS

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Unsecured, considered good** | | | | |
| Share Application Money. (Refer note 4.02 b) | 0.26 | 0.26 | - | - |
| Bank deposits with more than 12 months maturity | 15.29 | 10.52 | - | - |
| Accrued Interest | - | - | 0.26 | 0.18 |
| Other Receivables | - | - | 0.48 | 0.48 |
| Receivable from Hathway Digital Pvt. Ltd. (Refer Note 4.18) | - | - | - | 272.00 |
| | **15.55** | **10.78** | **0.74** | **272.66** |

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

## 2.06 DEFERRED TAX ASSETS (NET)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Deferred tax assets in relation to :** | | |
| Unabsorbed Depreciation / Business loss as per Income Tax | 29.77 | 8.96 |
| | **29.77** | **8.96** |
| **Deferred tax liabilities in relation to :** | | |
| Property, Plant and Equipment | 28.12 | 8.96 |
| Others | 1.65 | - |
| | **29.77** | **8.96** |
| **NET DEFERRED TAX ASSETS** | **-** | **-** |

The Company has substantial unused tax losses and unused tax credits. The deferred tax assets relating to such deductible temporary differences, carry forward unused tax losses and carry forward unused tax credits is significantly higher than deferred tax liabilities. On conservative approach, the Company has recognised deferred tax assets on unabsorbed depreciation only to the extent of its deferred tax liabilities.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

**Unrecognised deductible temporary differences, unused tax losses and unused tax credits on which deferred tax assets has not being recognised**

| Particulars | Beyond 2018-19 | Indefinite | Total |
|---|---|---|---|
| Tax Losses: | | | |
| Unabsorbed depreciation | - | 261.34 | 261.34 |
| Deductible temporary differences | - | 38.89 | 38.89 |
| **Total** | **-** | **300.23** | **300.23** |

## 2.07 OTHER ASSETS

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **CAPITAL ADVANCES** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Network Acquisitions | 0.03 | 0.03 | - | - |
| Advance to Suppliers | 4.92 | 12.43 | - | - |
| Doubtful | 0.82 | 0.82 | - | - |
| Less: Allowance for bad & doubtful advances | 0.82 | 0.82 | - | - |
| **(A)** | **4.95** | **12.46** | **-** | **-** |
| **ADVANCES OTHER THAN CAPITAL ADVANCES** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Prepaid expenses | 3.54 | 3.17 | 4.05 | 4.75 |
| Staff Advances | - | - | 0.25 | - |
| Sundry Advances | 0.16 | - | 17.42 | 19.69 |
| Prepaid Rent | 0.31 | 0.58 | 0.24 | - |
| **Balance with Government authorities:** | | | | |
| Service Tax/GST Claimable | - | - | 17.32 | 27.93 |
| Balance with Statutory Authorities | | | 0.15 | |
| Advance Income Tax (Net of Provision) | 62.48 | 34.38 | - | - |
| Deposits paid under Protest | 17.00 | 16.38 | - | - |
| Other Receivables | - | - | 0.46 | 0.48 |
| Doubtful | 0.38 | 0.38 | - | - |
| Less: Allowance for bad & doubtful advances | 0.38 | 0.38 | - | - |
| **(B)** | **83.49** | **54.51** | **39.89** | **52.85** |
| **Total (A+B)** | **88.44** | **66.97** | **39.89** | **52.85** |

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 2.08 INVENTORIES

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Stock of Spares & Maintenance Items | 15.64 | 20.12 |
| | 15.64 | 20.12 |

## 2.09 TRADE RECEIVABLES

| | Current | |
|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 |
| **Unsecured, considered good unless stated otherwise** | | |
| Unsecured, considered good | 30.25 | 24.23 |
| Doubtful | 26.96 | 16.96 |
| | 57.21 | 41.19 |
| Less: Allowance for doubtful debts (expected credit loss) | 26.96 | 16.96 |
| | 30.25 | 24.23 |

Note : No amount is receivable from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

## 2.10 CASH AND CASH EQUIVALENTS

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **(a) Cash & Cash Equivalents** | | | | |
| Balances with banks: | | | | |
| In Current Accounts | - | - | 3.17 | 12.74 |
| Cash in hand | - | - | 1.30 | 1.05 |
| | - | - | 4.47 | 13.79 |
| **(b) Other Bank Balance** | | | | |
| Margin money deposit* | 15.29 | 10.52 | - | - |
| | 15.29 | 10.52 | - | - |
| Less: Amount disclosed under non current asset (Refer Note 2.05) | 15.29 | 10.52 | - | - |
| **Total** | - | - | 4.47 | 13.79 |

* Marked under lien in favour of Banks

## 2.11 CURRENT TAX ASSETS (NET)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Current tax assets** | | |
| Advance Income Tax (Net of Provisions) | - | 23.34 |
| **Total** | - | 23.34 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 2.12 EQUITY SHARE CAPITAL

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Authorised Capital** | | |
| 999,000,000 (March 31, 2017: 999,000,000) Equity Shares of ₹ 2 each | 199.80 | 199.80 |
| **Total** | **199.80** | **199.80** |
| **Issued, Subscribed and Paid up Capital** | | |
| 830,494,500 (March 31, 2017: 830,494,500) Equity Shares of ₹ 2 each fully paid-up | 166.10 | 166.10 |
| **Total** | **166.10** | **166.10** |

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity Shares of ₹ 2 each | | | | |
| Shares Outstanding at the beginning of the year | 830,494,500 | 166.10 | 830,494,500 | 166.10 |
| Shares Outstanding at the end of the year | **830,494,500** | **166.10** | **830,494,500** | **166.10** |

**b) Rights, Preference and restrictions attached to Shares;**

**Terms/ Rights attached to Equity Shares**

The Company has issued only one class of equity shares having face value of ₹ 2 (March 31, 2017 : ₹ 2) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

**c) The details of shareholders holding more than 5% shares in the Company:**

| Name of the Shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No. of Shares held ₹ 2 each | % of Holding | No. of Shares held ₹ 2 each | % of Holding |
| Equity Shares of ₹ 2 each | | | | |
| Mr. Akshay Raheja | 121,413,000 | 14.62 | 121,413,000 | 14.62 |
| Mr. Viren Raheja | 119,553,000 | 14.40 | 119,553,000 | 14.40 |
| Hathway Investments Private Limited | 81,845,015 | 9.85 | 81,845,015 | 9.85 |
| CLSA Global Markets Pte. Ltd. | 79,346,924 | 9.55 | 79,458,924 | 8.52 |
| P6 Mouritius India Holding Limited | 70,717,760 | 8.52 | 70,717,760 | 8.52 |
| P5 Asia Holding Investments (Mauritius) Limited | 52,783,220 | 6.36 | 52,783,220 | 6.36 |

## 2.13 OTHER EQUITY

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Retained earnings | (989.21) | (1,068.12) |
| Securities Premium | 1,877.01 | 1,877.01 |
| **Total** | **887.80** | **808.89** |

Description of the nature and purpose of each reserve within equity is as follows:-

**(a) Retained Earning :**

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

**(b) Securities Premium :**

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 2.14 NON CURRENT BORROWINGS

| | Non Current portion | | Current maturities of long term debts | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Term Loans** | | | | |
| **Secured** | | | | |
| From Banks | 170.09 | 46.07 | 28.47 | 30.20 |
| From Financial Institutions | - | 45.65 | - | 3.57 |
| From Others | 313.11 | 272.78 | 38.45 | 44.65 |
| **FCNR loan from Banks** | | | | |
| **Secured** | - | 8.52 | 8.83 | 18.52 |
| **Buyers Credit** | | | | |
| **Secured** | - | 213.16 | 230.07 | 104.03 |
| **Unsecured** | | - | - | 7.34 |
| | **483.20** | **586.18** | **305.82** | **208.31** |
| Less: Amount disclosed under the head 'Other Financial Liabilities' (Refer Note 2.15) | | | | |
| - Current maturities of Long-Term Debts | | | 305.82 | 208.31 |
| **Net Amount** | **483.20** | **586.18** | **-** | **-** |

## CURRENT BORROWINGS

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Loans repayable on demand** | | |
| **Secured** | | |
| Cash Credit with banks | 10.03 | 20.00 |
| Overdraft with bank | 5.57 | 20.00 |
| **Unsecured** | | |
| From Banks | 12.44 | - |
| Loans from Related Parties | 2.40 | 2.40 |
| **Total** | **30.44** | **42.40** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## a) Nature of Security and terms of repayment for secured borrowings :

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | **NON-CURRENT BORROWINGS** | | | | | |
| **1** | **Term Loan from Banks** | | | | | |
| **1.1** | **Yes Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 14 equal quarterly installments with 1st installment due 18 months after the date of drawdown i.e. April 04, 2014. Interest is payable on monthly basis. Applicable Rate of Interest is 11.50%. | - | 8.12 | 8.12 | 8.12 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.2** | **Yes Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Moratorium period of 24 months from date of first disbursement. Post moratorium, principal to be repaid in 12 equal quarterly installments. Applicable rate of interest is Yes Bank 12 Month MCLR + 0.8% | 11.19 | - | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.3** | **Yes Bank Ltd.** | | | | | |
| | i Secured by second pari passu hypothecation of present & future Fixed assets and Current Assets of the Company | Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly installments. 6 Month MCLR+ 1% | 96.28 | 2.50 | - | - |
| | ii Pledge of 18% equity shares of Hathway Digital Private Limited (HDPL) & 18% shares of HDPL under Non Disposal Undertaking arrangement. | | | | | |
| **1.4** | **Indusind Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly installments. Applicable Rate of Interest 1Year IBL MCLR+ 1.1% | 30.00 | 5.25 | - | - |
| | ii Secured by first pari passu charge hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.5** | **Axis Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 12 equal quarterly installments with 1st installment due after 36 months after the date of drawdown to be paid at the end of each quarter. Applicable rate of Interest is Axis Bank 1Y MCLR + 2.45% | 8.61 | 1.72 | 9.12 | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.6** | **Kotak Mahindra Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 16 equal quarterly installments with 1st installment due 12 months after the date of drawdown. Applicable rate of Interest is 6 Months MCLR + 2.25%. | 3.65 | 1.82 | 5.47 | 1.82 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| **1.7** | **RBL Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal Repayable at below terms<br>a) 10% to be paid at the end of 12 months from the date of first drawdown<br>b) 5% at the end of 18 months and thereafter equal quartely installments till the maturity of the Loan<br>Applicable Rate of interest is RBL Base rate + 0.45% | 13.66 | 6.07 | 19.17 | 5.12 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.8** | **RBL Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal Repayable at below terms 10 half yearly installments from the date of first disbursement.Applicable Rate of interest is 1 Year MCLR + 0.75% | 8.32 | 2.63 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.9** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly Repayment starting from 27th Month from the date of each drawdown of Buyers credit. No repayment to exceed 5 years from the date of first drawdown. Applicable Rate of interest is one Year ICICI Bank MCLR + 2.8% | 1.59 | 1.59 | 4.74 | 3.39 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **2** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly Repayment starting from on or before 42nd Month from the date of each drawdown of Buyers credit. No repayment to exceed 6 years from the date of first drawdown. Applicable Rate of interest is one Year ICICI Bank MCLR + 2.2% | 0.63 | 0.42 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **3** | **Term Loan From Others** | | | | | |
| **3.1** | **Aditya Birla Finance Ltd.** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly Repayment from the date of each drawdown of Loan. No repayment to exceed 3 years from the date of first drawdown. Applicable Rate of Interest is 1Year MCLR+ 2.8% | 1.20 | 2.78 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **3.2** | **Housing Development Finance Corporation Ltd.** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 12 equal quarterly installments of ₹ 19.80 with 1st installment due after 27 months after the date of drawdown. Interest is payable on Quarterly basis. Applicable Interest rate is HDFC Corporate Prime Lending Rate - 7.65%. | 100.00 | - | 200.00 | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| **3.3** | **IDFC Infrastructure Finance Limited** | | | | | |
| | i Secured by first pari passu first hypothecation of all fixed assets, both present and future including plant & machinery, machinery spares, tools & accessories, furnitures, fixtures, vehicles and all other assets, of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 16 equal quarterly installments commencing from 30 June 2018. Applicable rate of Interest is IDFC Infrastructure Finance Limited 5 Year Benchmark+ 2.15%. | 75.00 | 25.00 | 75.00 | - |
| | ii Secured by first pari passu first hypothecation on entire receivables, book debts and entire intangible assets, goodwill, & uncalled capital, both present & future, of the Company and of HDPL. | | | | | |
| **3.4** | **India Infra Debt** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Quarterly Repayment from the date of First Disbursement<br>1) 1.875% of Principal to be repaid from Quarter 1 to Quarter 4<br>2) 3.75% of Principal to be repaid from Quarter 5 to Quarter 8<br>3) 5.00% of Principal to be repaid from Quarter 9 to Quarter 12<br>4) 6.875% of Principal to be repaid from Quarter 13 to Quarter 16<br>5) 7.5% of Principal to be repaid from Quarter 17 to Quarter 20<br>Applicable Rate of Interest is 10%. | 138.75 | 11.25 | - | - |
| | ii Secured by first pari passu charge on present and future entire cashflows, receivables, book debts and revenue and entire intangible assets including but not limited to, goodwill and uncalled capital, intellectual property, of the Company & of HDPL | | | | | |
| | iii Secured by pari passu first charge/ assignment over all the right, title, interest, benefits, claims and demands in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee, of the Company & of HDPL. | | | | | |
| **4** | **FCNR loan from Banks** | | | | | |
| **4.1** | **Axis Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable on completion of 3 years from the date of drawdown i.e. December 28, 2015. Interest is payable on monthly basis. Applicable Interest rate is 3 months LIBOR + 370 bps. | - | 9.00 | 8.95 | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **5** | **Buyers Credit** | | | | | |
| **5.1** | **Axis Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 57.15 | 61.71 | 36.99 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **5.2** | **Yes Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 44.31 | 54.33 | 46.00 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **5.3** | **RBL Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 70.73 | 62.14 | 0.32 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **5.4** | **IndusInd Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future Fixed Assets of the Company and Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 43.47 | 12.39 | 2.13 |
| | ii Secured by first pari passu charge hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **5.5** | **Kotak Mahindra Bank Ltd. (formerly ING Vysya Bank Ltd)** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 14.42 | 22.58 | 18.59 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| | Add: Loan fully repaid prior to the Balance sheet date | | - | - | 46.45 | 86.65 |
| | Less: Unamortised upfront fees on borrowing | | 5.68 | 2.40 | 3.99 | 0.82 |
| | **Total Non - current borrowings** | | **483.20** | **305.82** | **586.18** | **208.31** |
| | **CURRENT BORROWINGS** | | | | | |
| **6** | **Secured** | | | | | |
| **6.1** | **Cash Credit** | | | | | |
| **6.1.1** | **Kotak Mahindra Bank Ltd. (formerly ING Vysya Bank Ltd)** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Sanctioned Amount ₹ 10 | - | 9.82 | - | 20.00 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 6.1.2 | **Axis Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Sanctioned Amount ₹ 10 | - | 0.21 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 7.2 | **Overdraft** | | | | | |
| 7.2.1 | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Sanctioned Amount ₹ 10 | - | 5.57 | - | 20.00 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| | Unsecured | | | | | |
| | From Bank | | | | | |
| | IDFC Bank | 12 Equal Monthly installments of ₹ 2.08. Applicable rate of Interest is 9% p.a monthly. | - | 12.50 | - | - |
| 8 | **Unsecured** | | | | | |
| 8.1 | **From Related Parties** | | | | | |
| | Hathway Broadband Private Limited | | - | 2.40 | - | 2.40 |
| | Less: Unamortised upfront fees on borrowing | | | 0.06 | | |
| | **Total current borrowings** | | **-** | **30.44** | **-** | **42.40** |

**b-1) Details of Non - current borrowings guaranteed by a Hathway Digital Private limited, a wholly owned subsidiary of the Company:**

| Sr. No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Term loans from banks | 204.05 | - |
| 2 | Term loan from others | 350.00 | - |
| 3 | FCNR loan from banks | 9.00 | - |
| 4 | Buyers Credit | 230.07 | - |
| | **Total Non - current borrowings** | **793.12** | **-** |

**b-2) Details of Current Borrowings guaranteed by Hathway Digital Private limited, a wholly owned subsidiary of the Company:**

| Sr. No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Cash Credit | 10.03 | - |
| 2 | Overdraft | 5.57 | - |
| 3 | Unsecured loan | 12.50 | - |
| | **Total current borrowings** | **28.10** | **-** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

**The carrying amount of assets pledged as security for borrowings are disclosed below :**

| Sr. No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | **Current** | | |
| | i Inventories | 15.64 | 20.12 |
| | ii Investments | - | - |
| | iii Trade Receivables | 30.25 | 24.23 |
| | iv Cash and Cash Equivalents | 4.47 | 13.79 |
| | v Loans | 65.51 | 76.58 |
| | vi Other financial assets | 0.74 | 272.66 |
| | vii Non-current assets classified as held for sale | - | 0.02 |
| | viii Other Current Assets | 17.82 | 19.69 |
| | | **134.43** | **427.09** |
| 2 | **Non - current** | | |
| | i Property, Plant and Equipment | 740.73 | 617.32 |
| | ii Capital Work In Progress | 39.07 | 55.71 |
| | iii Goodwill | - | 0.02 |
| | iv Other Intangible Assets | 18.41 | 15.55 |
| | v Loans | 27.67 | 18.24 |
| | vi Other financial assets | 15.55 | 10.78 |
| | vii Other Non-Current Assets | 5.11 | 12.46 |
| | | **846.54** | **730.08** |
| | **Total assets pledged as security** | **980.97** | **1,157.17** |

## 2.15 OTHER FINANCIAL LIABILITIES

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| Current maturities of Long-Term Debts (Refer Note 2.14) | - | - | 305.82 | 208.31 |
| Security Deposits | 6.75 | 14.96 | - | - |
| Interest accrued | - | - | 3.72 | 3.21 |
| Salary and Employee benefits payable | | - | 3.17 | 0.66 |
| Payables for acquisition of property, plant and equipment | - | - | 101.47 | 57.83 |
| Financial Guarantee Obligations | - | - | 0.03 | 0.36 |
| Other Financial Liabilities | - | - | 44.08 | 41.88 |
| **Total** | **6.75** | **14.96** | **458.29** | **312.25** |

## 2.16 PROVISIONS

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Employee Benefits** | | | | |
| Provision for Leave Encashment | 0.30 | 1.69 | 2.03 | 1.72 |
| Provision for Bonus | - | - | - | 0.59 |
| **(A)** | 0.30 | 1.69 | 2.03 | 2.31 |
| **Others** | | | | |
| Mark to Market Losses on Currency Swap | 0.53 | 1.36 | - | - |
| **(B)** | 0.53 | 1.36 | - | - |
| **Total (A+B)** | **0.83** | **3.05** | **2.03** | **2.31** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 2.17 OTHER LIABILITIES

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| Income received in advance | - | - | 80.87 | 91.66 |
| Statutory Payables | - | - | 5.61 | 15.77 |
| Gratuity (Funded) | 2.86 | 1.16 | - | 0.18 |
| Employee Payables | - | - | 0.42 | 0.42 |
| Advance from Customers | - | - | 2.55 | 9.53 |
| Other Liabilities | - | - | * | 0.01 |
| **Total (A+B)** | **2.86** | **1.16** | **89.45** | **117.57** |

* Amount less than ₹ 50,000/-

## 2.18 TRADE PAYABLES

| | Current | |
|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 |
| Total outstanding dues of Micro and Small Enterprises (Refer Note 4.09) | - | - |
| Total outstanding dues of suppliers other than Micro and Small enterprises | 48.36 | 46.54 |
| **Total** | **48.36** | **46.54** |

## 3.01 REVENUE FROM OPERATIONS

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Revenue from operations** | | |
| Sale of services | 544.19 | 1,300.80 |
| Sale of products | - | 0.15 |
| Other operating revenues | 0.35 | 6.45 |
| **Total** | **544.54** | **1,307.40** |

## 3.02 OTHER INCOME

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Interest income earned on financial assets:** | | |
| On Financial Assets measured at Amortised Cost: | | |
| Bank Deposits | 0.87 | 1.69 |
| Interest on Loans | 3.16 | 0.46 |
| Unwinding Interest on financial assets | 2.96 | 3.76 |
| Dividend Income from associate | 4.20 | - |
| **Other Non - Operating Income** | | |
| Interest on Income Tax Refund | - | 6.48 |
| Amount No Longer Payable Written Back | * | 0.18 |
| Miscellaneous Income | 0.10 | 0.52 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Other gains and losses** | | |
| Gain on disposal of current investments (Net) | 0.68 | 0.24 |
| Net gain on foreign currency fluctuations | - | 9.77 |
| **Total** | **11.97** | **23.10** |

* Amount less than ₹ 50,000/-

## 3.03 OTHER OPERATIONAL EXPENSES

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Commission | 38.42 | 65.48 |
| Bandwidth & Lease Line Cost | 49.82 | 57.20 |
| Repairs & Maintenance (Plant & Machinery) | 11.56 | 41.95 |
| Feed charges | - | 32.55 |
| Rent | 14.52 | 26.69 |
| Consultancy & Technical Fees | 2.86 | 15.91 |
| Other Sundry Operational Cost | 9.66 | 8.48 |
| Software & Programming Cost | 1.14 | 7.06 |
| Freight & Octroi Charges | 0.02 | 2.30 |
| Hire Charges | 0.99 | 1.06 |
| **Total** | **128.99** | **258.68** |

## 3.04 EMPLOYEE BENEFITS EXPENSE

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Salaries & Bonus | 37.42 | 73.49 |
| Contribution to provident and other funds | 2.80 | 7.30 |
| Staff Welfare expenses | 1.69 | 5.69 |
| **Total** | **41.91** | **86.48** |

## 3.05 FINANCE COST

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Interest and Finance charges on financial liabilities | 62.53 | 97.47 |
| Exchange differences regarded as an adjustment to borrowing cost | 4.00 | 0.29 |
| Other borrowing costs | 11.81 | 12.54 |
| **Total** | **78.34** | **110.30** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 3.06 DEPRECIATION, AMORTISATION AND IMPAIRMENT

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Depreciation of Property, Plant and Equipment | 79.15 | 254.32 |
| Amortisation of Intangible Assets | 5.64 | 35.33 |
| Impairment of Goodwill | 0.02 | 0.71 |
| Impairment of Property, Plant and Equipment | 12.20 | 9.38 |
| Impairment of Other Intangible Assets | 0.18 | 1.02 |
| **Total** | **97.19** | **300.76** |

## 3.07 OTHER EXPENSES

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Service Charges | 82.72 | 155.77 |
| Bad Debts | 2.00 | 219.23 |
| Less: Transfer from allowance on doubtful debts (Expected Credit Loss) | (2.00) | (219.23) |
| | - | - |
| Allowance on doubtful debts (Expected Credit Loss) | 12.00 | 41.15 |
| Electricity Expenses | 14.27 | 23.76 |
| Advertisement & Promotion expenses | 12.76 | 16.04 |
| Legal & Professional Charges | 2.08 | 14.60 |
| Rent - Offices | 3.56 | 11.42 |
| Conveyance | 4.12 | 6.89 |
| Repairs & Maintainance (Others) | 2.67 | 6.28 |
| Office Expenses | 1.52 | 5.36 |
| Travelling | 1.97 | 5.21 |
| Communication Charges | 2.79 | 4.81 |
| Rates & taxes | 1.28 | 4.08 |
| Loss on disposal / shortage of Property, Plant and Equipment | 0.09 | 2.04 |
| Printing & Stationery | 0.75 | 1.66 |
| Insurance Charges | 0.64 | 1.16 |
| Business Promotion Expenses | 0.66 | 1.12 |
| Sundry Advances Written Off | 0.05 | 0.97 |
| Interest on Taxes | 0.09 | 0.76 |
| Share of Loss from LLP | 0.79 | 0.75 |
| Loss on Foreign Exchange Fluctuation (Net) | 2.10 | - |
| Impairment of doubtful advances | - | 0.11 |
| Sitting Fees | 0.27 | 0.29 |
| Miscellaneous Expenses | 0.83 | 1.77 |
| Auditor's Remuneration | | |
| - Statutory Audit Fees | 0.39 | 0.63 |
| - Limited Review, Consolidation & Certification Fees | 0.23 | 0.27 |
| - Other Consultancy Services | - | 0.03 |
| **Total** | **148.63** | **306.93** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 3.08 EXCEPTIONAL ITEMS

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| - Impairment of Investment /Doubtful Advances / Receivables from Joint ventures / subsidiaries | - | 10.96 |
| - (Gain) /Loss on sale of shares of Non-Current Investments | (16.21) | 1.99 |
| - Marked down in value of certain non-current assets towards abnormal wear and tear | - | 0.24 |
| - Reversal of Provision for Entertainment Tax of earlier years * | - | (9.70) |
| **Total** | **(16.21)** | **3.49** |

* Refer Note 4.05

## 4.01 EARNINGS/(LOSS) PER SHARE

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Basic earnings per share : (₹)** | | |
| Attributable to equity holders of the Company | 0.94 | (1.86) |
| **Diluted earnings per share : (₹)** | | |
| Attributable to equity holders of the Company | 0.94 | (1.86) |
| Nominal value of Ordinary shares (₹ per Share): | 2.00 | 2.00 |
| **Reconciliation of earnings used in calculating earnings per share :** | | |
| **Basic earnings per share** | | |
| Profit/(Loss) attributable to equity holders of the Company used in calculating basic earnings per share | 77.66 | (154.62) |
| **Diluted earnings per share** | | |
| Profit/(Loss) attributable to equity holders of the Company used in calculating diluted earnings per share | 77.66 | (154.62) |
| **Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share** | 830,494,500 | 830,494,500 |

## 4.02 CONTINGENT LIABILITIES

a) The Company has challenged levy of license fees for pure Internet services before Telecom Disputes Settlement & Appellate Tribunal (TDSAT). On merit of the case, TDSAT has granted stay till disposal of petition. The Company is contingently liable to the extent of ₹ 114.58 (March 31, 2017 : ₹ 71.45). The Company has paid an amount of ₹ 5.36 under protest.

b) The minority shareholders of the erstwhile joint venture company, Hathway Rajesh Multichannel Pvt. Ltd., filed an arbitration petition against the Company before the High Court, Bombay, which was referred to a sole arbitrator in August 2016. The minority shareholders, in their statement of claim have sought, amongst other reliefs, payment of ₹ 54.98 (March 31, 2017: ₹ 54.98) towards costs of STBs, charges under various heads allegedly wrongly debited by the Company etc. The Company has refuted the claims and has made counter claim of ₹ 91.17 (March 31, 2017: ₹ 91.17) towards inter-alia outstanding content cost, loans, payments and damages/ compensation for the loss of financial and management credibility, goodwill etc. The matter is currently pending.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

c) Claims against the Company, other than those stated above, not acknowledged as debts are as under:

| Matters with | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Operators & Others | 0.45 | 0.05 |
| VAT department in the State of Maharashtra | 0.02 | 0.02 |
| Service Tax department | 3.74 | 3.74 |
| **Total** | **4.21** | **3.81** |

Pursuant to Business Transfer Agreement dated March 24, 2017, the Company has transferred its Cable Television business which inter alia includes claims against the Company not acknowledged as debts, by way of slump sale to its wholly owned subsidiary Hathway Digital Private Limited (HDPL). Accordingly, the details of such claims, litigation etc. relating to Cable Television business transferred to HDPL are not disclosed hereinabove

## 4.03 FINANCIAL CORPORATE GUARANTEE

The Company has given Corporate Guarantees of ₹ 856.75 (March 31, 2017: ₹ 113.64) to Banks & ₹ 14.14 (March 31, 2017: ₹ 8.38) to Others towards various credit facilities extended by them to related parties.

## 4.04 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts (including acquisition of intangible assets net of advances) remaining to be executed on capital account and not provided for aggregate to ₹ 49.43 (March 31, 2017: ₹ 51.02).

As a part of business strategy, the Company has expanded its area of operations in various parts of the country by entering into arrangements with local partners. Such operations are in the form of subsidiaries/joint ventures. (Subsequently, some of such entities are converted into wholly owned subsidiaries.) Since operations of such entities are significantly dependent on the company's policies, the Company is committed to provide the required support towards the operations of such entities including financial support that may be required to meet commitments/obligations of such entities.

## 4.05 EXCEPTIONAL ITEMS

During the current financial year, the Company has offloaded 72 lakhs shares of GTPL Hathway Limited under Offer to sale @ ₹ 170 per share. The holding of the Company has reduced from 50% to 37.32%.

Pursuant to circular dated December 17, 2012 issued by the Delhi Entertainment Department, the MSOs were made responsible for collection and payment of Entertainment Tax for secondary points w.e.f. April 1, 2013. The Company challenged the constitutional vires of the said circular and filed writ petition in the matter before the High Court of Delhi. The High Court pronounced a favourable judgment stating that the liability to collect and deposit the Entertainment Tax for secondary points rests wholly and solely upon the LCOs, before and after March 31, 2013, as they are the Proprietor of their individual cable TV network, and not the MSOs. Accordingly, the Company during the previous financial year 2016-17 had reversed provision of ₹ 9.70 made on account of Entertainment tax.

## 4.06 EMPLOYEE BENEFITS

a) **Defined Benefit Plans:**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 26 days' salary for each completed year of service subject to a maximum of ₹ 0.10. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| | |
|---|---|
| Investment Risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment |
| Interest Risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments |
| Longevity Risk | This risk effects Past Retirement Benefit Plans, especially Pension and Medical Benefits. This Plan pays the benefit on Retirement, if not paid earlier, on account of resignation or death and hence the Longevity risk will not materially effect this Plan. |
| Salary Risk | The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries being more than assumed. |

| Particulars | | Gratuity | |
|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 |
| 1 | **Expense recognised in the statement of Profit and Loss** | | |
| | Current Service Cost | 0.55 | 1.10 |
| | Net Interest | 0.10 | 0.21 |
| | Past Service Cost | 0.26 | - |
| | **Expense recognised in the statement of Profit and Loss** | **0.91** | **1.31** |
| 2 | **Other Comprehensive Income (OCI)** | | |
| | Measurement of net defined benefit liability | | |
| | Actuarial (gains)/ losses arising from changes in demographic assumptions | - | (0.42) |
| | Actuarial (gains)/ losses arising from changes in financial assumption | (1.80) | 0.45 |
| | Actuarial (gains)/ losses arising from experience adjustments | 0.40 | (0.24) |
| | Return on plan asset excluding net interest | 0.14 | (0.10) |
| | **Total Actuarial (Gain)/loss recognised in OCI** | **(1.26)** | **(0.31)** |
| 3 | **Change in benefit obligations:** | | |
| | Projected benefit obligations at beginning of the year | 5.12 | 6.82 |
| | Current Service Cost | 0.55 | 1.10 |
| | Interest Cost | 0.38 | 0.46 |
| | Past Service Cost | 0.27 | - |
| | Benefits Paid | (1.12) | (0.32) |
| | Actuarial (Gain) / Loss | | |
| | Actuarial (gains)/ losses arising from changes in demographic assumptions | - | (0.42) |
| | Actuarial (gains)/ losses arising from changes in financial assumption | (1.80) | 0.45 |
| | Actuarial (gains)/ losses arising from experience adjustments | 0.40 | (0.24) |
| | Transferred to other Company (Refer Note 4.18) | - | (2.73) |
| | **Projected benefit obligations at end of the year** | **3.80** | **5.12** |
| 4 | **Fair Value of Plan Assets** | | |
| | Opening Fair Value of Plan Asset | 3.78 | 3.65 |
| | Return on Plan Assets excl. interest income | (0.14) | 0.10 |
| | Interest Income | 0.28 | 0.24 |
| | Contributions by Employer | 0.10 | 0.11 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Particulars | | Gratuity | |
|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 |
| | Assets aquired/ (settled)* | (1.97) | - |
| | Benefits Paid | (1.11) | (0.32) |
| | **Fair Value of Plan Assets at end** | **0.94** | **3.78** |
| | * On account of business combination / inter group transfer | | |
| **5** | **Net Liability** | | |
| | Projected benefit obligations at end of the year | 3.80 | 5.12 |
| | Fair Value of Plan Asset at the end of the year | 0.94 | 3.78 |
| | **Net Liability** | **2.86** | **1.34** |
| **6** | **Sensitivity Analysis** | | |
| | Present value of benefit obligation at the end of the year on | | |
| | 0.5 % (March 31, 2017 : 1%) increase in discount rate | 3.68 | 4.55 |
| | 0.5 % (March 31, 2017 : 1%) decrease in discount rate | 3.94 | 5.81 |
| | 0.5 % (March 31, 2017 : 1%) increase in rate of salary Increase | 3.94 | 5.51 |
| | 0.5 % (March 31, 2017 : 1%) decrease in rate of salary increase | 3.68 | 4.75 |
| | 1% increase in attrition rate | 3.84 | 5.11 |
| | 1% decrease in attrition rate | 3.77 | 5.16 |
| | 10% increase in mortality rate | 3.81 | 5.13 |
| | 10% decrease in mortality rate | 3.81 | 5.13 |
| **7** | **Principal assumptions used for the purpose of actuarial valuation** | | |
| | Mortality | IALM (2006-08) Ult | IALM (2006-08) Ult |
| | Interest /discount rate | 7.50% | 6.87% |
| | Rate of increase in compensation | 5.00% | 10.00% |
| | Expected average remaining service | 6.71 | 11.97 |
| | Employee Attrition Rate (Past service(PS)) | 21-30 Year : 5.00%<br>31-40 Year : 6.00%<br>41-57 Year : 9.00% | 0-40 Year : 11.63% & 12.73% |
| **8** | **Investment Details** | | |
| | Government Debt Instruments | 91.11% | 32.66% |
| | Insurer Managed Funds | 8.89% | 67.34% |
| | **Total** | **100.00%** | **100.00%** |

**b) Defined Contribution Plans:**

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

The Company operated defined benefits contribution retirment benefit plans for all qualifying employees.

The Total expenses recognised in the statement of Profit and Loss is ₹ 1.89 (March 31, 2017: ₹ 3.24) represents contribution payable to these plans by the Company at the rates specified in the rules of plan.

## 4.07 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 108 OPERATING SEGMENTS

As the Company's business activity falls within a single business segment viz. providing Internet Services and allied services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 4.08 LEASES

**(a)** Operating Leases (As Lessee): The Company's significant leasing arrangements in terms of Ind AS 17 on lease are in respect of Operating Leases for Premises and Equipments. The period of these leasing arrangements, which are cancellable in nature range between eleven months to six years and are renewable by mutual consent.

**Details of Non-Cancellable Leases are as under:**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Payable in the next one year | 0.61 | 1.68 |
| Payable after next one year but before next five years | 0.04 | 1.34 |
| Payable after five years | - | - |

Rental Expenses debited to the Statement of Profit and Loss ₹ 1.81 (March 31, 2017: ₹ 10.72)

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

Rental Expenses debited to the Statement of Profit and Loss ₹ 16.27 (March 31, 2017: ₹ 27.39)

Some of these lease agreements have price escalation clauses.

**(b)** The right to use granted to subsidiaries/local cable operators in respect of Access devices are not classified as lease transactions as the same are not for an agreed period of time.

**4.09** As per the information available with the Company, none of the suppliers qualify as supplier under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") and accordingly no disclosure is made pursuant to section 22 of the Act.

## 4.10 CAPITAL MANAGEMENT

The Company's objective while managing capital is to maintain stable capital structure to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital that would enable to maximise the return to stakeholders.

The Company's capital requirement is mainly to fund its business expansion and repayment of borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets.

The Company has adhered to material externally imposed conditions relating to capital requirements and there has not been any delay or material default during the period covered under these financial statements with respect to payment of principal and interest. No lender has raised any matter that may lead to breach of covenants stipulated in the underlying documents.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Net debt | 814.98 | 823.10 |
| Total equity | 1,053.90 | 974.99 |
| **Net debt to equity ratio** | **0.77** | **0.84** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 4.11 FINANCIAL INSTRUMENTS :

### (i) Methods & 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 following methods and assumptions were used to estimate the fair values:

a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non- current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.

b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

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

d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (ii) Categories of financial instruments

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

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

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

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Carrying values | Fair value | Carrying values | Fair value |
| **Financial assets** | | | | |
| **Measured at amortised cost** | | | | |
| Investment in Government securities | 0.14 | 0.14 | 0.14 | 0.14 |
| Trade receivables | 30.25 | 30.25 | 24.23 | 24.23 |
| Loans | 93.18 | 93.18 | 94.82 | 94.82 |
| Cash and Bank balances | 19.76 | 19.76 | 24.31 | 24.31 |
| Other financial assets | 1.00 | 1.00 | 272.91 | 272.91 |
| **Total (A)** | **144.33** | **144.33** | **416.41** | **416.41** |
| **Measured at fair value through other comprehensive income** | | | | |
| Investment in equity instruments of other companies | 2.01 | 2.01 | - | - |
| **Total (B)** | **2.01** | **2.01** | **-** | **-** |
| **Total Financial assets (A+B)** | **146.34** | **146.34** | **416.41** | **416.41** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Carrying values | Fair value | Carrying values | Fair value |
| **Financial liabilities** | | | | |
| **Measured at amortised cost** | | | | |
| Borrowings # | 819.45 | 819.45 | 836.89 | 836.89 |
| Trade payables | 48.36 | 48.36 | 46.54 | 46.54 |
| Other financial liabilities | 157.57 | 157.57 | 114.15 | 114.15 |
| **Total (A)** | **1,025.38** | **1,025.38** | **997.58** | **997.58** |
| **Measured at fair value through profit or loss** | | | | |
| Derivative Instruments | 2.19 | 2.19 | 6.11 | 6.11 |
| **Total (B)** | **2.19** | **2.19** | **6.11** | **6.11** |
| **Total Financial liabilities (A+B)** | **1,027.57** | **1,027.57** | **1,003.69** | **1,003.69** |

# includes current maturities of long term debts

### Level wise disclosure of financial instruments

| Particulars | As at March 31, 2018 | As at March 31, 2017 | Level | Valuation techniques and key input |
|---|---|---|---|---|
| Investment in equity instruments of other companies | 2.01 | - | 3 | Refer Note 4.19 |
| Foreign currency forward contracts - Liability | 1.66 | 4.77 | 2 | Quotes from banks or dealers |
| Currency Swap contracts - Liability | 0.53 | 1.34 | 2 | Quotes from banks or dealers |

## 4.12 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. The details of different types of risk and management policy to address these risks are listed below:

The business activities of Company activities expose it to financial risks namely Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency swap contracts, call options to hedge certain foreign currency risk exposures and follows policies set up by a Treasury department under policies approved by the Board of Directors.

### Credit risk

Credit risk arises from the possibility that counter party will cause financial loss to the company by failing to discharge its obligation as agreed.The Company's exposure to credit risk arises mainly from the trade receivables, loans given, financial guarantee contract and derivative financial instruments.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

The Company's major revenue streams arises from services provided to end use customers in the form of monthly subscription income. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. As the customer base is distributed economically and geographically, there is no concentration of credit risk. The credit period provided by the Company to its end use customers generally ranges from 0 to 30 days.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

The Company follows a simplified approach (i.e based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the Company uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not recoverable. Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 12 months past due.

**Reconciliation of changes in the loss allowances measured using life-time expected credit loss model - Trade receivables**

| Particulars | Amount |
|---|---|
| **As at April 1, 2016** | **275.37** |
| Provided during the year | 42.07 |
| Amounts written off | 219.23 |
| Reversals of Provision | - |
| Transferred to other Company (Refer Note 4.18) | 81.25 |
| **As at March 31, 2017** | **16.96** |
| Provided during the year | 12.00 |
| Amounts written off | 2.00 |
| Reversals of Provision | - |
| **As at March 31, 2018** | **26.96** |

### Liquidity Risk

Liquidity risk is 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. The Company liquidity risk management policies include to, at all times ensure sufficient liquidity to meet its liabilities when they are due, by maintaining adequate sources of financing from both domestic and international banks at an optimised cost. In addition, processes and policies related to such risks are overseen by senior management. The Company's senior management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### Maturities of financial liabilities

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

| As at March 31, 2018 | less than 1 year | 1 to 5 year | Total |
|---|---|---|---|
| **Non-Derivatives** | | | |
| Trade payables | 48.36 | - | 48.36 |
| Borrowings | 395.09 | 574.24 | 969.34 |
| Other financial liabilities | 150.86 | 6.75 | 157.61 |
| **Total** | **594.31** | **580.99** | **1,175.31** |
| **Derivatives (net settled)** | | | |
| Foreign exchange forwards | 1.66 | - | 1.66 |
| Currency Swap Contract | 0.53 | - | 0.53 |
| **Total** | **2.19** | **-** | **2.19** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| As at March 31, 2017 | less than 1 year | 1 to 5 year | Total |
|---|---|---|---|
| **Non-Derivatives** | | | |
| Trade payables | 46.54 | - | 46.54 |
| Borrowings | 310.44 | 662.19 | 972.63 |
| Other financial liabilities | 99.19 | 14.96 | 114.15 |
| **Total** | **456.17** | **677.15** | **1,133.32** |
| **Derivatives (net settled)** | | | |
| Foreign exchange forwards | 4.13 | 0.64 | 4.77 |
| Currency Swap Contract | 0.89 | 0.47 | 1.36 |
| **Total** | **5.02** | **1.11** | **6.13** |

The Company from time to time in its usual course of business issues financial guarantees to certain subsidiaries, associates and joint ventures. Company has issued corporate guarantee for debt of ₹ 870.89 (March 31, 2017: ₹ 122.02). The outflow in respect of these guarantees will arise only upon default of the such subsidiaries and joint ventures/Associate. ₹ 381.74 (March 31, 2017: ₹ 66.70) is due for repayment within 1 year and ₹ 489.15 (March 31, 2017: ₹ 55.32) is due for repayment within 1 - 5 Years from the reporting date.

### Financing arrangements

The Company has sufficient sanctioned line of credit from its bankers / financiers; commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit.

The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds.

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.

### (a) Market Risk – Foreign Exchange

Foreign exchange risk arises on all recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies.

Foreign currency risk is managed by following established risk management policies, which inter alia includes monitoring the movements in currencies in which the borrowings / capex vendors are payable and hedging the exposure to foreign currency risk by entering into forward currency contracts, call options and currency swaps contracts.

The Company does not enter into or trade financial instrument including derivative for speculative purpose.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

| Foreign currency exposure as at March 31, 2018 | USD |
|---|---|
| **Assets** | - |
| **Liabilities** | |
| Borrowings | 247.69 |
| Trade payables | 76.08 |
| Forward contracts - Liability | 1.66 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Foreign currency exposure as at March 31, 2017 | USD |
|---|---|
| **Assets** | |
| Loans and other receivables | 1.76 |
| **Liabilities** | |
| Borrowings | 378.63 |
| Trade payables | 26.86 |
| Forward contracts - Liability | 4.77 |

**Details of Unhedged Foreign Currency Exposure is as under:-**

| Currency | March 31, 2018 | | March 31, 2017 | |
|---|---|---|---|---|
| | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| **Secured Loans** | | | | |
| USD | 3.14 | 204.84 | 3.82 | 247.43 |
| **Accounts Payables** | | | | |
| USD | 1.17 | 76.08 | 0.41 | 26.86 |
| **Other Firm Commitments** | | | | |
| USD | 0.46 | 30.04 | 0.82 | 53.38 |

The Company has booked INR USD Cross Currency Swap Contracts of USD 3.50 (March 31, 2017 : USD 3.50) against the underlying INR borrowing of ₹ 215.71 (March 31, 2017 : ₹ 215.71). Outstanding at the year end for the same is INR borrowing is ₹ 8.12 and Currency Swap Contract amount is USD 0.13. The actual interest earned on notional INR deposit, interest paid on notional USD borrowing and marked to market loss on USD exposure aggregating net gain / (loss) of ₹ 0.70 (March 31, 2017 : ₹ 14.76) are included under finance cost in Note 3.05 in Notes to the financial statements.

**Foreign currency sensitivity**

1 % increase or decrease in foreign exchange rates will have the following impact on profit/loss before tax and on other components of equity

| Particulars | Impact on Profit (March 31, 2017: Loss): Increase/(Decrease) | | | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | 1 % Increase | 1 % Increase | 1 % Decrease | 1 % Decrease |
| USD | (2.81) | 8.73 | 2.81 | (8.73) |

| Particulars | Impact on other components of equity : Increase/(Decrease) | | | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | 1 % Increase | 1 % Increase | 1 % Decrease | 1 % Decrease |
| USD | (2.81) | (8.73) | 2.81 | 8.73 |

**(b) Market Risk – Interest Rate**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because the Company has borrowed funds substantially at floating interest rates. The interest rate risk is managed by the Company by the use of interest rate swap and by monitoring monthly cash flow which is reviewed by management to prevent loss of interest.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Variable rate borrowings | 704.56 | 823.08 |
| Fixed rate borrowings | 123.02 | 18.64 |

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of borrowing outstanding at the end of the reporting period was outstanding for whole of the year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel.

| | Impact on Profit (March 31, 2017: Loss): Increase/(Decrease) | | Impact on equity Increase/ (Decrease) | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Interest rates - increase by 100 basis points * | (6.85) | 14.57 | (6.85) | (14.57) |
| Interest rates - decrease by 100 basis points * | 6.85 | (14.57) | 6.85 | 14.57 |

* assuming all other variables as constant

The sensitivity disclosed in the above table is attributable to variable interest rate borrowings and the interest swaps. The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings in INR & USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

**4.13** Duties and taxes of ₹ 2.01 for the period prior to 2016-17 and ₹ 0.50 for the year 2016-17, being Prior Period expenses, have been recognised in the respective period by restating relevant previous year figures

**4.14 RECENT PRONOUNCEMENTS**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is being ascertained.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 4.15 RELATED PARTY DISCLOSURES

**A. Names of related parties and related party relationship**

**i) Under Control of the Company**

| | | |
|---|---|---|
| 1 | Wholly Owned Subsidiaries | Bee Network & Communications Private Limited |
| | | Binary Technology Transfers Private Limited |
| | | Hathway C-Net Private Limited |
| | | Hathway Enjoy Cable Network Private Limited |
| | | Hathway Gwalior Cable & Datacom Private Limited |
| | | Hathway Internet Satellite Private Limited |
| | | Hathway JMD Farukhabad Cable Network Private Limited |
| | | Hathway Media Vision Private Limited |
| | | Hathway Space Vision Cabletel Private Limited |
| | | Hathway United Cables Private Limited |
| | | Hathway Universal Cabletel & Datacom Private Limited (till March 16, 2017) |
| | | Ideal Cables Private Limited |
| | | ITV Interactive Media Private Limited |
| | | Liberty Media Vision Private Limited |
| | | Vision India Networks Private Limited |
| | | Win Cable and Datacom Private Limited |
| | | Hathway Broadband Private Limited |
| | | Hathway New Concept Cable & Datacom Private Limited |
| | | Hathway Mantra Cable & Datacom Private Limited |
| | | Hathway Software Developers Private Limited (w.e.f December 29, 2016) |
| | | UTN Cable Communications Private Limited (w.e.f February 16, 2017) |
| | | Hathway Mysore Cable Network Private Limited (w.e.f March 25, 2017) |
| | | Hathway Krishna Cables Private Limited |
| | | Hathway Digital Private Limited (f.k.a Hathway Datacom Central Private Limited) |
| 2 | Other – Subsidiaries | Chennai Cable Vision Network Private Limited |
| | | Channels India Network Private Limited |
| | | Elite Cable Network Private Limited |
| | | UTN Cable Communications Private Limited (till February 16, 2017) |
| | | Hathway Software Developers Private Limited (till December 29, 2016) |
| | | Hathway Nashik Cable Network Private Limited |
| | | Hathway Bhawani Cabletel and Datacom Limited |
| | | Hathway Kokan Crystal Cable Network Private Limited |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

**ii) Other Related parties :**

| | | |
|---|---|---|
| 1 | Joint Ventures | Hathway Digital Saharanpur Cable & Datacom Private Limited |
| | | GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) (till June 30, 2017) |
| | | Hathway Sai Star Cable & Datacom Private Limited |
| | | Hathway MCN Private Limited |
| | | Hathway Channel 5 Cable and Datacom Private Limited |
| | | Net 9 Online Hathway Private Limited |
| | | Hathway Cable MCN Nanded Private Limited |
| | | Hathway Latur MCN Cable & Datacom Private Limited |
| | | Hathway Palampur Cable Network Private Limited |
| | | Hathway Mysore Cable Network Private Limited (till March 25, 2017) |
| | | Hathway ICE Television Private Limited |
| | | Hathway Sonali Om Crystal Cable Private Limited |
| | | Hathway Dattatray Cable Network Private Limited |
| | | Hathway Prime Cable & Datacom Private Limited |
| | | Hathway SS Cable & Datacom - LLP |
| | | Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited) (Refer Note 4.19) |
| 2 | Joint Ventures of Subsidiaries | Hathway CCN Multinet Private Limited |
| | | Hathway CCN Entertainment (India) Private Limited |
| | | Hathway CBN Multinet Private Limited |
| | | Hathway CCN Multi Entertainment Private Limited |
| | | Hathway Universal VCN Cablenetwork LLP |
| | | Hathway Bhawani NDS Network Private Limited |
| 3 | Associate Companies | Pan Cable Services Private Limited |
| | | Hathway VCN Cablenet Private Limited |
| | | GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) (w.e.f. June 30, 2017) |
| 4 | Post Employment benefit plan | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme |

| | |
|---|---|
| 5 Key Managerial Personnel | **Executive Directors:-** |
| | Mr. Jagdish Kumar G Pillai - Managing Director & CEO (till November 25, 2016) |
| | Mr. Rajan Gupta Managing Director (w.e.f November 25, 2016) |
| | **Non Executive Directors :-** |
| | **Independent Director** |
| | Mr. Sridhar Gorthi |
| | Mr. Sasha Gulu Mirchandani |
| | Mr. Devendra Shrotri |
| | Ms. Ameeta A Parpia |
| | **Non Independent Directors** |
| | Mr. Rajan B Raheja |
| | Mr. Viren R Raheja |
| | Mr. Akshay R Raheja |
| | Mr. Vinayak P Aggarwal |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

**B) Related Party Transactions**

**Compensation to Key Managerial Personnel:-**

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| (a) Short Term employee benefits | 2.13 | 2.27 |
| (b) Post employment benefits | 0.07 | 0.07 |
| (c) Other long term benefits | - | - |
| (d) Sitting Fees | 0.27 | 0.25 |
| **Total Compensation** | **2.47** | **2.59** |

As the employment benefits such as Gratuity & Leave encashment are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel is not ascertainable and therefore not included above.

| Nature of Transactions | Name of the Party | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Subscription Income | Hathway Digital Private Limited | Subsidiary | - | 23.57 |
| | Hathway Krishna Cable Private Limited | Subsidiary | - | 10.23 |
| | Hathway Mantra Cable & Datcom Private Limited | Subsidiary | - | 10.88 |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.56 | - |
| | Others | Joint Venture | - | 22.52 |
| | Others | Joint Venture of Subsidiary | - | 0.92 |
| | Others | Subsidiary | - | 29.69 |
| Rental Income on Equipments | GTPL Hathway Limited | Joint Venture | - | 0.34 |
| | Hathway Cable MCN Nanded Private Limited | Joint Venture | - | 0.42 |
| Consultancy Income | Hathway Latur MCN Cable & Datacom Private Limited | Joint Venture | - | 0.18 |
| | Hathway MCN Private Limited | Joint Venture | - | 0.37 |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.60 | 0.78 |
| Interest on Loans | Hathway Mysore Cable Network Private Limited | Subsidiary | - | 0.13 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint Venture | - | 0.17 |
| | Hathway Software Developers Private Limited | Subsidiary | - | 0.11 |
| | Hathway Digital Private Limited | Subsidiary | 2.20 | 0.05 |
| | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | - | 0.03 |
| | Hathway Sonali Om Crystal Cable Private Limited | Joint Venture | - | 0.11 |
| | Others | Joint Venture | 0.43 | 0.04 |
| Dividend Income | GTPL Hathway Limited | Associate | 4.20 | 0.24 |
| Other Operational Income | Hathway Digital Private Limited (Reimbursement) | Subsidiary | 0.11 | 0.02 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|---|
| | Hathway Mantra Cable & Datcom Private Limited (Reimbursement) | Subsidiary | - | 0.02 |
| | Hathway Mysore Cable Network Private Limited (Reimbursement) | Subsidiary | - | 0.24 |
| **EXPENSES** | | | | |
| Feed Charges | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | - | 3.26 |
| | Hathway Mantra Cable & Datacom Private Limited | Subsidiary | - | 7.07 |
| | Hathway MCN Private Limited | Joint venture | - | 9.07 |
| | Others | Joint venture | - | 4.48 |
| | Others | Subsidiary | - | 1.64 |
| | Others | Subsidiary | - | 1.46 |
| Interest on Loan | Hathway Broadband Private Limited | Subsidiary | 0.24 | 0.24 |
| Rent Offices | Akshay R Raheja | Key Managerial Personnel | 0.38 | 1.94 |
| | Viren R Raheja | Key Managerial Personnel | 0.38 | 1.82 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint Venture | 0.13 | - |
| | Others | Subsidiary | - | 0.06 |
| | Others | Joint Venture | - | 0.08 |
| Other Expenses | Hathway Software Developers Private Limited | Subsidiary | - | 0.03 |
| Contribution to Gratuity Fund | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme | Trust | 0.20 | 0.11 |
| Reimbursement of Expenses | UTN Cable Communications Private Limited | Subsidiary | 0.07 | - |
| | Hathway Digital Private Limited (Reimbursement of Expenses) | Subsidiary | - | 0.52 |
| | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | 0.33 | - |
| | Others (Reimbursement of Expenses) | Subsidiary | - | 0.17 |
| **CHANGE IN ASSETS / LIABILITIES DURING THE YEAR** | | | | |
| Impairment in Value of Investments made during the year | Hathway Bhawani Cabletel & Datacom Private Limited | Subsidiary | - | 0.60 |
| | Hathway Digital Saharanpur Cable and Datacom Private Limited | Joint Venture | - | 0.48 |
| Allowance for bad and doubtful loans made during the year | Hathway Digital Saharanpur Cable and Datacom Private Limited | Joint Venture | - | 0.98 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 7.77 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|---|
| | Others | Subsidiary | - | 0.16 |
| | Others | Joint Venture | - | 0.06 |
| Allowance for bad and doubtful debts made during the year | Hathway Sai Star Cable and Datacom Private Limited | Joint Venture | - | 0.21 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 0.34 |
| Net Advances/Trade Receivables/ Trade Payables Made During the Year | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 0.10 | 2.08 |
| | Hathway Digital Private Limited | Subsidiary | - | 26.54 |
| | Hathway Mysore Cable Network Private Limited | Subsidiary | 0.12 | 2.80 |
| | Hathway Software Developers Private Limited | Subsidiary | 0.10 | 1.66 |
| | UTN Cable Communications Private Limited | Subsidiary | 0.06 | 3.26 |
| | Others | Joint Venture | 0.02 | 5.84 |
| | Others | Subsidiary | 0.01 | 5.23 |
| Net Advances/Trade Receivables/ Trade Payables Recovered/ Paid During the Year | Hathway CBN Multinet Private Limited | Joint Venture of Subsidiary | - | 0.87 |
| | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | 0.36 | 0.90 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 0.05 | 1.26 |
| | Hathway CCN Multinet Private Limited | Joint Venture | - | 0.88 |
| | Hathway Digital Private Limited | Subsidiary | 3.34 | - |
| | GTPL Hathway Limited | Associate | 1.12 | - |
| | Hathway SS Cable & Datacom LLP | Joint Venture | 1.86 | - |
| | Hathway Broadband Private Limited | Subsidiary | 0.20 | 0.22 |
| | Others | Associate | - | * |
| | Others | Joint Venture | * | 0.21 |
| | Others | Joint Venture of Subsidiary | - | 0.38 |
| | Others | Subsidiary | 0.12 | - |
| Investment made during the year | Hathway Digital Private Limited | Subsidiary | 354.00 | 23.09 |
| | Hathway Krishna Cable Private Limited | Subsidiary | - | 0.10 |
| | Hathway Software Developers Private Limited | Subsidiary | - | 0.21 |
| | UTN Cable Communications Private Limited | Subsidiary | - | 0.12 |
| | Others | Subsidiary | - | 0.70 |
| | Others | Joint Venture | 0.02 | - |
| Investment sold during the year | Hathway Universal Cabletel Private Limited | Subsidiary | - | 0.02 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

| Nature | Nature | Relationship | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|---|
| **CLOSING BALANCES** | | | | |
| Investments | Hathway Digital Private Limited | Subsidiary | 493.97 | 140.03 |
| | GTPL Hathway Limited | Associate | 168.75 | 197.70 |
| | Others | Subsidiary | 82.31 | 82.31 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | 69.77 | 73.74 |
| Loans & advances | Hathway Digital Private Limited | Subsidiary | 42.46 | 45.80 |
| | Win Cable & Datacom Private Limited | Subsidiary | 20.22 | 20.22 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 15.48 | 15.53 |
| | Others | Subsidiary | 42.72 | 42.87 |
| | Others | Associate | 10.32 | 6.09 |
| | Others | Joint Venture | 4.15 | 14.70 |
| | Others | Trust | 0.01 | 0.01 |
| Impairment in Value of Investments | Hathway Media Vision Private Limited | Subsidiary | 5.92 | 5.92 |
| | Hathway Channel 5 Cable & Datacom Private Limited | Joint Venture | 6.28 | 6.28 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 16.68 | 16.68 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 11.07 | 11.07 |
| | Others | Subsidiary | 11.10 | 11.10 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | 3.61 | 5.62 |
| Allowance for bad and doubtful loans | Hathway Nashik Cable Network Private Limited | Subsidiary | 10.39 | 10.39 |
| | Win Cable & Datacom Private Limited | Subsidiary | 20.37 | 20.37 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 7.77 | 7.77 |
| | Others | Subsidiary | 11.99 | 11.99 |
| | Others | Associate | - | 6.09 |
| | Others | Joint Venture | 1.06 | 1.28 |
| Trade Payables | Hathway SS Cable & Datacom LLP | Joint Venture | 2.60 | - |
| | Others | Subsidiary | 0.32 | - |
| Unsecured loan | Hathway Broadband Private Limited | Subsidiary | 2.40 | 2.40 |
| Trade Receivables | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | 0.48 | 1.01 |
| | GTPL Hathway Limited | Joint Venture | - | 0.20 |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.29 | 0.24 |
| | Others | Joint Venture | 0.10 | - |
| | Others | Subsidiary | 0.27 | - |

* Amount less than ₹ 50,000

The Company has extended aggregate loan of ₹ 151.46 to various subsidiaries, joint ventures and associates, out of which ₹ 21.24 is interest free. The Company had invested in 5% Non cumulative Redeemable Preference shares issued by Hathway Digital Private Limited aggregating to ₹ 0.05 (March 31, 2017 : ₹ 0.05). The Company has given Corporate financial Guarantees of ₹ 28.44 (March 31, 2017 ₹ 120.93) on behalf of GTPL Hathway Limited, ₹ 842.45 (March 31, 2017: ₹ Nil) on behalf of Hathway Digital Private Limited and ₹ Nil (March 31, 2017: ₹ 1.09) on behalf of Hathway MCN Private Limited. The Company had fair valued investment in some of its subsidiaries, Joint ventures and associates and recognised net gain aggregating to ₹ 327.43 till March 31, 2018 (March 31, 2017 : ₹ 378.69)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

**4.16** Supplementary statutory information required to be given pursuant to Schedule V of regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

**Loans And Advances In The Nature of Loans To Subsidiaries, Joint Ventures And Associates**

| NAME OF RELATED PARTY | As at March 31, 2018 | | | As at March 31, 2017 | | |
|---|---|---|---|---|---|---|
| | UNDER CONTROL | ASSOCIATE AND JOINT VENTURES | MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR | UNDER CONTROL | ASSOCIATE AND JOINT VENTURES | MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR |
| Hathway Mysore Cable Network Pvt. Ltd. | 4.30 | - | 4.30 | 4.30 | - | 4.30 |
| Hathway Software Developers Pvt. Ltd. | 2.88 | - | 2.88 | 2.88 | - | 2.88 |
| Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited) (Refer Note 4.19) | - | - | - | - | 0.22 | 0.22 |
| Hathway Media Vision Pvt. Ltd. | 1.64 | - | 1.64 | 1.64 | - | 1.64 |
| UTN Cable Communications Pvt. Ltd. | 6.11 | - | 6.11 | 6.11 | - | 6.11 |
| Hathway Ice Television Pvt. Ltd. | - | 0.68 | 0.68 | - | 0.68 | 0.68 |
| GTPL Hathway Ltd. (f.k.a GTPL Hathway Pvt. Ltd) | - | 10.32 | 10.32 | - | 10.32 | 10.32 |
| Net 9 Online Hathway Pvt. Ltd. | - | 0.20 | 0.20 | - | 0.20 | 0.20 |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | - | 15.48 | 15.53 | - | 15.53 | 15.53 |
| Hathway Gwalior Cable & Datacom Pvt. Ltd. | 0.52 | - | 0.52 | 0.52 | - | 0.52 |
| Hathway Enjoy Cable Network Pvt. Ltd. | * | - | * | * | - | * |
| Hathway Latur MCN Cable & Datacom Pvt. Ltd. | - | 0.17 | 0.17 | - | 0.17 | 0.17 |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | - | 1.04 | 1.04 | - | 1.04 | 1.04 |
| Hathway JMD Farukhabad Cable Network Pvt. Ltd. | * | - | * | * | - | * |
| Hathway Cable MCN Nanded Pvt. Ltd. | - | 0.29 | 0.29 | - | 0.29 | 0.29 |
| Hathway Dattatray Cable Network Pvt. Ltd. | - | 0.14 | 0.14 | - | 0.14 | 0.14 |
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 7.50 | - | 7.50 | 7.50 | - | 7.50 |
| Hathway Digital Pvt Ltd (f.k.a.Hathway Datacom Central Pvt. Ltd). | 42.46 | - | 45.80 | 45.80 | - | 45.80 |
| Hathway Prime Cable & Datacom Pvt. Ltd. | - | 0.02 | 0.02 | - | 0.02 | 0.02 |
| Hathway New Concept Cable & Datacom Pvt. Ltd. | - | - | 0.04 | 0.04 | - | 0.04 |
| Hathway Konkan Crystal Cable Network Pvt. Ltd. | 0.01 | - | 0.01 | 0.01 | - | 0.01 |
| Bee Network & Communications Pvt. Ltd. | 0.37 | - | 0.37 | 0.37 | - | 0.37 |
| Binary Technology Transfers Pvt. Ltd. | 1.63 | - | 1.67 | 1.67 | - | 1.67 |
| Chennai Cable Vision Network Pvt. Ltd. | 1.97 | - | 1.97 | 1.97 | - | 1.97 |
| Channels India Network Pvt. Ltd. | 0.01 | - | 0.01 | 0.01 | - | 0.01 |
| Elite Cable Network Pvt. Ltd. | 0.02 | - | 0.02 | 0.02 | - | 0.02 |
| Hathway C Net Pvt. Ltd. | 0.45 | - | 0.45 | 0.45 | - | 0.45 |
| Hathway Internet & Satellite Pvt. Ltd. | 1.63 | - | 1.67 | 1.67 | - | 1.67 |
| Hathway Nashik Cable Network Pvt. Ltd. | 10.39 | - | 10.39 | 10.39 | - | 10.39 |
| Hathway Space Vision Cabletel Pvt. Ltd. | 1.04 | - | 1.04 | 1.04 | - | 1.04 |
| Ideal Cables Pvt. Ltd. | 0.44 | - | 0.44 | 0.44 | - | 0.44 |
| ITV Interactive Media Pvt. Ltd. | 0.45 | - | 0.45 | 0.45 | - | 0.45 |
| Liberty Media Vision Pvt. Ltd. | 1.17 | - | 1.17 | 1.17 | - | 1.17 |
| Vision India Network Pvt. Ltd. | 0.22 | - | 0.22 | 0.22 | - | 0.22 |
| Win Cable & Datacom Pvt. Ltd. | 20.22 | - | 20.22 | 20.22 | - | 20.22 |
| Hathway Sai Star Cable & Datacom Pvt. Ltd. | - | 1.40 | 1.40 | - | 1.40 | 1.40 |
| Hathway Bhawani Cabletel & Datacom Ltd. | - | - | - | - | - | 1.43 |
| Pan Cable Services Pvt. Ltd. | - | - | - | - | 0.59 | 0.59 |
| Hathway VCN Cablenet Pvt. Ltd. | - | - | - | - | 5.50 | 5.50 |
| Hathway SS Cable & Datacom LLP | - | 0.21 | 0.21 | - | 0.21 | 0.21 |

* Amount less than ₹ 50,000

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

**Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.**

(a) None of the loanee have made, per se, investment in the shares of the Company.

(b) Investment made by Hathway Media Vision Pvt. Ltd in Hathway Bhawani Cabletel & Datacom Ltd - 21,60,000 equity shares of ₹ 2.46.

(c) Investment made by Hathway New Concept Cable & Datacom Pvt Ltd in Hathway Media Vision Private Limited - 2,000 preference shares of ₹ 0.00

(d) Investment made by Hathway New Concept Cable & Datacom Pvt Ltd in Win Cable & Datacom Private Limited - 5,000 preference shares of ₹ 0.01

**4.17** The Company being engaged in the business of providing infrastructure facilities, the provision of section 186 of the Companies Act, 2013 are not applicable and accordingly, disclosure of details with respect to Loan given, guarantee given, and security made during the Financial Year 2016-17 & 2017-18, in terms of Section 186 (4) of the Act is not applicable. Disclosure of Investment made during Financial Year 2016-17 and Financial Year 2017-18 is as follows:-

**Details of Investment made during the financial year 2017-18 as per section 186(4) of The Companies Act 2013.**

| Number and kind of securities | Face value and Paid up value | Name of the recipient | Amount of acquisition | Purpose of acquisition |
|---|---|---|---|---|
| 17,000 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway Sonali Om Crystal Cable Private Limited | 0.02 | For conversion to wholly owned subsidiary and Business expansion |
| 354,000,000 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway Digital Pvt Ltd (f.k.a.Hathway Datacom Central Private Limited) | 354.00 | Strategic Investment for Business expansion |

**Details of Investment made during the financial year 2016-17 as per section 186(4) of The Companies Act 2013.**

| Number and kind of securities | Face value and Paid up value | Name of the recipient | Amount of acquisition | Purpose of acquisition |
|---|---|---|---|---|
| 153,933 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway Digital Pvt Ltd (f.k.a.Hathway Datacom Central Private Limited) | 23.09 | Strategic Investment for Business expansion |
| 167,900 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway Mysore Cable Network Private Limited | 0.17 | For conversion to wholly owned subsidiary and Business expansion |
| 100,000 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway Krishna Cable Private Limited | 0.10 | Business expansion |
| 124,500 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | UTN Cable Communication Private Limited | 0.12 | For conversion to wholly owned subsidiary and Business expansion |
| 100,000 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway New Concept Cable & Datacom Private Limited | 0.10 | Business expansion |
| 205,000 Equity Shares | Nominal Value ₹10 and Paid up value ₹10 | Hathway Software Developers Private Limited | 0.21 | For conversion to wholly owned subsidiary and Business expansion |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores unless otherwise stated)

## 4.18 TRANSFER OF CATV BUSINESS THROUGH SLUMP SALE

Pursuant to receipt of approval to the internal restructuring from the board of directors and the shareholders, the company had transferred its Cable Television business by way of slump sale to its wholly owned subsidiary Hathway Digital Private Limited (earlier known as Hathway Datacom Central Private Limited) ("the said subsidiary") with effect from close of business hours as of March 31, 2017 for a total consideration of ₹ 302. In view of the same, all assets and liabilities including borrowings & contingent liabilities attributed to the Cable Television business got vested in the said subsidiary. The company has completed all necessary documentation to give effect to this transfer including receipt of necessary approvals from the lenders for said restructuring. However in case of few lenders filling of relevant forms for change in the charge documents inter-se between the company and the said subsidiary with the Registrar of Companies is under process. In view of the aforesaid transfer of Cable Television business of the Company, the previous year's figures are not comparable with the figures for the current financial year.

**4.19** In previous reporting period, the investments in equity shares of Hathway Patiala Cable Private Limited (formerly known as Hathway Sukhamrit Cable & Datacom Private Limited) was classified as investments in Joint Venture. However, the management no longer intends to exercise its influence in operations of Hathway Patiala Cable Private Limited. Accordingly, such interest in Hathway Patiala Cable Private Limited has been reclassified and measured as financial assets in terms of Ind AS 109. Considering the financial statements of earlier years and the future plans of Hathway Patiala Cable Private Limited, the management is of the view that fair value of the equity shares of Hathway Patiala Cable Private Limited would be at least equal to its carrying amount.

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

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

Place: Mumbai
Date: May 28, 2018

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

# INDEPENDENT AUDITOR'S REPORT

To the Members of Hathway Cable and Datacom Limited

**REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of **Hathway Cable and Datacom Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and its associates comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the consolidated financial statements').

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures and associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act and read with the relevant rules issued thereunder and relevant provisions of the Act. The respective Governing bodies of the entities included in the Group and of its joint ventures and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated 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 thereunder.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors of the subsidiaries, joint ventures and associates, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures and associates as at March 31, 2018, and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**EMPHASIS OF MATTER**

We draw your attention to:

(i) Note 4.16 in respect of basis of recognition of income relating to some of the local cable networks under Digital Addressable System of a wholly owned subsidiary namely Hathway Digital Private Limited. The management has represented that they are confident of realising the income recognised and hence, no adjustment has been made to such income.

(ii) Note 4.18 regarding non-availability of financial information including the financial statements of Hathway Patiala Cable Private Limited (formerly known as Hathway Sukhamrit Cable and Datacom Pvt Ltd) accounted under Ind AS 109. In absence of such financial information the investment is measured at cost. The management is of the view that the fair value of such investment is higher than the cost.

(iii) Note 4.19 to the consolidated financial results which indicates that 13 subsidiaries and 1 joint ventures of the Group has incurred net loss during the year ended March 31, 2018 and as of that date, the liabilities of each of these companies exceeded their total assets. Accordingly, financial statements of these companies have been prepared on other than going concern basis as material uncertainty exists that may cast significant doubt on these entities' ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

**OTHER MATTERS**

We did not audit (a) the standalone financial statements of 28 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹1,605.64 crores as at March 31, 2018; total revenues of ₹1,043.74 crores and net cash outflows amounting to ₹8.73 crores for the year ended on that date (b) the consolidated financial statements of 1 associate, whose consolidated financial statements include the Group's share of net profit of ₹34.10 crores and (c) the standalone financial statements of 13 joint ventures and 2 associates, whose standalone financial statements include Group's share of net loss of ₹2.00 crores for the year ended on March 31, 2018. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the report of other auditors.

Apart from above, as stated in Note. 4.13 of the consolidated financial statements, the Group's share of net profit of ₹7.09 crores for the year ended on March 31, 2018 as considered in the consolidated financial statements, in respect of 4 joint ventures, whose financial statements have not been audited by us. These financial statements and other financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid joint ventures is based solely on such unaudited financial statements.

The consolidated financial statements of the Company for the year ended March 31, 2017 were audited by predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2017.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by section 143(3) of the Act, based on our audit and on consideration of report of the other auditors of subsidiaries, joint ventures and associates, as noted in the Other Matter paragraph, we report to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of

the Holding Company and the reports of the statutory auditors of its subsidiaries, joint ventures and associates incorporated in India, none of the directors of the Group companies, its joint ventures and associates incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, joint ventures and associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors of subsidiaries, joint ventures and associates, as noted in the Other matters paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates. Refer Note 4.04 and 4.12(c) to the consolidated financial statements;

ii. The Group, its joint ventures and associates did not have any material foreseeable losses on long term contracts including derivative contracts; and

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Group, its joint ventures and associates.

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

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

Place: Mumbai
Dated: May 28, 2018

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph (f) under Report on Other Legal and Regulatory Requirements' of our Independent Auditor's report on even date to the members of Hathway Cable and Datacom Limited ("the Holding Company") on the consolidated financial statements for the year ended March 31, 2018:**

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(i) OF THE COMPANIES ACT, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of **Hathway Cable and Datacom Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, its joint ventures and associates, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiaries, its joint ventures and associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

**OPINION**

In our opinion, the Holding Company, its subsidiaries, its joint ventures and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018 based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**OTHER MATTERS**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates to standalone financial statements of 28 subsidiaries, 13 joint ventures and standalone/consolidated financial statements of 3 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Place: Mumbai
Dated: May 28, 2018

# CONSOLIDATED BALANCE SHEET

**AS AT MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment | 2.01 | 1,641.63 | 1,568.59 |
| Capital work in progress | | 55.68 | 120.98 |
| Goodwill | 2.02 | 92.20 | 92.88 |
| Other Intangible assets | 2.02 | 78.14 | 93.99 |
| Investment in Joint Venture and Associates | 2.03 | 641.73 | 718.62 |
| Financial assets | | | |
| Investments | 2.04 | 2.17 | 0.16 |
| Loans | 2.05 | 29.24 | 20.73 |
| Other financial assets | 2.06 | 28.41 | 28.64 |
| Deferred tax assets (Net) | 2.07 | 1.87 | 2.78 |
| Other Non-current assets | 2.08 | 144.80 | 121.42 |
| **Total Non-current assets** | | **2,715.87** | **2,768.79** |
| **Current assets** | | | |
| Inventories | 2.09 | 17.66 | 21.66 |
| Financial Assets | | | |
| Trade receivables | 2.10 | 392.93 | 345.11 |
| Cash and cash equivalents | 2.11 | 31.35 | 50.91 |
| Bank balances other than Cash and cash equivalents | 2.12 | 0.25 | 0.02 |
| Loans | 2.05 | 24.95 | 36.18 |
| Other financial assets | 2.06 | 1.63 | 5.27 |
| Current tax assets (Net) | 2.13 | 3.17 | 30.02 |
| Other current assets | 2.08 | 80.95 | 155.05 |
| **Total Current assets** | | **552.89** | **644.22** |
| Non-current assets classified as held for sale | | 0.60 | 0.72 |
| **Total Assets** | | **3,269.36** | **3,413.73** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | 2.14 | 166.10 | 166.10 |
| Other Equity | 2.15 | 626.29 | 726.73 |
| **Equity attributable to owners of the Company** | | **792.39** | **892.83** |
| Non - controlling interests | | (3.88) | 0.87 |
| **Total Equity** | | **788.51** | **893.70** |
| **LIABILITIES** | | | |
| **Non-current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 848.81 | 934.77 |
| Trade payables | | 0.03 | 0.03 |
| Other financial liabilities | 2.17 | 11.91 | 16.33 |
| Provisions | 2.18 | 3.31 | 9.65 |
| Deferred tax liabilities (Net) | 2.19 | - | 1.45 |
| Other Non-current liabilities | 2.20 | 148.86 | 160.52 |
| **Total Non-current liabilities** | | **1,012.92** | **1,122.75** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 158.76 | 130.25 |
| Trade payables | | 162.01 | 176.26 |
| Other financial liabilities | 2.17 | 933.53 | 849.60 |
| Other current liabilities | 2.20 | 207.17 | 235.18 |
| Provisions | 2.18 | 6.40 | 5.97 |
| Current Tax Liabilities (Net) | 2.21 | 0.06 | 0.02 |
| **Total current liabilities** | | **1,467.93** | **1,397.28** |
| **Total Equity and Liabilities** | | **3,269.36** | **3,413.73** |
| **Summary of Significant Accounting Policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

Place: Mumbai
Date: May 28, 2018

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue From Operations | 3.01 | 1,534.62 | 1,344.40 |
| Other Income | 3.02 | 9.74 | 23.83 |
| **Total Income** | | **1,544.36** | **1,368.23** |
| **EXPENSES** | | | |
| Pay channel cost | | 569.35 | 471.69 |
| Other operational expenses | 3.03 | 263.90 | 256.47 |
| Employee benefits expense | 3.04 | 76.99 | 93.15 |
| Finance costs | 3.05 | 152.76 | 110.75 |
| Depreciation, Amortisation & Impairment | 3.06 | 334.70 | 305.75 |
| Other expenses | 3.07 | 288.75 | 326.36 |
| **Total Expenses** | | **1,686.45** | **1,564.17** |
| **Profit / (loss) before share of profit/(loss) of associates / joint ventures and exceptional items** | | **(142.09)** | **(195.94)** |
| Share of profit / (loss) of associates and joint ventures | | 39.13 | 2.89 |
| **Profit / (loss) before exceptional items and tax** | | (102.96) | (193.05) |
| Exceptional Items | 3.08 | 5.34 | 0.74 |
| **Profit / (Loss) before Tax** | | **(108.30)** | **(193.79)** |
| Tax Expense: | 3.09 | | |
| Current Tax | | 0.09 | 0.10 |
| Deferred Tax | | (0.53) | (0.44) |
| | | **0.44** | **0.34** |
| **Profit / (loss) for the year** | | **(107.86)** | **(193.45)** |
| **Other comprehensive income / (loss) (Net of taxes)** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Share of Other Comprehensive income /(loss) of associates and joint ventures | | 0.13 | (0.05) |
| Remeasurements of the defined benefit plans | | 2.59 | 0.31 |
| Income tax relating to items that will not be reclassified to profit or (loss) | 3.09 | (0.07) | - |
| **Total other comprehensive income / (losses)** | | **2.65** | **0.26** |
| **Total other comprehensive income / (loss) for the year** | | **(105.21)** | **(193.19)** |
| **Profit/(Loss) for the year attributable to:** | | | |
| Owners of the Parent | | (99.08) | (193.01) |
| Non-controlling interests | | (8.78) | (0.44) |
| | | **(107.86)** | **(193.45)** |
| **Other comprehensive income / (loss) for the year attributable to :** | | | |
| Owners of the Parent | | (1.38) | 0.26 |
| Non-controlling interests | | 4.03 | - |
| | | **2.65** | **0.26** |
| **Total comprehensive income / (loss) for the year attributable to :** | | | |
| Owners of the Parent | | (100.46) | (192.74) |
| Non-controlling interests | | (4.75) | (0.44) |
| | | **(105.21)** | **(193.18)** |
| **Earnings / (Loss) per equity share (Face value of ₹ 2 /- each) (Refer Note 4.01) :** | | | |
| Basic and diluted (in ₹) | | (1.30) | (2.33) |
| **Summary of Significant accounting policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**For and on behalf of the Board**

**(K.Y. Narayana)**
Partner
Membership No : 060639

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

Place: Mumbai
Date: May 28, 2018

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED MARCH 31, 2018** (₹ in Crores unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount |
|---|---|---|
| **Balance at March 31, 2016** | 2.14 | **166.10** |
| Changes in equity share capital during the year | | - |
| **Balance at March 31, 2017** | 2.14 | **166.10** |
| Changes in equity share capital during the year | | - |
| **Balance at March 31, 2018** | 2.14 | **166.10** |

## B. OTHER EQUITY

| Particulars | Reserves and Surplus | | | | Amount attributable to Owners of the parent | Non controlling interests (NCI) | Total |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Account | Share Options Outstanding Account | Retained earnings | | | |
| **Balance at March 31, 2016** | **0.10** | **1,877.01** | **0.01** | **(956.42)*** | **920.70** | **1.20** | **921.90** |
| Profit/ (Loss) for the year | - | - | - | (193.00) | (193.00) | (0.44) | (193.45) |
| Amount transferred on change in stake in Subsidiaries / Joint ventures | - | - | - | (1.22) | (1.22) | 0.12 | (1.25) |
| **Other comprehensive income** | | | | | | | |
| Remeasurements of the defined benefit plans | - | - | - | 0.32 | 0.32 | - | 0.32 |
| Share of other comprehensive income/(loss) of Joint ventures and Associates | - | - | - | (0.05) | (0.05) | - | (0.05) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **(193.96)** | **(193.96)** | **(0.32)** | **(194.28)** |
| Expired during the year | - | - | (0.01) | - | (0.01) | - | (0.01) |
| **Balance at March 31, 2017** | **0.10** | **1,877.01** | **-** | **(1,150.38)** | **726.73** | **0.87** | **727.61** |
| Profit/ (Loss) for the year | - | - | - | (99.08) | (99.08) | (8.78) | **(107.86)** |
| **Other comprehensive income** | | | | | | | |
| Remeasurements of the defined benefit plans | - | - | - | (1.44) | (1.44) | 4.03 | 2.59 |
| Income tax relating to items that will not be reclassified to profit or (loss) | - | - | - | (0.07) | (0.07) | - | (0.07) |
| Share of other comprehensive income/(loss) of Joint ventures and Associates | - | - | - | 0.13 | 0.13 | - | 0.13 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **(100.46)** | **(100.46)** | **(4.75)** | **(105.21)** |
| Expired during the year | - | - | - | - | - | - | - |
| **Balance at March 31, 2018** | **0.10** | **1,877.01** | **-** | **(1,250.82)** | **626.29** | **(3.88)** | **622.39** |

* Refer Note 4.10

**Summary of Significant Accounting Policies (Refer Note 1)**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

Place: Mumbai
Date: May 28, 2018

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

# CONSOLIDATED STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit / (Loss) before Tax** | (108.30) | (193.78) |
| | | |
| Depreciation, Amortisation and Impairment | 334.70 | 305.75 |
| Share of (Profit) / Loss in Joint Venture/Associates | (39.13) | (2.89) |
| Share of loss from LLP | - | 1.29 |
| Impairment of trade receivables | 49.62 | 48.27 |
| Amount no longer payable written back | (2.40) | (0.42) |
| Allowance for doubtful advances | - | 8.80 |
| Provision (Excess provision reversed) for leave encashment and gratuity | 2.79 | 0.28 |
| Employee share-based payment expense | - | (0.01) |
| Unrealised foreign exchange loss / (gain) | 1.53 | (2.36) |
| Unwinding of interest | (1.21) | (0.79) |
| Allowance for Doubtful Advances /Impairment in value of Investments / Impairment of Trade Receivables from Entities Under Control / Significant Influence | 10.07 | 10.20 |
| Marked down in value of certain assets towards abnormal wear and tear | - | 0.24 |
| Reversal of Provision for Entertainment Tax for earlier years | - | (9.70) |
| Impact of Arbitration award | 4.26 | - |
| Expenses relating to increase in authorised share capital | 3.23 | - |
| Gain /(loss) on sale of shares Non Current Investments | (12.23) | - |
| Net Loss on disposal of property, plant and equipment | 1.14 | 3.88 |
| Net Gain on sale of current investments | (0.68) | (0.24) |
| MTM Losses on Swap | (4.60) | (11.69) |
| Income from Investments | (4.22) | (4.37) |
| Interest and finance charges | 157.36 | 110.75 |
| | **391.93** | **263.21** |
| **Change in operating assets and liabilities :** | | |
| Decrease/(increase) in trade receivables | (111.77) | (107.09) |
| Decrease/(increase) in inventories | 4.00 | (3.40) |
| Increase/(decrease) in trade payables | (11.87) | (1.02) |
| Increase/(decrease) in other financial assets | 5.94 | 4.22 |
| Decrease/(increase) in other non-current assets | (7.10) | 54.34 |
| Decrease/(increase) in other current assets | 74.22 | 25.14 |
| Increase/(decrease) in provisions | (7.50) | (7.64) |
| Increase/(decrease) in other liabilities | (40.86) | 58.26 |
| Increase/(decrease) in other financial liabilities | 9.81 | 64.42 |
| **Cash generated from operations** | **306.79** | **350.44** |
| Direct taxes paid (net of refunds) | (10.88) | (25.83) |
| **Net cash flow from/(used in) operating activities (A)** | **295.91** | **324.61** |
| **Cash flow from investing activities** | | |
| Payments for acquisition of property, plant and equipment | (267.34) | (339.48) |
| Proceeds from sale of property, plant and equipment | 2.64 | 21.67 |
| Payments for purchase of investments | (114.47) | (2.10) |
| Proceeds from sale of investments | 241.39 | 4.27 |
| Amount transferred on change in stake in Subsidiaries/ Joint Ventures | - | (1.10) |
| Loans & Advances (Net) | 1.63 | (0.21) |
| Income from investments | 4.07 | 3.84 |
| **Net cash flow from/(used in) investing activities (B)** | **(132.08)** | **(313.11)** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Net Proceeds/(Repayments) from Non current borrowings | (52.46) | 180.00 |
| Net Proceeds/(Repayments) from current borrowings | 43.14 | (70.38) |
| Expenses relating to increase in authorised share capital | (3.23) | - |
| Interest and finance charges | (156.38) | (113.15) |
| **Net cash flow from/(used in) financing activities (C)** | **(168.93)** | **(3.53)** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **(5.10)** | **7.96** |
| Cash and cash equivalents at the beginning of the year | 50.91 | 41.59 |
| Bank overdraft | (20.00) | (18.65) |
| **Cash and cash equivalents at the end of the year** | **25.81** | **30.90** |
| **Reconciliation of cash and cash equivalents as per the cash flow statement :** | | |
| **Cash and cash equivalents** | | |
| Balances with banks: | | |
| On current accounts | 21.59 | 45.91 |
| Deposits with original maturity of less than 3 months | - | **0.12** |
| Cheques/drafts on hand | **6.72** | **0.75** |
| Cash on hand | 3.07 | 4.13 |
| Bank overdrafts | (5.57) | (20.00) |
| **Balance as per the cash flow statement :** | **25.81** | **30.90** |

**Note :**

1. Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows

2. Changes in liabilities arising from financing activities:

| Particulars | As at March 31, 2017 | Net Cash flows | Non cash changes | | As at March 31, 2018 |
|---|---|---|---|---|---|
| | | | Foreign Exchange movement | Fair value changes | |
| Non Current borrowings | 1,537.11 | (31.41) | 2.45 | - | 1,508.15 |
| Current borrowings | 110.25 | 43.14 | - | (0.20) | 153.19 |
| Finance lease obligation | 21.04 | (21.04) | - | - | - |
| **Total liabilities from financing activities** | **1,668.40** | **(9.31)** | **2.45** | **(0.20)** | **1,661.34** |

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**For and on behalf of the Board**

**(K.Y. Narayana)**
Partner
Membership No : 060639

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

Place: Mumbai
Date: May 28, 2018

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## BACKGROUND

Hathway Cable and Datacom Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in distribution of internet services through cable and has strategic stake in entities engaged in Cable Television business. Its equity shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) in India.

### Authorisation of consolidated financial statements

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2018.

## 1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these consolidated financial statements. The consolidated financial statements are of the Company and its subsidiaries (collectively, "the Group").

### 1.01 BASIS OF PREPARATION

**(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- defined benefit plans – plan assets measured at fair value.

### 1.02 ROUNDING OF AMOUNTS

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

### 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current if:

(i) it is expected to be realised or intended to sold or consumed in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is expected to be realised within twelve months after the reporting period; or

(iv) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

All other liabilities are classified as non-current.

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

All assets and liabilities have been classified as current or non-current as per Group's normal operating cycle. Based on the nature of operations, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## 1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

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

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

**Key assumptions**

(i) Financial instruments; (Refer Note 4.08)

(ii) Useful lives of Property, Plant and Equipment and Intangible Assets; (Refer Note 1.06 and 1.07)

(iii) Assets and obligations relating to employee benefits; (Refer Note 4.03)

(iv) Expected customer relationship period (i.e. expected life of the customer); (Refer Note 1.17)

(v) Evaluation of recoverability of deferred tax assets; (Refer Note 2.07) and

(vi) Contingencies (Refer Note 4.04).

## 1.05 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

(i) **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**



### (ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

### (iii) Joint Ventures

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

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

### (iv) Equity method

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

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

### (v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity (Refer Note 4.12).

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or joint venture. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. The amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss where appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1.06 PROPERTY, PLANT AND EQUIPMENT

**Property, Plant and Equipment acquired separately**

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

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

(iii) Set Top Boxes (STBs) and Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalised or treated as sale, as the case may be.

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

(v) Stores & Spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

**Derecognition Property, Plant & Equipment**

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

**Depreciation on Property, Plant & Equipment**

(vii) Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Group has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the cost of STBs & Internet Access devices at the customer location which are depreciated on straight-line method over a period of eight years based on internal technical assessment.

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

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

(x) Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1.07 INTANGIBLE ASSETS

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

### Intangible Assets acquired separately

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

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

### Intangible Assets acquired in business combination

Intangible Assets acquired in business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

### Derecognition of intangible assets

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

### Amortisation of intangible assets

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

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

- Softwares are amortised over the license period and in absence of such tenor, over five years.
- Movie & Serial Rights are amortised on exploitation over the balance license period in equal installments.
- Channel Design are amortised over the period of five years.
- Network Franchisee are amortised over the period of five to twenty years.
- Bandwidth Rights are amortised over the period of the underlying agreements.

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

### Deemed cost for Intangible assets

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1.08 IMPAIRMENT OF ASSETS

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

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

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

## 1.09 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

## 1.10 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 or net realisable value.

Stock-in-trade comprising of access devices are valued at cost on weighted average method or at net realisable value, whichever is lower.

## 1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Comapny's management. Bank overdrafts are shown within borrowings under current liabilities in the balance sheet.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1.12 FINANCIAL INSTRUMENTS

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

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

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

### Classification and Subsequent Measurement: Financial Assets

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

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

### Amortised Cost:

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

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

### FVTOCI:

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

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

### FVTPL:

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

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

### Impairment of Financial Assets

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

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

### Classification and Subsequent measurement: Financial Liabilities

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

**Financial Liabilities at FVTPL:**

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

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

**Other Financial Liabilities:**

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

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

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

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

**Offsetting Financial Instruments:**

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

## 1.13 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS:

**Classification as debt or equity:**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received.

## 1.14 BORROWING COSTS

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

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

## 1.16 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

### (i) Short-term obligations

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

### (ii) Post-employment obligations

The Group operates the following post-employment schemes:

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

**Gratuity obligations**

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

**Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

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

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

**(iv) Bonus Plans**

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

## 1.17 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

**(i) Income from Rendering of services**

Revenue from Operations is recognised on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognised on time proportion basis. In other cases of Internet Service plans, entire revenue is recognised in the period of sale. Income from services does not include Service Tax (ST) / Goods and Service Tax (GST).

Consultancy Income:

Revenue from consulting services is recognised when the services are completed.

Rental income:

The Company's policy for recognition of revenue from operating leases is described in note below on Leases.

The Company collects GST, Value added Taxes (VAT), ST and Entertainment Tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

**(ii) Sale of goods**

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from sale of goods is measured at the fair value of consideration received or receivable. Amount disclosed as revenue are net of returns and allowances, trade discounts and volume rebates but does not include VAT, Central Sales Tax (CST) and GST.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

The Company collects VAT and GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Company and hence not included in revenue.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

**(iii) Other Operating Income**

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognised upon achieving milestones as per the terms of underlying agreements.

**(iv) Interest Income**

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

**(v) Dividend Income**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## 1.18 TAXES ON INCOME

**Current Tax:**

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

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

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

**Deferred tax:**

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 1.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing cost associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.20 LEASES

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

### As a Lessee

### Finance Lease

Leases of Property, Plant and Equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### Operating Lease

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

**As a Lessor**

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

## 1.21 FOREIGN CURRENCY TRANSLATIONS

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

**Monetary items**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

**Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 1.22 SEGMENT REPORTING

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of nature of services.

a) Segment revenue includes sales and other income directly attributable with allocable to segments including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.

c) Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.

d) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liability represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 2.01 PROPERTY, PLANT AND EQUIPMENT :

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | | | | | Depreciation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition# | Disposal | Acquisition through business combination | Other Adjustments ** | As at March 31, 2018 | As at April 1, 2017 | For the Year *** | Elimination on disposal | Other Adjustments ** | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| **Own Assets:** | | | | | | | | | | | | | |
| Plant and Equipment | 1,843.76 | 368.69 | 41.30 | - | **48.79** | 2,219.94 | 355.25 | 281.61 | 35.73 | 8.74 | 609.87 | 1,610.07 | 1,488.51 |
| Furniture & Fixtures | 17.17 | 2.62 | 0.02 | - | **-** | 19.77 | 3.80 | 2.50 | 0.02 | - | 6.28 | 13.49 | 13.37 |
| Motor Vehicles | 2.13 | 0.40 | * | - | **-** | 2.53 | 0.61 | 0.33 | * | - | 0.94 | 1.59 | 1.52 |
| Office Equipments | 3.39 | 1.06 | * | - | **-** | 4.45 | 1.29 | 1.10 | * | - | 2.39 | 2.06 | 2.10 |
| Computers | 9.17 | 0.86 | 0.01 | - | **-** | 10.02 | 4.20 | 2.52 | 0.01 | - | 6.71 | 3.31 | 4.97 |
| Air conditioners | 5.05 | 1.28 | 0.03 | - | **-** | 6.30 | 1.62 | 1.19 | 0.01 | - | 2.80 | 3.50 | 3.43 |
| Structural fittings | 1.73 | 1.33 | - | - | **-** | 3.06 | 0.52 | 0.37 | - | - | 0.89 | 2.17 | 1.21 |
| Electrical Fittings | 5.19 | 1.77 | * | - | **-** | 6.96 | 1.03 | 1.02 | * | - | 2.05 | 4.91 | 4.16 |
| Mobile & Telephone | 0.98 | 0.24 | - | - | **-** | 1.22 | 0.46 | 0.24 | - | - | 0.70 | 0.52 | 0.52 |
| Movie Master Tapes | 0.01 | - | - | - | **-** | 0.01 | - | - | - | - | - | 0.01 | 0.01 |
| **Total (A)** | **1,888.58** | **378.25** | **41.36** | **-** | **48.79** | **2,274.26** | **368.78** | **290.88** | **35.77** | **8.74** | **632.63** | **1,641.63** | **1,519.80** |
| **Assets taken on Finance Lease:** | | | | | | | | | | | | | |
| Plant and Machinery | 70.16 | - | - | - | **(48.79)** | 21.37 | 21.37 | 8.74 | - | (8.74) | 21.37 | - | 48.79 |
| **Total (B)** | **70.16** | **-** | **-** | **-** | **(48.79)** | **21.37** | **21.37** | **8.74** | **-** | **(8.74)** | **21.37** | **-** | **48.79** |
| **Total (A+B)** | **1,958.74** | **378.25** | **41.36** | **-** | **-** | **2,295.63** | **390.15** | **299.62** | **35.77** | **-** | **654.00** | **1,641.63** | **1,568.59** |

| Particulars | Gross Carrying Amount | | | | | | Depreciation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2016 | Addition# | Disposal | Acquisition through business combination | Other Adjustments ** | As at March 31, 2017 | As at April 1, 2016 | For the Year *** | Elimination on disposal | Other adjustments | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| **Own Assets:** | | | | | | | | | | | | | |
| Plant and Equipment | 1,426.05 | 448.54 | 98.34 | 0.41 | **67.10** | 1,843.76 | 190.07 | 246.95 | 94.73 | 12.96 | 355.25 | 1,488.51 | 1,235.98 |
| Furniture & Fixtures | 11.01 | 6.16 | 0.01 | 0.06 | **(0.05)** | 17.17 | 1.74 | 2.06 | * | * | 3.80 | 13.37 | 9.27 |
| Motor Vehicles | 2.26 | 0.02 | 0.16 | - | * | 2.13 | 0.36 | 0.35 | 0.09 | * | 0.61 | 1.52 | 1.90 |
| Office Equipments | 2.20 | 1.21 | 0.02 | 0.01 | **(0.01)** | 3.39 | 0.57 | 0.73 | 0.01 | * | 1.29 | 2.10 | 1.63 |
| Computers | 6.42 | 2.80 | 0.05 | 0.01 | **(0.01)** | 9.17 | 1.82 | 2.40 | 0.02 | * | 4.20 | 4.97 | 4.60 |
| Air conditioners | 3.14 | 1.94 | 0.02 | - | **(0.01)** | 5.05 | 0.70 | 0.92 | * | * | 1.62 | 3.43 | 2.44 |
| Structural fittings | 1.13 | 0.60 | - | - | **-** | 1.73 | 0.22 | 0.30 | * | - | 0.52 | 1.21 | 0.91 |
| Electrical Fittings | 2.65 | 2.54 | * | - | * | 5.19 | 0.39 | 0.64 | * | * | 1.03 | 4.16 | 2.26 |
| Mobile & Telephone | 0.71 | 0.27 | - | * | * | 0.98 | 0.24 | 0.22 | * | * | 0.46 | 0.52 | 0.47 |
| Movie Master Tapes | 0.01 | - | - | - | **-** | 0.01 | - | - | - | - | - | 0.01 | 0.01 |
| **Total (A)** | **1,455.58** | **464.08** | **98.60** | **0.49** | **67.02** | **1,888.58** | **196.11** | **254.57** | **94.85** | **12.96** | **368.78** | **1,519.80** | **1,259.47** |
| **Assets taken on Finance Lease:** | | | | | | | | | | | | | |
| Plant and Machinery | 137.62 | - | - | - | **(67.46)** | 70.16 | 20.86 | 13.40 | - | (12.89) | 21.37 | 48.79 | 116.76 |
| **Total (B)** | **137.62** | **-** | **-** | **-** | **(67.46)** | **70.16** | **20.86** | **13.40** | **-** | **(12.89)** | **21.37** | **48.79** | **116.76** |
| **Total (A+B)** | **1,593.20** | **464.08** | **98.60** | **0.49** | **(0.44)** | **1,958.74** | **216.97** | **267.97** | **94.85** | **0.07** | **390.15** | **1,568.59** | **1,376.23** |

* Amount Less than ₹ 50,000/-

** During the year the Company has reclassified Assets under FinanceLease amounting to ₹ 48.79 (March 31, 2017 : ₹ 67.46) (Gross Block) and ₹ 8.74 (March 31, 2017 : ₹ 12.89) (Depreciation) as Owned Assets on completion of the lease period.

*** Depreciation for the year includes Impairment of Plant and Machinery ₹ 12.20 (March 31, 2017 : ₹ 9.62)

# The Company has capitalised exchange gain / (loss) arising on long-term foreign currency loan amounting to ₹ (1.14) [March 31, 2017: ₹ (1.73)] to the cost of plant and equipments. The Company has also capitalised exchange gain / (loss) amounting to ₹ Nil [March 31, 2017: ₹ 0.75] arising on long-term foreign forward contract undertaken to partially hedge the foreign current loan to the cost of plant and equipments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 2.02 INTANGIBLE ASSETS :

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | | | | | Amortisation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Addition | Disposal | Acquisition through business combination | Other Adjustments | As at March 31, 2018 | As at April 1, 2017 | For the Year ** | Elimination on disposal | Other adjustments | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Goodwill (aquired separately) | 9.93 | - | - | - | - | 9.93 | 1.44 | 0.68 | - | - | 2.12 | 7.81 | 8.49 |
| Goodwill on Consolidation | 84.39 | - | - | - | - | 84.39 | - | - | - | - | - | 84.39 | 84.39 |
| Softwares | 81.63 | 12.10 | - | - | | 93.73 | 42.29 | 23.51 | - | - | 65.80 | 27.93 | 39.34 |
| Bandwidth Rights | 20.53 | 1.02 | - | - | | 21.55 | 2.56 | 1.73 | - | - | 4.29 | 17.26 | 17.97 |
| Movie & Serial Rights | 16.53 | 5.57 | - | - | | 22.10 | 11.64 | 4.36 | - | - | 16.00 | 6.10 | 4.89 |
| Network Franchise | 6.05 | - | - | - | | 6.05 | 1.09 | 0.63 | - | - | 1.72 | 4.33 | 4.96 |
| Cable Television Franchise | 35.26 | - | 0.20 | - | - | 35.06 | 9.44 | 3.92 | 0.05 | - | 13.31 | 21.75 | 25.82 |
| Channel Design | 1.21 | - | - | - | - | 1.21 | 0.20 | 0.24 | - | - | 0.44 | 0.77 | 1.01 |
| **Total** | **255.53** | **18.69** | **0.20** | **-** | **-** | **274.02** | **68.66** | **35.07** | **0.05** | **-** | **103.68** | **170.34** | **186.87** |

| Particulars | Gross Carrying Amount | | | | | | Amortisation / Impairment | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2016 | Addition | Disposal | Acquisition through business combination | Other Adjustments | As at March 31, 2017 | As at April 1, 2016 | For the Year ** | Elimination on disposal | Other adjustments | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| Goodwill (aquired separately) | 9.71 | 0.19 | - | 0.03 | - | 9.93 | 0.73 | 0.71 | - | - | 1.44 | 8.49 | 8.97 |
| Goodwill on Consolidation | 78.72 | - | - | 5.66 | - | 84.39 | - | - | - | - | - | 84.39 | 78.72 |
| Softwares | 57.37 | 24.26 | - | - | - | 81.63 | 19.47 | 22.82 | - | - | 42.29 | 39.34 | 37.91 |
| Bandwidth Rights | 13.81 | 6.72 | - | - | - | 20.53 | 1.05 | 1.51 | - | - | 2.56 | 17.97 | 12.76 |
| Movie & Serial Rights | 10.40 | 6.13 | - | - | - | 16.53 | 4.22 | 7.42 | - | - | 11.64 | 4.89 | 6.18 |
| Network Franchise | 6.05 | - | - | - | - | 6.05 | 0.64 | 0.45 | - | - | 1.09 | 4.96 | - |
| Cable Television Franchise | 35.40 | - | 0.14 | - | - | 35.26 | 4.80 | 4.66 | 0.02 | - | 9.44 | 25.82 | 36.01 |
| Brand Value | - | 1.21 | - | - | - | 1.21 | - | 0.20 | - | - | 0.20 | 1.01 | - |
| **Total** | **211.46** | **38.52** | **0.14** | **5.69** | **-** | **255.53** | **30.91** | **37.78** | **0.02** | **-** | **68.66** | **186.87** | **180.55** |

** Amortisation during the year includes Impairment of Intangible assets ₹ 1.55 (March 31, 2017 : ₹ 1.73)

Range of remaining period of amortisation as at March 31, 2018 of other Intangible assets is as below :

| Assets | 0 to 5 years | 6 to 10 years | More than 10 Years | Total |
|---|---|---|---|---|
| Softwares | 27.93 | - | - | 27.93 |
| Bandwidth Rights | 8.32 | 7.17 | 1.77 | 17.26 |
| Movie & Serial Rights | 6.10 | - | - | 6.10 |
| Cable Television Franchise | 13.40 | 7.20 | 1.15 | 21.75 |
| Network Franchise | 2.16 | 2.10 | 0.07 | 4.33 |
| Channel Design | 0.77 | - | - | 0.77 |
| | **58.68** | **16.47** | **2.99** | **78.14** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 2.03 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES AACOUNTED UNDER EQUITY METHOD

| | Face Value ₹ Per Unit | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| | | No. of shares | Amount | No. of shares | Amount |
| **Investments in Equity Instruments** | | | | | |
| **Unquoted Investment in Joint Ventures** | | | | | |
| Hathway New Concept Cable and Datacom Pvt Ltd | 10 | 150,000 | - | 150,000 | - |
| Hathway CBN Multinet Pvt Ltd | 10 | 25,500 | 0.61 | 25,500 | 0.84 |
| Hathway CCN Entertainment India Pvt Ltd | 10 | 255,000 | 5.07 | 255,000 | 4.95 |
| Hathway CCN Multinet Pvt Ltd | 10 | 242,250 | 6.70 | 242,250 | 6.41 |
| Hathway Bhaskar CCN Multi Entertainment Pvt Ltd | 10 | 7,000 | 2.79 | 7,000 | 3.08 |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) ## | 10 | - | - | 49,172,694 | 676.42 |
| Hathway Cable MCN Nanded Pvt Ltd | 10 | 1,305,717 | 0.31 | 1,305,717 | 0.69 |
| Hathway Channel 5 Cable and Datacom Pvt Ltd | 10 | 249,000 | - | 249,000 | - |
| Hathway Dattatray Cable Network Pvt Ltd | 10 | 20,400 | - | 20,400 | - |
| Hathway Digital Saharanpur Cable and Datacom Pvt Ltd | 10 | 10,200 | - | 10,200 | - |
| Hathway Ice Television Pvt Ltd | 10 | 102,000 | - | 102,000 | * |
| Hathway Latur MCN Cable and Datacom Pvt Ltd | 10 | 51,000 | - | 51,000 | 0.27 |
| Hathway Sai Star Cable and Datacom Pvt Ltd | 10 | 68,850 | 12.16 | 68,850 | 4.75 |
| Hathway Sonali OM Crystal Cable Pvt Ltd | 10 | 68,000 | 0.35 | 51,000 | 0.64 |
| Net 9 Online Hathway Pvt Ltd | 10 | 5,000 | 2.98 | 5,000 | 2.75 |
| Hathway Palampur Cable Network Pvt Ltd | 10 | 15,300 | 0.25 | 15,300 | 0.46 |
| Hathway Prime Cable and Datacom Pvt Ltd | 10 | 229,500 | - | 229,500 | 0.20 |
| Hathway MCN Pvt Ltd | 10 | 963,000 | 5.23 | 963,000 | 5.66 |
| Hathway Patiala Cable Pvt Ltd (f.k.a Hathway Sukhamrit cable & Datacom Pvt Ltd)** | 10 | - | - | 71,175 | 10.74 |
| Hathway Bhawani NDS Pvt Ltd | 500 | 15,810 | 0.49 | 15,810 | 0.19 |
| **Unquoted Investment in Associates** | | | | | |
| Hathway VCN Cablenet Pvt. Ltd. | 10 | 12,520 | - | 12,520 | - |
| Pan Cable Services Pvt. Ltd. | 10 | 10 | - | 10 | - |
| | **(A)** | | **36.93** | | **718.05** |
| **Quoted Investment in Associates** | | | | | |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) ## | 10 | 41,972,694 | 604.80 | - | - |
| | **(B)** | | **604.80** | | **-** |
| **Investments in Partnership Firm (in the nature of Joint venture):** | | | | | |
| Hathway SS Cable & Datacom LLP | | | - | | 0.57 |
| | **(C)** | | **-** | | **0.57** |
| **Total investments** | **(A+B+C)** | | **641.73** | | **718.62** |
| Aggregate amount of quoted investments | | | 604.80 | | - |
| Market Value of quoted investments | | | 583.97 | | 0.78 |
| Aggregate fair value of unquoted investments | | | 36.93 | | 718.62 |

* Amount Less than ₹ 50,000/-

** Refer Note 4.18

## Joint Venture upto June 30, 2017 and associate thereafter. Shares of the Company were listed on July 04, 2017 and were not listed during the last financial year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 2.04 INVESTMENTS

| | Face Value ₹ Per Unit | As at March 31, 2018 No. of shares | As at March 31, 2018 Amount | As at March 31, 2017 No. of shares | As at March 31, 2017 Amount |
|---|---|---|---|---|---|
| **Non-Current** | | | | | |
| **Investments in equity instrument designated at fair value through other comprehensive income - Unquoted (fully paid)** | | | | | |
| Hathway Patiala Cable Pvt Ltd (formely known as Hathway Sukhamrit cable & Datacom Pvt Ltd) ** | 10 | 71,175 | 2.01 | - | - |
| Hathway Cable Entertainment Pvt Ltd | 10 | - | - | 47,009 | - |
| Hathway Jhansi JMDSR Cable & Datacom Pvt Ltd | 10 | | - | 60,000 | - |
| **Investments in Government securities measured at amortised cost - Unquoted** | | | | | |
| National Savings Certificates | | | 0.16 | | 0.16 |
| | | | **2.17** | | **0.16** |
| Aggregate fair value of unquoted investments | | | 0.16 | | 0.16 |
| Aggregate value of investments designated at FVTOCI | | | **2.01** | | **-** |

** Refer Note 4.18

## 2.05 LOANS

| | Non-Current As at March 31, 2018 | Non-Current As at March 31, 2017 | Current As at March 31, 2018 | Current As at March 31, 2017 |
|---|---|---|---|---|
| **Loans to related parties** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Loans to Joint Ventures | 6.48 | 0.72 | 14.08 | 23.49 |
| Loans to Firm in which Subsidiaries are partner | 0.21 | 0.21 | - | - |
| Doubtful | 28.25 | 26.24 | - | - |
| | **34.94** | **27.17** | **14.08** | **23.49** |
| Less : Allowance for bad and doubtful loans | 27.57 | 26.24 | - | - |
| **(A)** | **7.37** | **0.93** | **14.08** | **23.49** |
| **OTHERS LOANS** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Security Deposits | 21.87 | 19.80 | 10.40 | 12.22 |
| Loans given | - | - | 0.47 | 0.47 |
| Doubtful | 6.42 | 6.09 | - | - |
| | **28.29** | **25.89** | **10.87** | **12.69** |
| Less: Allowance for bad & doubtful Deposit / Loans | (6.42) | (6.09) | - | - |
| **(B)** | **21.87** | **19.80** | **10.87** | **12.69** |
| **Total (A+B)** | **29.24** | **20.73** | **24.95** | **36.18** |

## 2.06 OTHER FINANCIAL ASSETS

| | Non-Current As at March 31, 2018 | Non-Current As at March 31, 2017 | Current As at March 31, 2018 | Current As at March 31, 2017 |
|---|---|---|---|---|
| Share application money (Refer Note 4.04(c)) | 0.26 | 0.26 | - | - |
| Accrued interest | 0.01 | 0.04 | 0.87 | 0.67 |
| Bank deposits with more than 12 months maturity | 28.14 | 28.34 | 0.12 | 0.02 |
| Other Receivables | - | - | 0.64 | 4.58 |
| **Total** | **28.41** | **28.64** | **1.63** | **5.27** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 2.07 DEFERRED TAX ASSETS (NET)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Deferred Tax Assets in relation to :** | | |
| Leave Encashment Payable | 0.77 | 0.78 |
| Property, Plant & Equipment | - | 0.54 |
| Business Loss | 36.96 | - |
| Allowance for doubtful debt | 1.14 | 1.31 |
| Defined benefit obligation | 0.26 | 0.14 |
| Others | - | 0.01 |
| | **39.13** | **2.78** |
| **Deferred Tax Liabilities in relation to :** | | |
| Property, Plant & Equipment | 29.74 | - |
| Others | 7.52 | - |
| | **37.26** | **-** |
| | | |
| **Net Deferred Tax Assets** | **1.87** | **2.78** |

**Unrecognised deductible temporary differences,unused tax losses and unused tax credits on which deferred tax asset has not been recognised:**

| Expiry of losses | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Beyond 5 years | Indefinite | Total |
|---|---|---|---|---|---|---|---|---|
| Business losses | 0.48 | 0.71 | 0.66 | 0.84 | 9.03 | 16.12 | - | 27.84 |
| Unabsorbed depreciation | - | - | - | - | - | - | 288.48 | 288.48 |
| Deductible temporary differences | - | - | - | - | - | - | 83.00 | 83.00 |
| **Total** | **0.48** | **0.71** | **0.66** | **0.84** | **9.03** | **16.12** | **371.48** | **399.32** |

## 2.08 OTHER ASSETS

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Capital Advances** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Network Acquisitions | 1.57 | 10.74 | - | - |
| Advance to Suppliers | 13.94 | 25.33 | - | - |
| Doubtful | 1.36 | 2.20 | - | - |
| | **16.87** | **38.27** | **-** | **-** |
| Less : Allowance for bad and doubtful advances | 2.74 | 2.20 | - | - |
| **(A)** | **14.13** | **36.07** | **-** | **-** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Advances other than Capital Advances** | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Balance with Government authorities: | | | | |
| CENVAT/ Service Tax /GST Claimable | 3.84 | 4.85 | 40.55 | 54.91 |
| Advance Income Tax (Net of provision) | 73.78 | 36.09 | - | - |
| Deposit paid under protest | 33.94 | 32.70 | - | 0.41 |
| Balance with statutory authorities | - | - | 1.04 | - |
| Others | - | 0.01 | - | - |
| Security deposit | - | 0.01 | - | 0.01 |
| Prepaid Rent | 1.00 | 1.64 | 0.72 | - |
| Prepaid expenses | 7.29 | 7.79 | 10.28 | 12.71 |
| Staff Advances | - | 0.08 | 0.62 | 0.11 |
| Sundry Advances | 10.89 | 2.18 | 27.24 | 55.71 |
| Other Receivables | - | - | 0.46 | 0.49 |
| Others | * | * | 0.04 | 30.70 |
| Doubtful | 1.71 | 2.74 | - | - |
| | **132.46** | **88.09** | **80.95** | **155.05** |
| Less: Allowance for doubtful advances | 1.79 | 2.74 | - | - |
| **(B)** | **130.67** | **85.35** | **80.95** | **155.05** |
| **Total (A+B)** | **144.80** | **121.42** | **80.95** | **155.05** |

* Amount less than ₹ 50,000

## 2.09 INVENTORIES

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Stock-in-trade | - | 0.03 |
| Stock of Spares & Maintenance Items | 17.66 | 21.63 |
| **Total** | **17.66** | **21.66** |

## 2.10 TRADE RECEIVABLES

| | Current | |
|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 |
| Unsecured, considered good unless stated otherwise | 404.54 | 345.11 |
| Doubtful | 155.52 | 125.01 |
| | **560.06** | **470.12** |
| Less : Allowance for doubtful debts (expected credit loss) | 167.13 | 125.01 |
| **Total** | **392.93** | **345.11** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 2.11 CASH AND CASH EQUIVALENTS

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Balances with banks: | | |
| In Current Accounts | 21.57 | 45.91 |
| Deposits with original maturity of less than 3 months | - | 0.12 |
| Cheques/drafts on hand | 6.72 | 0.75 |
| Cash on hand | 3.07 | 4.13 |
| **Total** | **31.35** | **50.91** |

## 2.12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| In Current Accounts | 0.02 | - |
| Deposits with original maturity for more than 3 months but less than 12 months | 0.23 | 0.02 |
| **Total** | **0.25** | **0.02** |

## 2.13 CURRENT TAX ASSETS (NET)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Advance Income Tax (net of provision) | 3.17 | 30.02 |
| Others | * | - |
| **Total** | **3.17** | **30.02** |

* Amount less than ₹ 50,000

## 2.14 EQUITY SHARE CAPITAL

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Paid up Share Capital comprises :** | | |
| 830,494,500 (March 31, 2017: 830,494,500) Equity Shares of ₹ 2/- each fully paid up | 166.10 | 166.10 |
| **Total** | **166.10** | **166.10** |

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares of ₹ 2 each | | | | |
| Shares Outstanding at the beginning of the year | 830,494,500 | 166.10 | 830,494,500 | 166.10 |
| **Shares Outstanding at the end of the year** | **830,494,500** | **166.10** | **830,494,500** | **166.10** |

**b) Rights, Preference and restrictions attached to shares:**

**Terms/ Rights attached to Equity Shares**

The Company has issued only one class of equity shares having face value of ₹ 2 (March 31, 2017 : ₹ 2) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

c) **Details of shareholders holding more than 5% shares in the Company:**

| Name of the Shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| **Equity Shares of ₹ 2 each** | | | | |
| Mr. Akshay Raheja | 121,413,000 | 14.62 | 121,413,000 | 14.62 |
| Mr. Viren Raheja | 119,553,000 | 14.40 | 119,553,000 | 14.40 |
| Hathway Investments Private Limited | 81,845,015 | 9.85 | 81,845,015 | 9.85 |
| CLSA Global Markets Pte. Ltd. | 79,346,924 | 9.55 | 79,458,924 | 9.57 |
| P6 Mouritius India Holding Limited | 70,717,760 | 8.52 | 70,717,760 | 8.52 |
| P5 Asia Holding Investments (Mauritius) Limited | 52,783,220 | 6.36 | 52,783,220 | 6.36 |

## 2.15 OTHER EQUITY

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Retained earnings | (1,250.82) | (1,150.38) |
| Capital reserve | 0.10 | 0.10 |
| Securities premium account | 1,877.01 | 1,877.01 |
| | **626.29** | **726.73** |

Description of the nature and purpose of each reserve within equity is as follows: -

(a) **Retained Earning :**

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

(b) **Securities Premium account :**

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

## 2.16 NON CURRENT BORROWINGS

| | Non Current portion | | Current maturities of long term debts | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Term Loans** | | | | |
| **Secured** | | | | |
| From Banks | 520.80 | 175.71 | 108.18 | 187.59 |
| From Financial Institutions | - | 91.27 | - | 7.14 |
| From Others | 324.77 | 272.77 | 78.44 | 44.66 |
| **Unsecured** | | | | |
| From Others | 2.76 | - | 1.38 | - |
| **FCNR loan from Banks** | | | | |
| **Secured** | - | 23.72 | 24.34 | 50.89 |
| **Buyers Credit** | | | | |
| **Secured** | - | 369.35 | 446.94 | 110.93 |
| **Unsecured** | - | - | - | 201.13 |
| **Finance Lease Obligations** | | | | |
| **Secured** | - | - | - | 21.04 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Non Current portion | | Current maturities of long term debts | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Vehicle loan from Banks** | | | | |
| **Secured** | 0.44 | 0.36 | 0.04 | - |
| **Unsecured** | | | | |
| Loans from related parties | 0.00 | 1.59 | - | - |
| Preference shares | 0.04 | - | - | - |
| **Total** | **848.81** | **934.77** | **659.32** | **623.38** |
| | | | | |
| Amount disclosed under the head 'Other financial liabilities' (Note 2.17) | | | | |
| Less : Current maturities of long-term debt (included in Note 2.17) | | | 659.32 | 602.34 |
| Less : Current maturities of finance lease obligations (included in Note 2.17) | | | - | 21.04 |
| **Net Amount** | | | **-** | **-** |

* Amount less than ₹ 50,000

## CURRENT BORROWINGS

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Loans repayable on demand** | | |
| **Secured** | | |
| Working Capital Loans repayable on demand from a bank | 55.00 | 55.00 |
| Cash Credit with banks | 50.77 | 55.13 |
| Overdraft with bank | 5.57 | 20.00 |
| **Unsecured** | | |
| From Banks | 47.42 | 0.12 |
| Loans from Related Parties | - | - |
| **Total** | **158.76** | **130.25** |

### (a) Nature of Security and terms of repayment for secured borrowings :

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | **NON-CURRENT BORROWINGS** | | | | | |
| **1** | **Term Loan from Banks** | | | | | |
| **1.1** | **Yes Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 14 equal quarterly installments with 1st installment due 18 months after the date of drawdown i.e. April 04, 2014. Interest is payable on monthly basis. Applicable Rate of Interest is 11.50%. | - | 38.57 | 38.57 | 38.57 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.2** | **Yes Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Moratorium period of 24 months from date of first disbursement. Post moratorium, principal to be repaid in 12 equal quarterly installments. Applicable rate of inetest is Yes Bank 12Month MCLR + 0.8% | 30.65 | - | - | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.3** | **Yes Bank Ltd.** | | | | | |
| | i Secured by second pari passu hypothecation of present & future Fixed assets and Current Assets of the Company | Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly installments. 6 Month MCLR+ 1% | 96.28 | 2.50 | - | - |
| | ii Pledge of 18% equity shares of Hathway Digital Private Limited (HDPL) & 18% shares of HDPL under Non Disposal Undertaking arrangement | | | | | |
| **1.4** | **Yes Bank Ltd.** | | | | | |
| | i Secured by second pari passu hypothecation of present & future Fixed assets and Current Assets of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly installments. 6 Month MCLR+ 1% | 95.05 | 2.50 | - | - |
| | ii Pledge of 12% equity shares of Hathway Digital Private Limited (HDPL) & 12% shares of HDPL under Non Disposal Undertaking arrangement | | | | | |
| **1.5** | **Yes Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable as<br>- Year 1 and 2 - 10% of amount drawdown in four equal quarterly installments in each of the years<br>- Year 3 - 15% of amount drawdown in four equal quarterly installments<br>- Year 4 - 20% of amount drawdown in four equal quarterly installments<br>- Year 5 and 6 - 22.5% of amount drawdown in four equal quarterly installments in each of the years<br>Applicable rate of interest is Yes Bank 12 Months MCLR + 0.15% | 45.00 | 5.00 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.6** | **IndusInd Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly installments. Applicable Rate of Interest 1Year IBL MCLR+ 1.1% | 39.37 | 5.88 | - | - |
| | ii Secured by first pari passu charge hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.7** | **Axis Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 12 equal quarterly installments with 1st installment due after 36 months after the date of drawdown to be paid at the end of each quarter. Applicable rate of Interest is Axis Bank 1 Year MCLR + 2.45% | 21.84 | 4.37 | 25.00 | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **1.8** | **Kotak Mahindra Bank Ltd.** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 16 equal quarterly installments with 1st installment due 12 months after the date of drawdown. Applicable rate of Interest is 6 Months MCLR + 2.25%. | 10.00 | 5.00 | 15.00 | 5.00 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| **1.9** | **RBL Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal Repayable at below terms a) 10% to be paid at the end of 12 months from the date of first drawdown b) 5% at the end of 18 months and thereafter equal quartely installments till the maturity of the Loan Applicable Rate of interest is RBL Base rate + 0.45% | 22.26 | 8.94 | 30.08 | 7.86 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **2.0** | **RBL Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal Repayable at below terms 10 half yearly installments from the date of first disbursement.Applicable Rate of interest is 1 Year MCLR + 0.75% | 8.32 | 2.63 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **2.1** | **RBL Bank Ltd** | | | | | |
| | Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable as:<br>2.5% of Disbursed Amount Quarterly for first 8 Quarters.<br>6.67% of Disbursed Amount Quarterly for rest 12 Quarters 3Months MCLR + 0.2% | 63.00 | 7.00 | - | - |
| | Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **2.2** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly Repayment starting from 27th Month from the date of each drawdown of Buyers credit. No repayment to exceed 5 years from the date of first drawdown. Applicable Rate of interest is 1 Year ICICI Bank MCLR + 2.8% | 13.62 | 1.93 | 65.48 | 50.59 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **2.3** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly Repayment starting from on or before 42nd Month from the date of each drawdown of Buyers credit. No repayment to exceed 6 years from the date of first drawdown. Applicable Rate of interest is 1 Year ICICI Bank MCLR + 2.2% | 66.05 | 30.64 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **2.4** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly repayment starting from 15th month from date of first drawdown. However no repayment to exceed the final repayment date i.e. February 14, 2020. Applicable Rate of interest is 1 Year ICICI Bank MCLR + 2.3% | 27.71 | - | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of HDPL | | | | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| **3** | **Term Loan From Others** | | | | | |
| **3.1** | **Aditya Birla Finance Ltd.** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Equated Quarterly Repayment from the date of each drawdown of Loan. No repayment to exceed 3 years from the date of first drawdown. Applicable Rate of Interest is 1 Year MCLR+ 2.8% | 12.86 | 42.77 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **3.2** | **Housing Development Finance Corporation Ltd.** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 12 equal quarterly installments of ₹ 19.80 with 1st installment due after 27 months after the date of drawdown. Interest is payable on Quarterly basis. Applicable Interest rate is HDFC Corporate Prime Lending Rate - 7.65%. | 100.00 | - | 200.00 | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **3.3** | **IDFC Infrastructure Finance Ltd** | | | | | |
| | i Secured by first pari passu first hypothecation of all fixed assets, both present and future including plant & machinery, machinery spares, tools & accessories, furnitures, fixtures, vehicles and all other assets, of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable in 16 equal quarterly installments commencing from June 30, 2018. Applicable rate of Interest is IDFC Infrastructure Finance Limited 5 Year Benchmark+ 2.15%. | 75.00 | 25.00 | 75.00 | - |
| | ii Secured by first pari passu first hypothecation on entire receivables, book debts and entire intangible assets, goodwill & uncalled capital, both present & future, of the Company and of HDPL. | | | | | |
| **3.4** | **India Infra Debt Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Quarterly Repayment from the date of First Disbursement<br>1) 1.875% of Principal to be repaid from Quarter 1 to Quarter 4<br>2) 3.75% of Principal to be repaid from Quarter 5 to Quarter 8<br>3) 5.00% of Principal to be repaid from Quarter 9 to Quarter 12<br>4) 6.875% of Principal to be repaid from Quarter 13 to Quarter 16<br>5) 7.5% of Principal to be repaid from Quarter 17 to Quarter 20<br>Applicable Rate of Interest is 10%. | 138.75 | 11.25 | - | - |
| | ii Secured by first pari passu charge on present and future entire cashflows, receivables, book debts and revenue and entire intangible assets including but not limited to, goodwill and uncalled capital, intellectual property, of the Company & of HDPL | | | | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | iii Secured by pari passu first charge/ assignment over all the right, title, interest, benefits, claims and demands in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee, of the Company and of HDPL. | | | | | |
| 4 | **Unsecured** | | | | | |
| 4.1 | **Cisco System Capital India Private Ltd** | 12 Equal Quarterly Installments starting from 30th January 2018. | 2.76 | 1.38 | | |
| 5 | **FCNR loan from Banks** | | | | | |
| 5.1 | **Axis Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable on completion of 3 years from the date of drawdown i.e. December 28, 2015. Interest is payable on monthly basis. Applicable Interest rate is 3 months LIBOR + 370 bps. | - | 24.65 | 24.52 | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 6 | **Buyers Credit** | | | | | |
| 6.1 | **Axis Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 136.50 | 140.65 | 36.99 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 6.2 | **Yes Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 117.14 | 125.59 | 50.91 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 6.3 | **RBL Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 74.90 | 66.07 | 0.32 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 6.4 | **Indusind Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 62.15 | 12.39 | 2.13 |
| | ii Secured by first pari passu charge hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| **6.5** | **Kotak Mahindra Bank Ltd. (formerly ING Vysya Bank Ltd)** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 14.63 | 24.64 | 20.58 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **6.6** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | Principal repayable with Interest on completion of 6 or 12 months with a rollover period of 3 years from the date of underlying shipment. Applicable Rate of Interest is applicable LIBOR + Spread prevailing as on the date of the drawdown. | - | 41.63 | - | - |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **7** | **Vehicle Loans from Banks** | | | | | |
| **7.1** | **Daimler Financial Services (India) Pvt Ltd** | | | | | |
| | i Secured by Hypothecation of Vehicle | Principal repayable in 60 equal installments along with Interest. Applicable rate of interest is 10.71%. 1st Installment due from June 2015. | 0.22 | - | 0.35 | - |
| **7.2** | **Toyota Financial Services India Ltd** | | | | | |
| | i Secured by Hypothecation of Vehicle | Equated Monthly Installment starting from March 2018 to February 2023. | 0.22 | 0.04 | - | - |
| **8** | **Loans from related parties** | | | | | |
| | **i** Unsecured | Interest free loan repayable on demand on or after April 1, 2018 | - | - | 1.59 | - |
| **9** | **5% Non- Cumulative Redeemable Preference Shares (face value ₹ 10 each)** | | | | | |
| | i Unsecured | Redeemable at par on April 30, 2021 | 0.04 | - | - | - |
| | **Gross Non-current borrowings** | | **869.00** | **667.00** | **844.93** | **212.95** |
| | **Add: Loan fully repaid prior to the Balance sheet date** | | **-** | **-** | **96.61** | **413.02** |
| | **Less: Unamortised upfront fees on borrowing** | | **20.19** | **7.66** | **6.77** | **2.59** |
| | **Net Non- current borrowings** | | **848.81** | **659.34** | **934.77** | **623.38** |
| | **CURRENT BORROWING** | | | | | |
| **10** | **Secured** | | | | | |
| **10.1** | **Working Capital Demand Loan** | | | | | |
| **10.1.1** | **Kotak Mahindra Bank Ltd. (formerly ING Vysya Bank Ltd)** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | (Sanctioned Amount ₹ 55) | - | 55.00 | - | 55.00 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **10.2** | **Cash Credit** | | | | | |
| **10.2.1** | **Axis Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | (Sanctioned Amount ₹ 70) | - | 36.22 | - | 23.22 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|
| | | | Non-Current | Current | Non-Current | Current |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **10.2.2** | **Yes Bank Ltd** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | (Sanctioned Amount ₹ 10) | - | 4.73 | - | 11.91 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **10.2.3** | **Kotak Mahindra Bank Ltd. (formerly ING Vysya Bank Ltd)** | | | | | |
| | i Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | (Sanctioned Amount ₹ 20) | - | 9.82 | - | 20.00 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **10.3** | **Overdraft** | | | | | |
| **10.3.1** | **ICICI Bank Ltd** | | | | | |
| | i Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company | (Sanctioned Amount ₹ 20) | - | 5.57 | - | 20.00 |
| | ii Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| **11** | **Unsecured Loans** | | | | | |
| **11.1** | **Housing Development Finance Corporation Ltd.** | | | | | |
| | i Monthly Principal Repayment of ₹ 5 from January 2018 to May 2018. Applicable Interest rate is 11.25% | | - | 10.00 | - | - |
| **11.2** | **IDFC Bank Ltd** | | | | | |
| | i 12 Equal Monthly installments starting from October 2017. Applicable rate of Interest is 9% p.a monthly. | | - | 37.48 | - | - |
| **12** | **Vehicle Loans from Banks** | | | | | |
| **12.1** | **Daimler Financial Services (India) Pvt Ltd** | | | | | |
| | i Secured by Hypothecation of Vehicle | Principal repayable in 60 equal installments along with Interest. Applicable rate of interest is 10.71%. 1st Installment due from June 2015. | - | 0.12 | - | 0.12 |
| | **Gross current borrowings** | | **-** | **158.94** | **-** | **130.25** |
| | **Add: Loan fully repaid prior to the Balance sheet date** | | **-** | **-** | **-** | **-** |
| | **Less: Unamortised upfront fees on borrowing** | | | **0.20** | | **-** |
| | **Total current borrowings** | | **-** | **158.75** | **-** | **130.25** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

**(b) The carrying amount of assets pledged as security for borrowings are disclosed below :**

**Assets pledged as security:**

| Sr. No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **1** | **Current** | | |
| | i Inventories | 17.66 | 21.65 |
| | ii Investments | - | - |
| | iii Trade Receivables | 407.23 | 362.33 |
| | iv Cash and Cash Equivalents | 24.12 | 42.22 |
| | v Loans | 109.88 | 88.24 |
| | vi Other financial assets | 1.24 | 273.12 |
| | vii Non-current assets classified as held for sale | 0.60 | 0.72 |
| | viii Other Current Assets | 27.66 | 60.10 |
| | | **588.39** | **848.38** |
| **2** | **Non - current** | | |
| | i Property, Plant and Equipment | 1,676.04 | 1,619.14 |
| | ii Capital Work In Progress | 55.68 | 120.97 |
| | iii Goodwill | 2.99 | 3.67 |
| | iv Other Intangible Assets | 76.06 | 91.43 |
| | v Trade Receivables | - | - |
| | vi Loans | 41.45 | 30.34 |
| | vii Other financial assets | 27.85 | 27.96 |
| | viii Other Non-Current Assets | 24.83 | 36.13 |
| | | **1,904.90** | **1,929.64** |
| | **Total assets pledged as security** | **2,493.29** | **2,778.02** |

## 2.17 OTHER FINANCIAL LIABILITIES

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| Current maturities of long-term debt (Refer Note 2.16) | - | - | 659.33 | 602.34 |
| Current maturities of finance lease obligations (Refer Note 2.16) | - | - | - | 21.04 |
| Interest accrued | - | - | 8.08 | 6.90 |
| Security deposits | 11.91 | 16.33 | 0.46 | 0.46 |
| Employee benefits payable | - | - | 5.88 | 1.38 |
| Payables for acquisition of property, plant and equipment | * | * | 142.07 | 101.19 |
| Financial Guarantee Obligations | - | - | 0.03 | 0.36 |
| Liability for expenses | - | - | 0.52 | 55.08 |
| Proportionate share in Joint venture losses | - | - | 13.87 | 13.68 |
| Others | * | * | 103.30 | 47.17 |
| **Total** | **11.91** | **16.33** | **933.53** | **849.60** |

* Amount less than ₹ 50,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 2.18 PROVISIONS

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| **Employee Benefits** | | | | |
| Provision for Bonus | - | - | 0.05 | 0.70 |
| Provision for Leave Encashment | 0.37 | 2.55 | 5.49 | 4.90 |
| Provision for Gratuity (non funded) | 0.46 | - | 0.49 | - |
| Others | - | - | 0.37 | 0.37 |
| **(A)** | **0.83** | **2.55** | **6.40** | **5.97** |
| **Others** | | | | |
| Mark to Market Losses on Currency Swap | 2.48 | 7.10 | - | - |
| **(B)** | 2.48 | 7.10 | - | - |
| **Total (A+B)** | **3.31** | **9.65** | **6.40** | **5.97** |

## 2.19 DEFERRED TAX LIABILITIES (NET)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Deferred Tax Liabilities in relation to :** | | |
| Property, Plant & Equipment | - | 1.45 |
| **Total** | **-** | **1.45** |

## 2.20 OTHER LIABILITIES

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| Income received in advance | 145.51 | 155.98 | 170.10 | 178.37 |
| Gratuity payables | 3.34 | 4.46 | - | 1.03 |
| Statutory Payables | * | 0.07 | 17.13 | 17.64 |
| Employee Payables | - | - | 0.84 | 4.77 |
| Advance from Customers | - | - | 18.67 | 32.96 |
| Others | 0.01 | 0.01 | 0.43 | 0.41 |
| **Total (A+B)** | **148.86** | **160.52** | **207.17** | **235.18** |

* Amount less than ₹ 50,000

## 2.21 CURRENT TAX LIABILITIES (NET)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Current tax liabilities** | | |
| Provisions for Taxation (net of advance tax) | 0.06 | 0.02 |
| **Total** | **0.06** | **0.02** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 3.01 REVENUE FROM OPERATIONS

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Sale of services | 1,529.19 | 1,336.97 |
| Sale of products | 1.58 | 0.15 |
| Other operating revenues | 3.85 | 7.28 |
| **Total** | **1,534.62** | **1,344.40** |

## 3.02 OTHER INCOME

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Interest income earned on financial assets:** | | |
| On Financial Assets measured at Amortised Cost | | |
| Bank Deposits | 2.07 | 1.75 |
| Interest on Loans | 2.16 | 2.62 |
| Unwinding Interest on financial assets | 1.21 | 0.79 |
| **Other Non - Operating Income** | | |
| Interest on Income Tax Refund | 0.33 | 6.70 |
| Miscellaneous Income | 0.89 | 1.54 |
| Amount no longer payable written back | 2.40 | 0.42 |
| **Other gains and losses** | | |
| Gain on disposal of current investments (Net) | 0.68 | 0.24 |
| Net gain on foreign exchange fluctuation | - | 9.77 |
| **Total** | **9.74** | **23.83** |

## 3.03 OTHER OPERATIONAL EXPENSES

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Commission | 76.03 | 68.32 |
| Bandwidth & Lease Line Cost | 57.84 | 57.87 |
| Other Sundry Operational Cost | 16.99 | 9.58 |
| Repairs & Maintenance (Plant & Equipment) | 43.36 | 42.56 |
| Rent | 26.95 | 27.73 |
| Consultancy & Technical Fees | 15.44 | 19.24 |
| Feed charges | 18.14 | 20.71 |
| Software & Programming Cost | 6.41 | 7.06 |
| Freight & Octroi Charges | 0.92 | 2.34 |
| Hire Charges | 1.82 | 1.06 |
| **Total** | **263.90** | **256.47** |

## 3.04 EMPLOYEE BENEFITS EXPENSE

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Salaries & bonus | 68.48 | 79.50 |
| Contribution to provident and other funds | 3.77 | 7.74 |
| Staff welfare expenses | 4.74 | 5.91 |
| **Total** | **76.99** | **93.15** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 3.05 FINANCE COST

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Interest and Finance Charges on financial liabilities | 127.09 | 91.39 |
| Exchange differences regarded as an adjustment to borrowing cost | 4.00 | 0.29 |
| Other borrowing costs | 21.67 | 19.07 |
| **Total** | **152.76** | **110.75** |

## 3.06 DEPRECIATION, AMORTISATION AND IMPAIRMENT

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Depreciation of Property, Plant and Equipment | 287.42 | 258.59 |
| Amortisation of intangible assets | 33.52 | 36.05 |
| Impairment of Goodwill | 0.68 | 0.71 |
| Impairment on Property, Plant & Equipment | 12.20 | 9.38 |
| Impairment on Other Intangible assets | 0.88 | 1.02 |
| **Total** | **334.70** | **305.75** |

## 3.07 OTHER EXPENSES

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Service Charges | 132.21 | 159.40 |
| Bad Debts | 7.50 | 219.71 |
| Less: Transfer from allowance on doubtful debts (Expected credit loss) | 7.50 | 219.71 |
| | - | - |
| Electricity Expenses | 27.88 | 24.07 |
| Allowance for doubtful debts (Expected credit loss) | 49.62 | 48.27 |
| Advertisement & Promotion expenses | 13.23 | 16.10 |
| Rent - Offices | 12.08 | 11.54 |
| Loss on disposal / shortage of Property, Plant and Equipment | 1.14 | 3.88 |
| Share of Loss from LLP | - | 1.29 |
| Loss on Foreign Exchange Fluctuation (Net) | 0.44 | - |
| Rates & taxes | 3.50 | 5.47 |
| Office Expenses | 6.31 | 5.52 |
| Legal & Professional Charges | 9.23 | 15.97 |
| Auditor Remuneration | 0.64 | 1.00 |
| Conveyance | 6.92 | 7.19 |
| Repairs & Maintenance (Others) | 6.87 | 6.80 |
| Communication Charges | 4.13 | 5.05 |
| Travelling | 3.41 | 5.44 |
| Printing & Stationery | 1.37 | 1.80 |
| Business Promotion Expenses | 1.88 | 1.37 |
| Allowance for doubtful advances | - | 0.11 |
| Insurance Charges | 1.53 | 1.27 |
| Interest on Taxes | 0.48 | 0.94 |
| Sitting Fees | 0.29 | 0.31 |
| Miscellaneous Expenses | 5.55 | 3.58 |
| **Total** | **288.75** | **326.36** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 3.08 EXCEPTIONAL ITEMS

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Allowance for Doubtful Advances / impairment in value of Investments / Impairment of trade receivables from Entities Under/ Joint Control and others | 10.07 | 10.20 |
| Impact of Arbitration award | 4.26 | - |
| Expenses relating to increase in authorised share capital | 3.23 | - |
| (Gain) /loss on sale of shares Non Current Investments (Refer Note 4.14) | (12.23) | - |
| Marked down in value of certain non-current assets towards abnormal wear and tear | - | 0.24 |
| Reversal of Provision for Entertainment Tax for earlier years (Refer Note 4.14) | - | (9.70) |
| **Total** | **5.34** | **0.74** |

## 3.09 TAX EXPENSES

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **(a) Income tax expenses :** | | |
| **Current tax** | | |
| In respect of the current year | 0.09 | 0.07 |
| In respect of prior year | - | 0.03 |
| | **0.09** | **0.10** |
| **Deferred tax** | | |
| In respect of the current year | (0.53) | (0.44) |
| | **(0.53)** | **(0.44)** |
| **Total income tax expense recognised in the current year** | **(0.44)** | **(0.34)** |
| **(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :** | | |
| **Loss Before tax** | **108.30** | **193.28** |
| Enacted tax rate in India | 25.75% | 30.90% |
| **Expected Income tax expenses / (benefit) at statutory tax rate** | **27.89** | **59.72** |
| Entities with no tax | (37.88) | (60.54) |
| (Loss) / Profit of share in Joint venture and Associate not taxable | 10.08 | 0.89 |
| Effect of tax pertaining to prior years | - | 0.03 |
| Expenses allowable as deduction | - | * |
| **Current tax provision (A)** | **0.09** | **0.10** |
| Incremental Deferred tax asset on deductible taxable differences | (0.05) | (0.01) |
| Incremental Deferred tax asset on temporary differences of Tangible and Intangible Assets | 0.49 | (0.43) |
| Incremental Deferred tax asset on account of carried forward losses | (0.97) | - |
| **Deferred tax provision (B)** | **(0.53)** | **(0.44)** |
| **Total (A+B)** | **(0.44)** | **(0.34)** |

* Amount less than ₹ 50,000/-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 4.01 EARNINGS/(LOSS) PER SHARE

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Basic earnings per share (Amount in ₹)** | | |
| Attributable to equity holders of the group | (1.30) | (2.33) |
| **Diluted earnings per share (Amount in ₹)** | | |
| Attributable to equity holders of the group | (1.30) | (2.33) |
| Nominal value of Ordinary shares (Amount in ₹) | 2.00 | 2.00 |
| **Reconciliation of earnings used in calculating earnings per share :** | | |
| **Basic earnings per share** | | |
| Loss attributable to equity holders of the group used in calculating basic earnings per share | (107.86) | (193.45) |
| **Diluted earnings per share** | | |
| Loss attributable to equity holders of the group used in calculating diluted earnings per share | (107.86) | (193.45) |
| **Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share** | 830,494,500 | 830,494,500 |

## 4.02 LEASES

**(a) Finance Leases (As Lessee):**

Lease rentals outstanding as at March 31, 2018 in respect of Property, Plant and Equipment taken on finance lease are as under:

| Due | Minimum lease payments | | Present Value of Minimum Lease Payments | |
|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| Not Later than 1 year | - | 22.32 | - | 21.04 |
| Later than 1 year and not later than 5 years | - | - | - | - |
| **Total** | **-** | **22.32** | **-** | **21.04** |

Upon expiry of the original term lessor may offer lessee to purchase all of the equipments at nominal value

Finance Lease obligation of Non current borrowing (Refer Note 2.17) includes ₹ Nil (March 31, 2017: ₹ 21.04) payable to lessor under finance lease arrangement.

**(b) Operating Leases (As Lessee):**

The Group's significant leasing arrangements in terms of Ind AS 17 on lease are in respect of Operating Leases for Premises and Equipments. The period of these leasing arrangements, which are cancellable in nature range between eleven months to six years and are renewable by mutual consent.

**Details of Non-Cancellable Leases are as under:**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Payable in the next one year | 4.18 | 8.48 |
| Payable after next one year but before next five years | 0.10 | 7.20 |
| Payable after five years | - | 0.39 |
| **Total** | **4.28** | **16.07** |

Rental Expenses debited to the Statement of Profit and Loss ₹ 7.81 (March 31, 2017: ₹ 11.56)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

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

Lease Expenses debited to the Statement of Profit and Loss ₹ 31.06 (March 31, 2017: ₹ 71.79)

Some of these lease agreements have price escalation clauses

**Details of Non Cancellable lease are as under**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Receivable in the next one year | - | 0.11 |
| Receivable after next one year but before next five years | - | - |

(c) The right to use granted to subsidiaries/joint ventures/local cable operators in respect of Access devices are not classified as lease transactions as the same are not for an agreed period of time.

## 4.03 EMPLOYEE BENEFITS

**a) Defined Benefit Plans:**

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

| | |
|---|---|
| Investment Risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment with LIC of India and ING. |
| Interest Risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity Risk | This risk effects Past Retirement Benefit Plans, especially Pension and Medical Benefits. This Plan pays the benefit on Retirement, if not paid earlier, on account of resignation or death and hence the Longevity risk will not materially effect this plan. |
| Salary Risk | The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries being more than assumed. |

| | Particulars | Gratuity | |
|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 |
| 1 | **Expense recognised in the consolidated statement of Profit & Loss** | | |
| | Current Service Cost | 1.00 | 1.21 |
| | Net Interest | 0.35 | 0.28 |
| | Past Service Cost | 0.26 | - |
| | **Expense recognised in the consolidated statement of Profit & loss** | **1.61** | **1.49** |
| 2 | **Other Comprehensive Income (OCI)** | | |
| | Measurement of net defined benefit liability | | |
| | Actuarial (gains)/ losses arising from changes in demographic assumptions | - | (0.42) |
| | Actuarial (gains)/ losses arising from changes in financial assumption | (2.89) | 0.52 |
| | Actuarial (gains)/ losses arising from experience adjustments | 0.20 | (0.31) |
| | Return on plan asset excluding net interest | 0.12 | (0.10) |
| | **Total Actuarial (Gain)/loss recognised in OCI** | **(2.57)** | **(0.31)** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Particulars | Gratuity | |
|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 |
| 3 | **Change in benefit obligations:** | | |
| | Projected benefit obligations at beginning of the year | 8.81 | 7.68 |
| | Current Service Cost | 1.00 | 1.21 |
| | Interest Cost | 0.63 | 0.52 |
| | Past Service Cost | 0.26 | |
| | Benefits Paid | (1.31) | (0.38) |
| | Actuarial (Gain) / Loss | | |
| | Actuarial (gains)/ losses arising from changes in demographic assumptions | - | (0.42) |
| | Actuarial (gains)/ losses arising from changes in financial assumption | (2.89) | 0.52 |
| | Actuarial (gains)/ losses arising from experience adjustments | 0.21 | (0.32) |
| | **Projected benefit obligations at end of the year** | **6.71** | **8.81** |
| 4 | **Fair Value of Plan Assets** | | |
| | Opening Fair Value of Plan Asset | 3.79 | 3.65 |
| | Return on Plan Assets excl. interest income | (0.12) | 0.10 |
| | Interest Income | 0.28 | 0.24 |
| | Contributions by Employer | 0.25 | 0.11 |
| | Benefits Paid | (1.31) | (0.31) |
| | **Fair Value of Plan Assets at end** | **2.89** | **3.79** |
| 5 | **Sensitivity Analysis** | | |
| | Present value of benefit obligation at the end of the year on | | |
| | 0.50 % to 1.00 % increase in discount rate | 6.45 | 7.13 |
| | 0.50 % to 1.00 % decrease in discount rate | 7.00 | 8.71 |
| | 0.50 % to 1.00 % increase in rate of salary rate | 6.98 | 8.37 |
| | 0.50 % to 1.00 % decrease in rate of salary rate | 6.46 | 7.35 |
| | 1.00 % increase in attrition rate | 6.27 | 7.80 |
| | 1.00% point decrease in attrition rate | 6.19 | 7.93 |
| | 10% increase in mortality rate | 6.23 | 7.86 |
| | 10% decrease in mortality rate | 6.23 | 7.87 |
| 6 | **Principal assumptions used for the purpose of actuarial valuation** | | |
| | Mortality | IALM (2006-08) Ult | IALM (2006-08) Ult |
| | Interest /discount rate | 6.45% - 7.54% | 6.69% - 7.40% |
| | Rate of increase in compensation | 5% - 10% | 7% - 10% |
| | Expected average remaining service | 6.71-12.46 | 11.97-12.82 |
| | Employee Attrition Rate (Past service(PS)) | 21-30 years - 5%-10%<br>31-40 years - 5%-8%<br>41-57 years - 2%-9% | PS : 0 to 40 : 11.63% |
| 7 | **Investment Details** | | |
| | Insurer managed funds | 68.24% | 100.00% |
| | Government Debt Instruments | 31.76% | 0.00% |
| | **Total** | **100.00%** | **100.00%** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

Above data pertains to Hathway Cable and Datacom Limited (Holding Company), Hathway Digital Pvt. Ltd. (f.k.a Hathway Datacom Central Pvt Ltd) (Wholly-owned subsidiary), Hathway Kokan Crystal Cable Network Pvt. Ltd (Subsidiary) and Hathway Bhawani Cabletel and Datacom Limited (Subsidiary) only. In the opinion of the management no material liabilities would arise on account of other subsidiaries.

b) **Defined Contribution Plans:**

The total expenses recognised in the statement of Profit and Loss is ₹ 3.36 (March 31, 2017 : ₹ 7.59) represents contribution payable to these plans by the Group.

## 4.04 CONTINGENT LIABILITIES

a) Few Broadcasters and the Company have made claims and counter claims against each other relating to pay channel cost. Claims of such broadcasters, not acknowledged as liabilities, aggregate to ₹ 0.93 (March 31, 2017 : ₹ 0.93) to the extent ascertained and not settled, are disclosed under contingent liabilities as Claims against the Company not acknowledged as debts.

b) In the state of Telangana, VAT authorities have considered Set top boxes deployed as sale and raised demand of ₹ 18.05 (March 31, 2017 : ₹ 18.05) for the period April, 2011 to May 31, 2013.The Company's appeal is pending before Tribunal. The Company has deposited 50% of the amount demanded. The authorities have also levied penalty @ 100% of demand without giving an opportunity of hearing. On writ petition, Andhra Pradesh High Court has directed to initiate fresh proceedings. Since this demand was based on an advance ruling order given by relevant authority in some other case, the Company being an affected party, has filed review petition before the Advance Ruling authority. The matter has been admitted and heard, however, the decision is awaited.

c) The minority shareholders of the erstwhile joint venture company, Hathway Rajesh Multichannel Pvt. Ltd., filed an arbitration petition against the Company before the High Court, Bombay, which was referred to a sole arbitrator in August 2016. The minority shareholders, in their statement of claim have sought, amongst other reliefs, payment of ₹ 54.98 (March 31, 2017: ₹ 54.98) towards costs of STBs, charges under various heads allegedly wrongly debited by the Company etc. The Company has refuted the claims and has made counter claim of ₹ 91.17 (March 31, 2017: ₹ 91.17) towards inter-alia outstanding content cost, loans, payments and damages/ compensation for the loss of financial and management credibility, goodwill etc. The matter is currently pending.

d) Entertainment Tax Officer, Pune has raised demand for Entertainment Tax on secondary points up to October, 2014 amounting to ₹ 4.57 (March 31, 2017 : ₹ 4.57) Writ petition has been filed before the Bombay High Court challenging the demand. Another writ petition has also been filed challenging the constitutional validity, enforceability and legality of the amendment in the Maharashtra Entertainments Duty Act, 1923 brought about w.e.f June 25, 2014.

e) Karnataka VAT Department has reassessed VAT liabilities for the financial years 2011-12, 2012-13 and 2013-14 stating that the amount realised as activation charges is sale of STBs and liable to VAT. The total tax liability is determined at ₹ 10.28 (March 31, 2017 : ₹ 10.28). The honorable High Court has admitted the writ petition and has granted an order of stay over recovery of taxes.

f) The Company has challenged levy of license fees for pure Internet services before Telecom Disputes Settlement & Appellate Tribunal (TDSAT). On merit of the case, TDSAT has granted stay till disposal of petition. The Company is contingently liable to the extent of ₹ 114.58 (March 31, 2017 : ₹ 71.45). The Company has paid an amount of ₹ 5.36 (March 31, 2017 : ₹ 5.36) under protest.

g) The Commercial Tax Department, Indore has raised a demand on an ex-parte assessment to pay entertainment tax amounting to ₹ 3.23 for the period ended February 27, 2012 and penalty thereon for ₹ 6.47, aggregating to ₹ 9.70. The Honorable Supreme Court has granted stay on the demand. However, the Company has deposited the entire tax of ₹ 3.23 and 25% of the penalty amounting to ₹ 1.62 based on the interim order of the High Court of Madhya Pradesh. Additionally, the Company has also deposited an amount of ₹ 1.00 as per the direction of the Supreme Court, while granting the stay.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

h) The Commercial Tax Department, Jaipur has raised a demand of ₹ 29.68 for Entertainment Tax upto March 2011. Special Leave petition has been filed before the Honorable Supreme Court challenging the order dated May 08, 2015 passed by Honorable High Court of Rajasthan, Jaipur Bench, against which Interim stay has been granted to the Company with a direction to deposit an amount of ₹ 2.00. Management doesn't expect the claim to succeed.

i) Income Tax Matters

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Income Tax matter under appeal<br>(Of the above an amount of ₹ 0.08 (March 31, 2017: ₹ 0.51) has already been deposited with Income Tax Department) | **0.97** | **5.19** |

j) Claims against the Company, other than those stated above, not acknowledged as debts are as under:

| Matters with | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Operators & Others | 7.79 | 8.94 |
| Entertainment Tax Department in the city of Thane, Aurangabad, Agra, Ghaziabad, Hyderabad, Gwalior and Delhi | 7.66 | 7.66 |
| Other Statutory Departments | 0.05 | 0.04 |
| VAT department in the State of Maharashtra, Madhya Pradesh, Telangana and Karnataka | 9.35 | 8.91 |
| Service Tax department | 4.40 | 4.39 |
| **Total** | **29.25** | **29.94** |

## 4.05 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) aggregate to ₹ 63.44 (March 31, 2017: ₹ 58.75).

As a part of business strategy, the Group has expanded its area of operations in various parts of the country by entering into arrangements with local partners. Such operations are in the form of joint ventures (subsequently, some of such entities are converted into wholly owned subsidiaries). Since operations of such entities are significantly dependent on the Group's policies, the Group is committed to provide the required support towards the operations of such entities including financial support that may be required to meet commitments / obligations of such entities.

## 4.06 FINANCIAL CORPORATE GUARANTEE

The Company has given Corporate Guarantees of ₹ 28.44 (March 31, 2017 : ₹ 113.64) to Banks & ₹ Nil (March 31, 2017 : ₹ 8.38) to others towards various credit facilities extended by them to the Joint ventures by the Bank.

## 4.07 CAPITAL MANAGEMENT

The Group's objective while managing capital is to maintain stable capital structure to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital that would enable to maximise the return to stakeholders.

The Group's capital requirement is mainly to fund its business expansion and repayment of borrowings. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets.

The Group has adhered to material externally imposed conditions relating to capital requirements and there has not been any delay or material default during the period covered under these financial statements with respect to payment of principal and interest. No lender has raised any matter that may lead to breach of covenants stipulated in the underlying documents.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interest).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Net debt | 1,635.55 | 1,637.48 |
| Total equity | 788.51 | 893.70 |
| **Net debt to equity ratio** | **2.07** | **1.83** |

## 4.08 FINANCIAL INSTRUMENTS :

### (i) Methods & 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 following methods and assumptions were used to estimate the fair values:

a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, security deposits given, loans given to related parties, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non- current assets, security deposits taken, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.

b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of long term security deposits taken, non-current borrowings and remaining non current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (ii) Categories of financial instruments

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

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

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

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Carrying values | Fair value | Carrying values | Fair value |
| **Financial assets** | | | | |
| **Measured at amortised cost** | | | | |
| Non- current investments | 0.16 | 0.16 | 0.16 | 0.16 |
| Trade receivables | 392.93 | 392.93 | 345.11 | 345.11 |
| Loans and Advances | 54.19 | 54.19 | 24.89 | 24.89 |
| Cash and Bank balances | 59.86 | 59.86 | 79.29 | 79.29 |
| Other financial assets | 1.78 | 1.78 | 37.57 | 37.57 |
| **Total (A)** | **508.92** | **508.92** | **487.02** | **487.02** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Carrying values | Fair value | Carrying values | Fair value |
| **Measured at fair value through other comprehensive income** | | | | |
| Investment in equity shares of other companies | 2.01 | 2.01 | - | - |
| **Total (B)** | **2.01** | **2.01** | **-** | **-** |
| **Total Financial assets (A+B)** | **510.93** | **510.93** | **487.02** | **487.02** |
| **Financial liabilities** | | | | |
| **Measured at amortised cost** | | | | |
| Borrowings | 1,666.90 | 1,666.90 | 1,688.40 | 1,688.40 |
| Trade payables | 162.04 | 162.04 | 176.28 | 176.28 |
| Other financial liabilities | 282.38 | 282.38 | 233.10 | 233.10 |
| **Total (A)** | **2,111.32** | **2,111.32** | **2,097.78** | **2,097.78** |
| **Measured at fair value through profit or loss** | | | | |
| Derivative Instruments | 6.21 | 6.21 | 16.55 | 16.55 |
| **Total (B)** | **6.21** | **6.21** | **16.55** | **16.55** |
| **Total Financial liabilities (A+B)** | **2,117.53** | **2,117.53** | **2,114.33** | **2,114.33** |

**(iii) Level wise disclosure of financial instruments**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | Level | Valuation techniques and key inputs |
|---|---|---|---|---|
| Investment in equity instruments of other companies | 2.01 | - | 3 | Refer Note 4.18 |
| Foreign currency forward contracts - Liability | 3.73 | 9.47 | 2 | Quotes from banks or dealers |
| Currency Swap contracts - Liability | 2.48 | 7.08 | 2 | Quotes from banks |

## 4.09 FINANCIAL RISK MANAGEMENT

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Board of Directors. The details of different types of risk and management policy to address these risks are listed below:

The business activities of the group expose it to financial risks namely Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the group, it uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency swap contracts, call options are entered to hedge certain foreign currency risk exposures and follows policies set up by a Treasury department under policies approved by the Board of Directors.

**1 Credit Risk :**

Credit risk arises from the possibility that counter party will cause financial loss to the group by failing to discharge its obligation as agreed.

The group's exposure to credit risk arises mainly from the trade receivables, loans given, financial guarantee contract and derivative financial instruments.

Credit risks from balances with banks and financial institutions are managed in accordance with the group policy. For derivative and financial instruments, the group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

The group's major revenue streams arises from services provided to end use customers in the form of monthly subscription income and receivables from broadcasters for carriage / placement income. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. As the customer base is distributed economically and geographically, there is no concentration of credit risk. In case of receivables from the carriage / placement income, as there is no independent credit rating of the broadcasters available with the group, the management reviews the credit-worthiness of the broadcasters based on their financial position, past experience and other factors. The credit period provided by the group to its end use customers and broadcasters generally ranges from 0 to 30 days.

The group follows a simplified approach (i.e based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the group uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not recoverable. Based on the industry practices and business environment in which the group operates, management considers that the trade receivables are in default if the payment are more than 12 months past due.

**Reconciliation of changes in the loss allowances measured using life time expected credit loss model-Trade receivables**

| Particulars | Amount |
|---|---|
| **As at April 01, 2016** | **288.33** |
| Change in relationship from Joint venture to Subsidiary | 7.20 |
| Provided during the year | 49.29 |
| Amounts written off | (219.71) |
| Provision reversed | (0.10) |
| **As at March 31, 2017** | **125.01** |
| Provided during the year | 49.62 |
| Amounts written off | (7.50) |
| Provision reversed | - |
| **As at March 31, 2018** | **167.13** |

The Trade Receivables includes amount due from disconnected / inactive customers / LCOs with whom no inter-connect documents have been executed and outstanding in excess of one year. The Company is taking adequate steps for recovery of overdue debts and advances and wherever necessary, adequate provisions as per expected credit loss model have been made.

## 2 Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The group's liquidity risk management policies include to, at all times ensure sufficient liquidity to meet its liabilities when they are due, by maintaining adequate sources of financing from both domestic and international banks at an optimised cost. In addition, processes and policies related to such risks are overseen by senior management. The group's senior management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

### 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, 2018 | less than 1 year | 1 to 5 year | Total |
|---|---|---|---|
| **Non-Derivatives** | | | |
| Trade payables | 162.01 | 0.03 | 162.04 |
| Borrowings | 937.85 | 971.12 | 1908.97 |
| Other financial liabilities | 270.54 | 11.91 | 282.45 |
| **Total** | **1370.4** | **983.06** | **2353.46** |
| **Derivatives (net settled)** | | | |
| Foreign exchange forwards | 3.73 | - | 3.73 |
| Currency Swap Contract | 2.48 | - | 2.48 |
| **Total** | **6.21** | **-** | **6.21** |

| As at March 31, 2017 | less than 1 year | 1 to 5 year | Total |
|---|---|---|---|
| **Non-Derivatives** | | | |
| Trade payables | 176.25 | 0.03 | 176.28 |
| Borrowings | 1,047.98 | 1,234.30 | 2,282.28 |
| Other financial liabilities | 840.13 | 16.33 | 856.46 |
| **Total** | **2,064.36** | **1,250.66** | **3,315.02** |
| **Derivatives (net settled)** | | | |
| Foreign exchange forwards | 9.47 | - | 9.47 |
| Currency Swap Contract | 4.85 | 2.21 | 7.06 |
| **Total** | **14.32** | **2.21** | **16.53** |

The group from time to time in its usual course of business has issued financial guarantees to certain Joint Ventures and Associate. Accordingly, Group has issued corporate guarantee for debt of ₹ 28.44 as on March 31, 2018 (March 31, 2017: ₹ 122.02). The outflow in respect of these guarantees will arise only upon default of the such joint ventures and associate. An amount of ₹ 8.75 is due for repayment within 1 year and ₹ 19.69 is due for repayment within 1 - 5 Years from the reporting date.

### Financing arrangements

The group has sufficient sanctioned line of credit from its bankers / financiers; commensurate to its business requirements. The group reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit.

The group pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds.

## 3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The group is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)



## a) Market Risk – Foreign Exchange

Foreign exchange risk arises on all recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the group. The group has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies.

Foreign currency risk is managed by following established risk management policies, which inter alia includes monitoring the movements in currencies in which the borrowings / capex vendors are payable and hedging the exposure to foreign currency risk by entering into forward currency contracts, call options and currency swaps contracts.

The group does not enter into or trade financial instruments, including derivatives for speculative purpose.

**The carrying amount of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:**

| Foreign currency exposure as at March 31, 2018 | USD |
|---|---|
| **Assets** | |
| Trade receivables | - |
| Loans and other receivables | - |
| **Liabilities** | |
| Borrowings | 512.59 |
| Trade payables | 105.77 |
| Derivative Instruments | |
| Forward contracts for loan | 3.73 |

| Foreign currency exposure as at March 31, 2017 | USD |
|---|---|
| **Assets** | |
| Trade receivables | 1.59 |
| Loans and other receivables | 6.87 |
| **Liabilities** | |
| Borrowings | 896.38 |
| Trade payables | 53.75 |
| Derivative Instruments | |
| Forward contracts for loan | 9.47 |

**Unhedged Foreign Currency Exposure is as under:-**

| Currency | March 31, 2018 | | March 31, 2017 | |
|---|---|---|---|---|
| | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| **Secured Loans** | | | | |
| USD | 6.82 | 444.65 | 8.80 | 570.57 |
| **Accounts Payables** | | | | |
| USD | 1.62 | 105.77 | 0.70 | 45.15 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Currency | March 31, 2018 | | March 31, 2017 | |
|---|---|---|---|---|
| | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| **Other Firm Commitments** | | | | |
| USD | 0.67 | 43.68 | 1.03 | 66.70 |
| **Accounts Receivables** | | | | |
| USD | - | - | 0.02 | 1.59 |

The Company has booked INR USD Cross Currency Swap Contracts of USD 3.50 (March 31, 2017:USD 3.50) against the underlying INR borrowing of ₹ 215.71 (March 31, 2017 : ₹ 215.71). The outstanding at the year end for the same is INR borrowing is ₹ 38.57 (March 31,2017: ₹ 132.14) and currency swap contract amount is USD 0.63(March 31,2017: USD 15). The actual interest earned on notional INR deposit, interest paid on notional USD borrowing, exchange fluctuation on payment/ settlement of principal amount and mark to market loss on USD exposure aggregating net gain /(loss) of ₹ 3.39 (March 31, 2017 : ₹ 14.76) are included under finance cost in Note 3.05 in Notes to the financial statements.

### Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on loss before tax and on other components of equity

| Particulars | Impact on loss before tax: Increase/(Decrease) | | | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | 1 % Increase | 1 % Increase | 1 % Decrease | 1 % Decrease |
| USD | 5.50 | 8.73 | (5.50) | (8.73) |

| Particulars | Impact on other components of equity : Increase/(Decrease) | | | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | 1 % Increase | 1 % Increase | 1 % Decrease | 1 % Decrease |
| USD | (5.50) | (8.73) | 5.50 | 8.73 |

### b) Market Risk – Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group is exposed to interest rate risk because the group has borrowed funds substantially at floating interest rates. The interest rate risk is managed by the group by the use of interest rate swap and by monitoring monthly cash flow which is reviewed by management to prevent loss of interest.

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Variable rate borrowings | 1,504.35 | 1,597.52 |
| Fixed rate borrowings | 192.94 | 100.24 |

### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of borrowing outstanding at the end of the reporting period was outstanding for whole of the year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | Impact on loss : Increase / (Decrease) | | Impact on equity : Increase / (Decrease) | |
|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Interest rates - increase by 100 basis points* | 13.19 | 14.59 | (13.19) | (14.59) |
| Interest rates - decrease by 100 basis points* | (13.19) | (14.59) | 13.19 | 14.59 |

* assuming all other variables as constant

The sensitivity disclosed in the above table is attributable to variable interest rate borrowings and the interest swaps. The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the group's borrowings in INR, USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

**4.10** Duties and taxes of ₹ 2.01 for the period prior to 2016-17 and ₹ 0.50 for the year 2016-17, being Prior Period expenses, have been recognised in the respective period by restating relevant previous year figures.

## 4.11 RELATED PARTY DISCLOSURES

**A) Name of Related Parties and Related Party Relationships:**

| | |
|---|---|
| Joint Ventures | Hathway Digital Saharanpur Cable & Datacom Private Limited |
| | GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) (till June 30, 2017) (Refer Note 4.17) |
| | Hathway Sai Star Cable & Datacom Private Limited |
| | Hathway MCN Private Limited |
| | Hathway Channel 5 Cable and Datacom Private Limited |
| | Net 9 Online Hathway Private Limited |
| | Hathway Cable MCN Nanded Private Limited |
| | Hathway Latur MCN Cable & Datacom Private Limited |
| | Hathway Palampur Cable Network Private Limited |
| | Hathway Mysore Cable Network Private Limited (till March 23, 2017) |
| | Hathway ICE Television Private Limited |
| | Hathway Sonali Om Crystal Cable Private Limited |
| | Hathway Dattatray Cable Network Private Limited |
| | Hathway Prime Cable & Datacom Private Limited |
| | Hathway SS Cable & Datacom - LLP |
| | Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited) (Refer Note 4.18) |
| Joint Ventures of Subsidiaries | Hathway CCN Multinet Private Limited |
| | Hathway CCN Entertainment (India) Private Limited |
| | Hathway CBN Multinet Private Limited |
| | Hathway Bhaskar CCN Multi Entertainment Private Limited |
| | Hathway Universal VCN LLP (upto October 21, 2016) |
| | Hathway Bhawani NDS Network Private Limited |
| Associate Companies | Pan Cable Services Private Limited |
| | Hathway VCN Cablenet Private Limited |
| | GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) (w.e.f. July 1, 2017) (Refer Note 4.17) |
| Post Employment benefit plan | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme |
| | Hathway Digital Private Limited Employees Group Gratuity Trust |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| | |
|---|---|
| Key Managerial Personnel | Executive Directors :- |
| | Mr. Jagdish Kumar G Pillai - Managing Director & CEO (till November 25, 2016) |
| | Mr. Rajan Gupta - Managing Director (w.e.f November 25, 2016) |
| | Non Executive Directors :- |
| | **Independent Director** |
| | Mr. Sridhar Gorthi |
| | Mr. Sasha Gulu Mirchandani |
| | Mr. Devendra Shrotri |
| | Ms. Ameeta A Parpia |
| | **Non Independent Directors** |
| | Mr. Rajan B Raheja |
| | Mr. Viren R Raheja |
| | Mr. Akshay R Raheja |
| | Mr. Vinayak P Aggarwal |

**B) Related Party Transactions**

**Compensation to Key Managerial Personnel:-**

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| (a) Short Term employee benefits | 2.13 | 2.27 |
| (b) Post employment benefits | 0.07 | 0.07 |
| (c) Other long term benefits | - | - |
| (d) Sitting Fees | 0.27 | 0.25 |
| **Total Compensation** | **2.47** | **2.59** |

Note : As the employment benefits such as Gratuity & Leave encashment are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel is not ascertainable and therefore not included above.

| Nature of Transactions | Name of the Party | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Subscription Income | Hathway MCN Private Limited | Joint venture | - | 6.98 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint venture | - | 5.71 |
| | Hathway Sonali Om Crystal Cable Private Limited | Joint venture | - | 1.40 |
| | Hathway Dattatray Cable Network Private Limited | Joint venture | 1.44 | 3.30 |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.56 | - |
| | Hathway Cable MCN Nanded Private Limited | Joint Venture | 13.05 | - |
| | Hathway Bhawani NDS Network Private Limited | Joint Venture of Subsidiary | 12.15 | - |
| | Others | Joint venture | 21.04 | 5.12 |
| | Others | Joint Venture of Subsidiary | 7.49 | 1.19 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|---|
| Service Charges | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Associate | 0.09 | - |
| Rental Income on Equipments | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Joint Venture | - | 0.34 |
| | Hathway Cable MCN Nanded Private Limited | Joint Venture | - | 0.42 |
| Consultancy Income | Hathway Latur MCN Cable & Datacom Private Limited | Joint venture | - | 0.18 |
| | Hathway MCN Private Limited | Joint venture | 0.15 | 0.37 |
| | Net 9 Online Hathway Private Limited | Joint venture | 0.60 | 0.78 |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | - | 0.26 |
| Interest on Loans | Hathway Sai Star Cable And Datacom Private Limited | Joint venture | - | 0.17 |
| | Hathway Sonali Om Crystal Cable Private Limited | Joint venture | - | 0.11 |
| | Others | Joint venture | 0.43 | 0.04 |
| Activation Income | Hathway MCN Private Limited | Joint venture | 0.25 | - |
| | Others | Joint venture | 0.02 | - |
| Sale of access devices | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 0.36 | - |
| Sales - STB | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | 2.74 | - |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | 0.70 | - |
| Dividend Income | GTPL Hathway Limited | Associate | 4.20 | 0.24 |
| **EXPENSES** | | | | |
| Feed Charges | Hathway MCN Private Limited | Joint venture | 8.67 | 9.07 |
| | Hathway Sonali Om Crystal Cable Private Limited | Joint venture | - | 0.81 |
| | Others | Joint venture | 2.13 | 1.56 |
| | Others | Joint Venture of Subsidiary | 2.46 | 2.11 |
| Rent Offices | Mr. Akshay R Raheja | Key Managerial Personnel | 2.09 | 1.94 |
| | Mr. Viren R Raheja | Key Managerial Personnel | 2.09 | 1.82 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint venture | 0.13 | - |
| | Others | Joint venture | - | 0.08 |
| Reversal of impairement in value of Investments | Hathway Bhawani NDS Network Private Limited | Joint Venture of Subsidiary | 14.53 | - |
| Bad Debts written off | Hathway Sai Star Cable & Datacom Private Limited | Joint venture | 2.00 | - |
| | Hathway Dattatray Cable Network Private Limited | Joint venture | 2.00 | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|---|
| Post Employment benefit plan | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme | Trust | 0.20 | 0.11 |
| | Hathway Digital Private Limited Employees Group Gratuity Trust | Trust | 0.06 | - |
| Impairment of doubtful advances/receivables | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 1.33 | - |
| **CHANGE IN ASSETS/LIABILITIES DURING THE YEAR** | | | | |
| Impairment in value of Investments made during the year | Hathway Digital Saharanpur Cable and Datacom Private Limited | Joint Venture | - | 0.48 |
| Allowance for bad and doubtful loans made during the year | Hathway Digital Saharanpur Cable and Datacom Private Limited | Joint Venture | - | 0.98 |
| | Hathway Bhaskar CCN Multi Entertainment Private Limited | Joint Venture of Subsidiary | 1.33 | - |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 7.77 |
| | Others | Joint Venture | - | 0.06 |
| Allowance for bad and doubtful debts made during the year | Hathway Sai Star Cable and Datacom Private Limited | Joint Venture | - | 0.21 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 0.34 |
| Net Advances/Trade Receivables/Trade Payables made during the year | Hathway Dattatray Cable Network Private Limited | Joint Venture | - | 2.97 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 0.10 | 2.08 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 2.11 | - |
| | Others | Joint Venture | 0.02 | 2.34 |
| | Others | Joint Venture of Subsidiary | 0.20 | 0.54 |
| Net Advances/Trade Receivables/Trade Payables Recovered/ Paid during the year | Hathway CBN Multinet Private Limited | Joint Venture of Subsidiary | - | 0.87 |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | - | 0.38 |
| | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Associate | 1.12 | - |
| | Hathway SS Cable & Datacom LLP | Joint Venture | 1.86 | - |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 0.05 | 1.26 |
| | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | 4.80 | 0.88 |
| | Others | Joint Venture | 10.16 | 0.21 |
| | Others | Joint Venture of Subsidiary | 2.72 | - |
| Investment made during the year | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 0.02 | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Nature | Nature | Relationship | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|---|
| **CLOSING BALANCES** | | | | |
| Investments | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Joint Venture | 168.75 | 197.70 |
| | Hathway CBN Multinet Private Limited | Joint venture of Subsidiary | 1.05 | - |
| | Hathway CCN Entertainment (India) Private Limited | Joint venture of Subsidiary | 3.69 | - |
| | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 6.16 | - |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | - | 27.09 |
| | Hathway Bhawani NDS Network PrivateLimited | Joint Venture of Subsidiary | 54.05 | - |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | - | 46.65 |
| | Others | Joint Venture of Subsidiary | 69.78 | - |
| Loans & advances | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Joint Venture | - | 10.32 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 15.48 | 15.53 |
| | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 1.63 | - |
| | Hathway VCN Cablenet Private Limited | Associate | 5.50 | 5.50 |
| | Others | Associate | 10.91 | 0.59 |
| | Others | Joint Venture | 4.15 | 4.37 |
| | Others | Joint Venture of Subsidiary | - | 3.06 |
| Post Employment benefit plan-Advance | Hathway Cable and Datacom Limited Employees Group Gratuity Assurance Scheme | Trust | 0.01 | - |
| Allowance for bad and doubtful debts | Hathway Channel 5 Cable & Datacom Private Limited | Joint Venture | 3.81 | 3.81 |
| | Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited) | (Refer Note 4.18) | - | 2.28 |
| | Others | Joint Venture | 0.80 | 0.80 |
| Impairment in Value of Investments | Hathway Channel 5 Cable & Datacom Private Limited | Joint Venture | 6.28 | 6.28 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 16.68 | 16.68 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 11.07 | 11.07 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | 3.61 | 5.62 |
| Allowance for bad and doubtful loans | Hathway New Concept Cable & Datacom Private Limited | Joint Venture | - | - |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 7.77 | 7.77 |
| | Hathway VCN Cablenet Private Limited | Associate | 5.50 | 5.50 |
| | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 1.33 | - |
| | Others | Associate | 0.59 | 0.59 |
| | Others | Joint Venture | 1.06 | 1.28 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Nature | Nature | Relationship | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|---|
| Trade Payables | Hathway CBN Multinet Private Limited | Joint Venture of Subsidiary | 0.30 | 0.78 |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | 0.43 | 0.51 |
| | Hathway ICE Television Private Limited | Joint Venture | 0.87 | 0.87 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 0.03 |
| | Hathway SS Cable & Datacom LLP | Joint Venture | 2.60 | 0.85 |
| | Hathway CCN Multi Entertainment (India) Private Limited | Joint Venture of Subsidiary | - | 0.24 |
| | Hathway Palampur City Cable Network Private Limited | Joint Venture | 0.36 | 0.36 |
| | Others | Joint Venture of Subsidiary | 0.01 | - |
| Trade Receivables | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Joint Venture | - | 3.68 |
| | Hathway Channel 5 Cable & Datacom Private Limited | Joint Venture | - | 3.81 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 17.13 | 14.05 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | | 4.73 |
| | Hathway VCN Cablenet Private Limited | Associate | 0.32 | 0.32 |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.29 | 0.28 |
| | Hathway Bhawani NDS Network PrivateLimited | Joint Venture of Subsidiary | - | 0.14 |
| | Others | Associate | 3.77 | - |
| | Others | Joint Venture | 17.05 | 5.76 |
| | Others | Joint Venture of Subsidiary | 9.43 | 1.47 |
| Other Current Liability | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 0.03 | - |
| Security Deposit | Hathway CBN Multinet Private Limited | Joint Venture | 0.51 | - |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture | 1.21 | - |
| | Hathway CCN Multinet Private Limited | Joint Venture | 2.00 | - |
| | Mr. Viren R Raheja | Key Managerial Personnel | 1.84 | 1.84 |
| | Mr. Akshay R Raheja | Key Managerial Personnel | 1.84 | 1.84 |

The Company has extended aggregate loan of ₹ 49.02 (March 31, 2017 : ₹ 22.67) to various Joint Ventures, out of which ₹ 8.42 (March 31, 2017 : ₹ 8.42) is interest free. The Company has given Corporate financial Guarantees of ₹ 28.44 (March 31, 2017 : ₹ 120.93) for the borrowings availed by GTPL Hathway Limited and ₹ Nil (March 31, 2017: ₹ 1.09) by Hathway MCN Private Limited. The Company has fair valued investment in some of its joint ventures and associates and recognised net gain aggregating to ₹ 403.41 till March 31, 2018 (March 31, 2017 : ₹ 435.61)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 4.12 INTEREST IN OTHER ENTITIES

### a) Subsidiaries

The Group's subsidiaries at March 31, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation or registration is also their principle place of business.

| Name of Subsidiary | Principal Activity | Place of Incorporation & Operation | Proportion of ownership interest and voting power held by them | |
|---|---|---|---|---|
| | | | March 31, 2018 | March 31, 2017 |
| Hathway New Concept Cable and Datacom Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Software Developers Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Bhawani Cabletel and Datacom Ltd | Cable Television network Services | India | 51.60% | 51.60% |
| Hathway Digital Private Limited (F.k.a. Hathway Datacom Central Pvt Ltd) | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Broadband Pvt Ltd | Internet Service Provider | India | 100.00% | 100.00% |
| Hathway Krishna Cable Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Bee Network and Communication Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Nashik Cable Network Pvt Ltd | Cable Television network Services | India | 90.06% | 90.06% |
| Hathway Kokan Crystal Cable Network Pvt Ltd | Cable Television network Services | India | 96.36% | 96.36% |
| Hathway Cnet Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Channels India Network Pvt Ltd | Cable Television network Services | India | 95.63% | 95.63% |
| Hathway Enjoy Cable Network Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway JMD Farukhabad Cable Network Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Chennai Cable Vision Network Pvt Ltd | Cable Television network Services | India | 75.99% | 75.99% |
| Hathway Media Vision Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Elite Cable Network Pvt Ltd | Cable Television network Services | India | 80.00% | 80.00% |
| Hathway United Cables Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Name of Subsidiary | Principal Activity | Place of Incorporation & Operation | Proportion of ownership interest and voting power held by them | |
|---|---|---|---|---|
| | | | March 31, 2018 | March 31, 2017 |
| UTN Cable Communication Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Space Vision Cabletel Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Gwalior Cable and Datacom Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Ideal Cables Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Binary Technology Transfers Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Internet Satellite Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| ITV Interactive Media Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Liberty Media Vision Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Vision India Network Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Win Cable & Datacom Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Mysore Cable Network Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Mantra Cable and Datacom Pvt Ltd | Cable Television network Services | India | 100.00% | 100.00% |

**b) Non-controlling interests**

The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

**c) Interest in Joint Ventures and Associates**

Below is the associate of the Group as at March 31, 2018 which, in the opinion of the directors, are material to the Group. The entity listed below has share capital consisting solely of equity shares, which is held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

| Name of the entity | Place of business | As at | % of ownership interest | Relationship | Accounting method | Carrying amount |
|---|---|---|---|---|---|---|
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) * | India | March 31, 2018 | 37.32% | Associate | Equity method | 604.80 |
| | | March 31, 2017 | 50.00% | Joint Venture | Equity method | 676.42 |

* Quoted fair value as on March 31, 2018. : ₹ 583.42 (As on March 31, 2017 : Unlisted entity - no quoted price available)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

**Share in Contingent liabilities of GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) :**

1 GTPL Broadband Private Limited (GBPL), one of the subsidiary Company of our associate GTPL Hathway Ltd., has been granted Unified License from Ministry of Communications & IT, under Government of India, under which GBPL is required to pay an annual license fee at the rate of 8% of the its adjusted gross revenue. Hathway Cable and Datacom Limited (Hathway), the Company's Holding Company, along with others has filed a petition (petition no. 655 of 2015) under sections 14 and 14A of the TRAI Act against the DoT before the Telecom Dispute Settlement Appellate Tribunal (TDSAT). It was averred that the unified ISP license policy arbitrarily distinguished between existing ISP licenses required to be renewed and existing ISP licenses not requiring renewal for the near future. Further, it was averred that the inclusion of revenue from 'pure internet services' in the adjusted gross revenue for the computation of license fees under DoT's new unified ISP license policy was contrary to the order dated October 12, 2012 of the TDSAT (in petition No. 429 of 2012). TDSAT vide its order dated December 10, 2015 (TDSAT Order) has granted stay with respect to the matter filed by Hathway. Further, GBPL is in the process of filing a petition with the TDSAT on similar grounds. The license fee for the period ended March 31, 2018 works out to ₹ 20.28 (Group share = ₹ 7.57) (8% of ₹ 253.45 adjusted gross revenue). On the basis of the TDSAT Order, the license fee of ₹ 7.57 has been considered to be contingent in nature.

2 A shareholder of GTPL Kolkata Cable & Broadband Pariseva Limited, one of the subsidary company of our associate GTPL Hathway Ltd. offered to sell his 30,000 shares to the company (buy back), price offered by company was not accepted by him. Matter was then referred to Company Law Board, whereby Board appointed a valuer. Valuation finalised by Company Law Board was not accepted by company, hence, petition was filed with High Court against Board's order. Value was finalised by valuer of High Court at ₹ 2.4 (₹ 800/- per share). Hence, petition was filed in Supreme Court against order passed by High Court. Supreme Court agreed to hear petition on a condition that "Company to deposit ₹ 2 in cash & ₹ 0.05 as bank guarantee with registrar of court". Hence, company has paid ₹ 0.92 million as guarantee with Registrar and petition is yet to be heard in Supreme Court.

3 Claims against the Company not acknowledged as debt:

| Particulars | As at March 31, | |
|---|---|---|
| | 2018 | 2017 |
| Income Tax Matters | 2.32 | 1.06 |
| Sales-Tax/VAT Matters | 2.84 | 2.80 |
| Entertainment Tax Matters | 2.63 | 4.13 |
| Services Tax Matters | 7.24 | - |

**Share in Capital and other committments of GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) :**

Estimated amount of contracts remaining to be executed on capital account including commitment towards investments in subsidiaries and joint ventures / partnerships net of advances aggregate to ₹ 31.28 (March 31, 2017: ₹ 2.99).

**Share in corporate and bank guarantees of GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) :**

GTPL Hathway Limited has given bank guarantees of ₹ 5.14 (March 31, 2017 : ₹ 3.75);

GTPL Hathway Limited has given corporate guarantees of ₹ 0.49 (March 31, 2017 : ₹ Nil)

**Summarised financial information for Joint Ventures and Associate**

The tables below provide summarised financial information for an Associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of such associate and not parent's share of those amounts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

**Summarised balance sheet**

| Particulars | GTPL hathway Limited(f.k.a GTPL Hathway Limited)# | |
|---|---|---|
| | March 31, 2018 | March 31, 2017 |
| **Current assets** | | |
| Cash and cash equivalents | 85.73 | 96.67 |
| Other assets | 448.42 | 403.40 |
| **Total Current assets** | **534.15** | **500.07** |
| **Total Non current assets** | **1,384.37** | **1,191.51** |
| **Current liabilities** | | |
| Financial Liabilities | 315.93 | 196.49 |
| Other liabilities | 602.92 | 613.74 |
| **Total current liabilities** | **918.85** | **810.23** |
| **Non current liabilities** | | |
| Financial Liabilities | 110.37 | 306.62 |
| Other liabilities | 231.62 | 205.89 |
| **Total Non current liabilities** | **341.99** | **512.51** |
| **Net assets** | **657.68** | **368.84** |

**Summarised statement of profit and loss**

| | GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd)# | |
|---|---|---|
| | March 31, 2018 | March 31, 2017 |
| Revenue | 1,345.85 | 653.12 |
| Interest Income | 6.28 | 4.54 |
| Depreciation & amortisation | 209.12 | 101.40 |
| Interest expense | 52.85 | 44.57 |
| Income Tax expense | 46.64 | 9.30 |
| **Profit or (loss) for the year** | **65.77** | **16.87** |
| **Other Comprehensive income or (loss) for the year** | **0.18** | **(0.12)** |
| **Total Comprehensive Income or (loss) for the year** | **65.95** | **16.75** |
| **Dividend received** | **4.20** | **-** |

**d) Individually immaterial Joint ventures and Associates**

**Commitments and Contingent liabilities in respect of immaterial Joint ventures and Associates**

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Capital and Other commitments | | |
| Share of capital commitment in Joint Venture | - | - |
| Share of capital commitment in Associates | - | - |
| Bank Guarantees | | |
| Share in Joint Venture/Associates | **-** | **-** |
| Contingent liabilities | | |
| Share in Associates' contingent liabilities | - | 0.01 |
| Share in Joint Ventures' contingent liabilities in respect of VAT/CST, excise and service tax claims not acknowledged as debts | **0.12** | **0.03** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| **Aggregate carrying amount of individually immaterial Joint ventures and Associates** | **36.94** | **42.20** |
| **Aggregate amounts of the group's share of:** | | |
| Profit/(loss) from continuing operations | 5.09 | (5.55) |
| Post-tax profit or loss from discontinued operations | | |
| Other comprehensive income | * | **0.01** |
| **Total comprehensive income** | **5.09** | **(5.54)** |

* Amount less than 50000

** Indicates disclosures that are not required

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Share of profits/ (losses) from Joint Venture | 5.04 | 2.76 |
| Share of profits /(losses) from Subsidiary's Joint Ventures | 0.05 | 0.13 |
| Share of profits/ (losses) from Associate | - | - |
| **Total share of profits / (losses) from Joint Ventures and Associates** | **5.09** | **2.89** |

### Unrecognised share of loss of associates

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Unrecognised share of loss for the year of associates | - | * |
| Cumulative unrecognised share of loss of associates | **(2.33)** | **(2.34)** |

* Amount less than 50000

### Reconciliation of Net Assets considered for Consolidated financial statement to Group's share in Net Assets as per Associates' and Joint ventures' financial statements

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| **Group's share in Net Assets of Associates' and Joint ventures as per Entity's Financials** | 256.29 | 204.18 |
| **Add/ (Less) : Consolidation adjustment** | | |
| (i) Goodwill on consolidation | 100.62 | 110.99 |
| (ii) Fair value of Investments | 337.79 | 403.69 |
| (iii) Dividends Distributed | - | (0.24) |
| (iv) Change in stake | (52.97) | - |
| **Net Asset as per Consolidated Financials** | **641.73** | **718.62** |

# Refer Note 4.14 (a) & 4.17

### Change in Group's ownership interest in subsidiary

#### Financial Year 2017-18

There is no change in group's ownership interest in subsidiaries during the financial year 2017-18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

**Financial Year 2016-17**

| Name of the company | Hathway Software Developers Pvt Ltd | UTN Cable Communications Pvt Ltd. |
|---|---|---|
| Original Stake | 84.04% | 96.27% |
| Carrying amount | 2.80 | 0.44 |
| Date of acquisition of further stake | November 21, 2016 | August 17, 2016 |
| Consideration | 0.11 | 0.02 |
| Additional acquisition | | |
| FY 15-16 | 0.00% | 0.00% |
| FY 17-18 | 15.96% | 3.73% |
| Carrying value | (0.37) | (0.32) |
| **(Capital reserve) / Goodwill** | **0.47** | **0.34** |

## 4.13 NOTE ON CONSOLIDATION OF CERTAIN JOINT VENTURES BASED ON MANAGEMENT ACCOUNTS

**Financial Year 2017-18**

i) The Company holds 51% in two of its joint ventures namely Hathway Sai Star Cable & Datacom Pvt Ltd and Hathway Dattatray Cable Network Pvt Ltd, 57% in one of its joint veture namely Hathway Sonali Om Crystal Cable Pvt Ltd and holds 51% in one of its step down joint venture namely Hathway CCN Multinet Pvt Ltd. In the absence of availability of the Audited financials for the purposes of consolidation, Consolidated Financial Statement for the financial year 2017-18 are prepared by considering the Management Accounts of these joint ventures.

**Financial Year 2016-17**

i) The Company holds 51% in two of its joint ventures namely Hathway Sai Star Cable & Datacom Pvt Ltd. and Hathway Dattatray Cable Network Private Limited. There are certain operational disagreements with minority partners of these entities. The financial statements of these entities for past three years i.e. 2014-15, 2015-16 and 2016-17 have not been prepared and hence not audited. Consolidated Financial Statement for the financial year 2016-17 of the Group have been prepared based on draft accounts prepared and certified by the holding company.

ii) The Company has interest of 49% Hathway Patiala Cable Pvt Ltd (f.k.a. Hathway Sukhamrit Cable & Datacom Pvt. Ltd), classifed as joint venture till March 31, 2017. In the absence of availability of the Audited financials for the purposes of consolidation, Consolidated Financial Statement for the financial year 2016-17 were prepared by considering the Management Accounts of this joint venture.

iii) The Company has a holding of 51% in some of its step down joint ventures namely Hathway CCN Multinet Pvt. Ltd., Hathway CCN Entertainment (India) Pvt. Ltd., Hathway CBN Multinet Pvt. Ltd. and has 70% holding in step down subsidiary namely Hathway CCN Multi Entertainment Pvt. Ltd. In the absence of availability of the Audited financials for the purposes of consolidation, Consolidated Financial Statement for the financial year 2016-17 were prepared by considering the Management Accounts of these joint ventures.

## 4.14 EXCEPTIONAL ITEMS

a) During the quarter, the Company has offloaded 72 lakhs shares of GTPL Hathway Limited under Offer to sale @ ₹ 170 per share. The holding of the Company has reduced from 50% to 37.32%.

b) In terms of the arbitration award dated April 19, 2018, the matter of Venkat Sai Media Private Limited vs Hathway Cable and Datacom Limited,related debtors of ₹ 4.26 have been written-off during the year

c) Pursuant to circular dated December 17, 2012 issued by the Delhi Entertainment Department, the MSOs were made responsible for collection and payment of Entertainment Tax for secondary points w.e.f. April 1, 2013. The Company challenged the constitutional vires of the said circular and filed writ petition in the matter before the High Court of Delhi. The High Court pronounced a favourable judgment stating that the liability to collect and deposit the Entertainment Tax

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

for secondary points rests wholly and solely upon the LCOs, before and after March 31,2013, as they are the Proprietor of their individual cable TV network, and not the MSOs. Accordingly, the Company during the previous financial year 2016-17 had reversed provision of ₹ 9.70 made on account of Entertainment tax.

## 4.15 GOODWILL ON CONSOLIDATION COMPRISES OF:

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Goodwill on Consolidation | 86.26 | 86.26 |
| Less : Capital Reserve on Consolidation | (1.87) | (1.87) |
| Net Goodwill on Consolidation | 84.39 | 84.39 |

**4.16** In case of Hathway Digital Private Limited (HDPL), a wholly owned subsidiary, pursuant to introduction of Digital Addressable System (DAS), in terms of TRAI Regulations the MSOs are required to inter alia enter into inter connect agreements with local cable operators. The Company has entered into such contract with most of the local cable operators, however in few networks, it is pending due to resistance from Local cable operators. In such cases, pending execution of documents, income recognised is based on various underlying factors including rate charged by other MSO's, ongoing negotiations with cable operators etc. The management has reviewed the outstanding receivables and has made suitable provisioning, wherever required and is confident that it is stated at realisable amount.

**4.17** During the previous financial year, GTPL Hathway Limited (GTPL), a Joint Venture till June 30, 2017 and associate thereafter, having many step-down entities, it was not practicable for GTPL to draw up its consolidated financial statements up to March 31, 2017 within stipulated period in which the Company was required to publish its audited consolidated financial results. Accordingly, the management had considered audited consolidated financial statements of GTPL for nine month period ended December 31, 2016. During the current financial year, the management has considered audited consolidated financial results of GTPL from April 1, 2017 to March 31, 2018 and audited figures for the quarter ending March 31, 2017.

**4.18** In previous reporting period, the investments in equity shares of Hathway Patiala Cable Private Limited (formerly known as Hathway Sukhamrit Cable & Datacom Pvt Ltd) was classified as investments in Joint Venture. However, the management no longer intends to exercise its influence in operations of Hathway Patiala Cable Pvt Ltd. Accordingly, such interest in Hathway Patiala Cable Pvt Ltd has been reclassified and measured as financial assets in terms of Ind AS 109. Considering the financial statements of earlier years and the future plans of Hathway Patiala Cable Pvt Ltd, the management is of the view that fair value of the equity shares of Hathway Patiala Cable Pvt Ltd would be at least equal to its carrying amount.

**4.19** 13 subsidiaries and 1 Joint venture of the Group have incurred net loss during the year ended March 31, 2018 and as of that date, the liabilities of each of these companies exceeded their total assets. Accordingly, financial statement of these companies have not been prepared on going concern basis as material uncertainty exists that cast significant doubts on these companies ability to continue as a going concern.

## 4.20 RECENTS PRONOUNCEMENTS

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

  The Group has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is being ascertained.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

## 4.21 SEGMENT INFORMATION

The Group reportable segments under Ind AS 108 are Broadband Business and Cable Television.

**Segment Revenue and Results:**

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

| Particulars | | Segment Revenue As at March 31, 2018 | Segment Results As at March 31, 2018 |
|---|---|---|---|
| Broadband Business | (a) | 544.54 | 130.25 |
| Cable Television | (b) | 990.08 | (129.33) |
| | (a)+(b) | 1534.62 | 0.92 |
| Less: Inter Segment revenue | | - | - |
| **Total** | | **1,534.62** | **0.92** |
| Add: Other un-allocable income net of un-allocable expenditure | | | 4.41 |
| Add: Share of profit/ (loss) of associates and joint ventures | | | 39.13 |
| Less: Finance Costs | | | 152.76 |
| **Segment Results** | | | **(108.30)** |

**Segment Assets & Liabilities**

| Particulars | | As at March 31, 2018 |
|---|---|---|
| **Segment Assets** | | |
| Broadband Business | (a) | 932.71 |
| Cable Television | (b) | 1,472.18 |
| Total Segment Assets | (a)+(b) | 2,404.89 |
| Unallocable | | 864.47 |
| **Consolidated Total Assets** | | **3,269.36** |

**Segment Liabilities**

| Particulars | | As at March 31, 2018 |
|---|---|---|
| **Segment Liabilities** | | |
| Broadband Business | (a) | 298.49 |
| Cable Television | (b) | 493.69 |
| Total Segment Liabilities | (a)+(b) | 792.18 |
| Unallocable | | 1,688.67 |
| **Consolidated Total Liabilities** | | **2,480.85** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Other Segment Information | Broadband Business | Cable Television | Total |
|---|---|---|---|
| **Capital Expenditure:** | | | |
| Additions to Property, Plant & Equipment | 218.03 | 160.22 | 378.25 |
| Additions to Intangible assets | 8.68 | 10.01 | 18.69 |
| **Material Non Cash items:** | | | |
| Depreciation | 79.15 | 208.27 | 287.42 |
| Amortisation | 5.65 | 27.87 | 33.52 |
| Impairment during the year of Property, Plant and Equipment / Intangibles | 12.40 | 1.36 | 13.75 |
| Allowance for Doubtful Advances / impairment in value of Investments / Impairment of trade receivables from Entities Under/ Joint Control and others | 8.74 | 1.33 | 10.07 |
| Allowance on trade receivables during the year | 12.00 | 37.62 | 49.62 |

**Information about Products and Services**

**Revenue from external customers**

| Product/ Service | Broadband Business | Cable Television | Total |
|---|---|---|---|
| Subscription Income | 540.85 | 573.35 | 1,114.20 |
| Carriage Income | - | 297.74 | 297.74 |
| Activation Income | - | 96.36 | 96.36 |
| Other Operating Revenues | 3.69 | 22.63 | 26.32 |

**Information about Geographical Areas**

| Geographical Information | Broadband Business | Cable Television | Total |
|---|---|---|---|
| **India** | | | |
| Revenues from external customers | 544.54 | 990.08 | 1,534.62 |
| Non-current Assets other than financial instruments, deferred tax assets, post-employment benefit assets | 88.44 | 56.36 | 144.80 |

Note : In view of restructuring during the year and review of operating results by the Managing Director and Chief Operating Decision Maker (CODM), the above segment information have been prepared. During the previous period, the Group's business activity was considered as single operating segment and consequently no previous period comparatives have been presented. The accounting principles used in the preparation of the financial statements are consistently applied in individual segment to prepare segment reporting.

## 4.22 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT,2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

**March 31, 2018 :**

| Name of the entity in the group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | 12.53% | 98.80 | -69.55% | 68.91 | -91.17% | 1.26 | -69.85% | 70.17 |
| **Subsidiaries (Group's share)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Hathway Bhawani Cabletel and Datacom Ltd* | -0.76% | (5.98) | 0.01% | (0.01) | -5.53% | 0.08 | -0.06% | 0.06 |
| Hathway Digital Private Limited (f.k.a. Hathway Datacom Central Ltd) | 20.99% | 165.51 | 180.40% | (178.74) | -83.74% | 1.16 | 176.76% | (177.59) |
| Hathway Broadband Pvt Ltd | 0.38% | 3.01 | -0.16% | 0.16 | 0.00% | - | -0.16% | 0.16 |
| Hathway Krishna Cable Pvt Ltd | -0.17% | (1.35) | 6.23% | (6.18) | 0.00% | - | 6.15% | (6.18) |
| Bee Network and Communication Pvt Ltd | -0.17% | (1.34) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Nashik Cable Network Pvt Ltd | -1.31% | (10.36) | 0.60% | (0.60) | 0.00% | - | 0.59% | (0.60) |
| Hathway Kokan Crystal Cable Network Pvt Ltd | 0.37% | 2.88 | 0.63% | (0.62) | -6.42% | 0.09 | 0.53% | (0.53) |
| Hathway Cnet Pvt Ltd | -0.06% | (0.43) | 0.00% | - | 0.00% | - | 0.00% | - |
| Channels India Network Pvt Ltd | -0.17% | (1.32) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Enjoy Cable Network Pvt Ltd | 0.00% | 0.01 | 0.00% | * | 0.00% | - | 0.00% | * |
| Hathway JMD Farukhabad Cable Network Pvt Ltd | 0.00% | * | 0.00% | - | 0.00% | - | 0.00% | - |
| Chennai Cable Vision Network Pvt Ltd | -0.25% | (1.99) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Media Vision Pvt Ltd | -0.32% | (2.54) | 0.30% | (0.29) | 0.00% | - | 0.29% | (0.29) |
| Elite Cable Network Pvt Ltd | 0.00% | (0.02) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway United Cables Pvt Ltd | -0.02% | (0.16) | 0.00% | * | 0.00% | - | 0.00% | * |
| UTN Cable Communication Pvt Ltd | -1.92% | (15.17) | 4.81% | (4.77) | 0.00% | - | 4.75% | (4.77) |
| Hathway Space Vision Cabletel Pvt Ltd | -0.13% | (1.04) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Gwalior Cable and Datacom Pvt Ltd | -0.07% | (0.57) | -0.09% | 0.09 | 0.00% | - | -0.09% | 0.09 |
| Ideal Cables Pvt Ltd | -0.10% | (0.78) | -0.04% | 0.04 | 0.00% | - | -0.04% | 0.04 |
| Binary Technology Transfers Pvt Ltd | -0.21% | (1.63) | -0.06% | 0.06 | 0.00% | - | -0.06% | 0.06 |
| Hathway Internet Satellite Pvt Ltd | -0.21% | (1.63) | -0.06% | 0.06 | 0.00% | - | -0.06% | 0.06 |
| ITV Interactive Media Pvt Ltd | -0.05% | (0.42) | 0.00% | - | 0.00% | - | 0.00% | - |
| Liberty Media Vision Pvt Ltd | -0.29% | (2.27) | 0.01% | * | 0.00% | - | 0.00% | * |
| Vision India Network Pvt Ltd | -0.26% | (2.06) | 0.00% | - | 0.00% | - | 0.00% | - |
| Win Cable & Datacom Pvt.Ltd. | -2.50% | (19.70) | 0.00% | * | 0.00% | - | 0.00% | * |
| Hathway Mantra Cable and Datacom Pvt Ltd | -1.62% | (12.76) | 7.87% | (7.79) | 0.00% | - | 7.76% | (7.79) |
| Hathway New Concept Cable and Datacom Pvt Ltd | -0.01% | (0.11) | 1.04% | (1.03) | 0.00% | - | 1.02% | (1.03) |
| Hathway Software Developers Pvt Ltd | -1.36% | (10.75) | 4.04% | (4.00) | 0.00% | - | 3.98% | (4.00) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Name of the entity in the group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Hathway Mysore Cable Network Pvt Ltd | -2.16% | (17.05) | 4.77% | (4.73) | 0.00% | - | 4.71% | (4.73) |
| **Non-controlling interests in all subsidiaries** | | | | | | | | |
| **Indian** | -0.49% | (3.88) | -8.86% | 8.78 | 291.19% | (4.03) | -4.73% | 4.75 |
| **Joint ventures (Investment as per equity method)** | | | | | | | | |
| Hathway Cable MCN Nanded Pvt Ltd | 0.04% | 0.31 | 0.39% | (0.38) | 0.00% | - | 0.38% | (0.38) |
| Hathway ICE Television Pvt Ltd | -0.08% | (0.60) | 0.01% | (0.01) | 0.00% | - | 0.01% | (0.01) |
| Hathway Latur MCN Cable and Datacom Pvt Ltd | 0.00% | (0.03) | 0.02% | (0.02) | 0.00% | - | 0.02% | (0.02) |
| Hathway Sai Star Cable and Datacom Pvt Ltd | 1.54% | 12.16 | -8.28% | 8.20 | 0.00% | - | -8.17% | 8.20 |
| Hathway Sonali OM Crystal Cable Pvt Ltd | 0.04% | 0.35 | 0.34% | (0.34) | 0.00% | - | 0.34% | (0.34) |
| Net 9 Online Hathway Pvt Ltd | 0.38% | 2.98 | -0.21% | 0.21 | -1.47% | 0.02 | -0.23% | 0.23 |
| Hathway Palampur Cable Network Pvt Ltd | 0.03% | 0.25 | 0.21% | (0.21) | 0.00% | - | 0.21% | (0.21) |
| Hathway Prime Cable and Datacom Pvt Ltd | -0.02% | (0.18) | 0.06% | (0.06) | 0.00% | - | 0.06% | (0.06) |
| Hathway MCN Pvt Ltd | 0.66% | 5.23 | 0.42% | (0.41) | 1.30% | (0.02) | 0.43% | (0.43) |
| Hathway SS Cable & Datacom LLP | -0.02% | (0.16) | 0.73% | (0.72) | 0.00% | - | 0.72% | (0.72) |
| Hathway Bhawani NDS Network Pvt Ltd | 0.06% | 0.49 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway CCN Multinet Pvt Ltd | 0.85% | 6.70 | -0.29% | 0.29 | 0.00% | - | -0.28% | 0.29 |
| Hathway CCN Entertainment (India) Pvt Ltd | 0.64% | 5.07 | -0.12% | 0.12 | 0.00% | - | -0.12% | 0.12 |
| Hathway CBN Multinet Pvt Ltd | 0.08% | 0.61 | 0.23% | (0.23) | 0.00% | - | 0.23% | (0.23) |
| Hathway Bhaskar CCN Multi Entertainment Pvt Ltd | 0.35% | 2.79 | 0.29% | (0.28) | 0.00% | - | 0.28% | (0.28) |
| Hathway Digital Saharanpur Cable and Datacom Pvt Ltd | -0.37% | (2.92) | 0.01% | (0.01) | 0.00% | - | 0.01% | (0.01) |
| Hathway Channel 5 Cable and Datacom Pvt Ltd | -0.04% | (0.33) | 0.16% | (0.16) | 0.00% | - | 0.16% | (0.16) |
| Hathway Dattatray Cable Network Pvt Ltd | -0.49% | (3.87) | 0.26% | (0.26) | 0.00% | - | 0.26% | (0.26) |
| **Associate (Investment as per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) (Refer Note 4.14 (a) & 4.17)** | 76.70% | 604.80 | -26.10% | 25.86 | -4.17% | 0.06 | -25.80% | 25.92 |
| **Total** | **100.00%** | **788.51** | **100.00%** | **(99.08)** | **100.00%** | **(1.38)** | **100.00%** | **(100.46)** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

**March 31, 2017 :**

| Name of the entity in the group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | 40.17% | 357.47 | 79.35% | (153.25) | 119.01% | 0.31 | 79.29% | (152.43) |
| **Subsidiaries (Group's share)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Hathway Bhawani Cabletel and Datacom Ltd** | -0.45% | -4.01 | 0.47% | (0.90) | 20.97% | 0.06 | 0.44% | (0.84) |
| Hathway Digital Private Limited (f.k.a. Hathway Datacom Central Ltd) | -7.73% | -69.27 | 14.84% | (28.57) | -14.30% | (0.04) | 14.88% | (28.60) |
| Hathway Broadband Pvt Ltd | 0.32% | 2.85 | -0.09% | 0.17 | 0.00% | - | -0.09% | 0.17 |
| Hathway Krishna Cable Pvt Ltd | -1.79% | -16.01 | 1.17% | (2.25) | 0.00% | - | 1.17% | (2.25) |
| Bee Network and Communication Pvt Ltd | -0.15% | -1.34 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Nashik Cable Network Pvt Ltd | -1.09% | -9.77 | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| Hathway Kokan Crystal Cable Network Pvt Ltd | 0.08% | 0.75 | 0.52% | (1.00) | -5.32% | (0.01) | 0.53% | (1.01) |
| Hathway Cnet Pvt Ltd | -0.05% | -0.43 | 0.00% | * | 0.00% | - | 0.00% | * |
| Channels India Network Pvt Ltd | -0.15% | -1.32 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Enjoy Cable Network Pvt Ltd | 0.00% | 0.01 | 0.00% | * | 0.00% | - | 0.00% | * |
| Hathway JMD Farukhabad Cable Network Pvt Ltd | 0.00% | 0.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| Chennai Cable Vision Network Pvt Ltd | -0.22% | -2.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Media Vision Pvt Ltd | -0.18% | -1.63 | 0.33% | (0.64) | 0.00% | - | 0.33% | (0.64) |
| Elite Cable Network Pvt Ltd | 0.00% | -0.02 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway United Cables Pvt Ltd | -0.02% | -0.16 | 0.00% | (0.00) | 0.00% | - | 0.00% | * |
| UTN Cable Communication Pvt Ltd | -2.24% | -20.04 | 1.28% | (2.46) | 0.00% | - | 1.28% | (2.46) |
| Hathway Space Vision Cabletel Pvt Ltd | -0.12% | -1.04 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Universal Cabletel and Datacom Pvt Ltd | 0.00% | 0.01 | -0.01% | 0.02 | 0.00% | - | -0.01% | 0.02 |
| Hathway Gwalior Cable and Datacom Pvt Ltd | -0.07% | -0.67 | 0.00% | (0.00) | 0.00% | - | 0.00% | * |
| Ideal Cables Pvt Ltd | -0.09% | -0.82 | 0.00% | (0.00) | 0.00% | - | 0.00% | * |
| Binary Technology Transfers Pvt Ltd | -0.19% | -1.68 | 0.04% | (0.08) | 0.00% | - | 0.04% | (0.08) |
| Hathway Internet Satellite Pvt Ltd | -0.19% | -1.69 | 0.04% | (0.08) | 0.00% | - | 0.04% | (0.08) |
| ITV Interactive Media Pvt Ltd | -0.05% | -0.42 | 0.00% | (0.00) | 0.00% | - | 0.00% | * |
| Liberty Media Vision Pvt Ltd | -0.25% | -2.27 | 0.01% | (0.02) | 0.00% | - | 0.01% | (0.02) |
| Vision India Network Pvt Ltd | -0.23% | -2.06 | 0.00% | - | 0.00% | - | 0.00% | - |
| Win Cable & Datacom Pvt.Ltd. | -2.20% | -19.70 | 0.00% | * | 0.00% | - | 0.00% | * |
| Hathway Mantra Cable and Datacom Pvt Ltd | -0.55% | -4.96 | 0.32% | (0.62) | 0.00% | - | 0.32% | (0.62) |
| Hathway New Concept Cable and Datacom Pvt Ltd | 0.31% | 2.77 | 0.71% | (1.36) | 0.00% | - | 0.71% | (1.36) |
| Hathway Software Developers Pvt Ltd | -1.55% | -13.92 | 1.12% | (2.15) | 0.00% | - | 1.12% | (2.15) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

| Name of the entity in the group | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Hathway Mysore Cable Network Pvt Ltd | -1.61% | (14.41) | 1.58% | (3.04) | 0.00% | - | 1.58% | (3.04) |
| **Non-controlling interests in all subsidiaries** | | | | | | | | |
| **Indian** | 0.10% | 0.87 | -0.23% | 0.44 | 0.00% | - | -0.23% | 0.44 |
| **Joint ventures (Investment as per equity method)** | | | | | | | | |
| Hathway Universal Cabletel and Datacom Pvt Ltd | 0.00% | 0.01 | 0.00% | - | 0.00% | - | 0.00% | - |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) (Refer Note 4.17) ** | 75.47% | 676.42 | -4.38% | 8.44 | -22.66% | (0.06) | -4.36% | 8.38 |
| Hathway Cable MCN Nanded Pvt Ltd | 0.08% | 0.69 | -0.06% | 0.11 | 0.00% | - | -0.06% | 0.11 |
| Hathway ICE Television Pvt Ltd | 0.00% | * | 0.00% | * | 0.00% | - | 0.00% | * |
| Hathway Latur MCN Cable and Datacom Pvt Ltd | 0.03% | 0.27 | -0.05% | 0.09 | 0.00% | - | -0.05% | 0.09 |
| Hathway Sai Star Cable and Datacom Pvt Ltd | 0.53% | 4.75 | 0.94% | (1.81) | 0.00% | - | 0.94% | (1.81) |
| Hathway Sonali OM Crystal Cable Pvt Ltd | 0.07% | 0.64 | 0.22% | (0.42) | 0.00% | - | 0.22% | (0.42) |
| Net 9 Online Hathway Pvt Ltd | 0.31% | 2.74 | -0.13% | 0.25 | 4.52% | 0.01 | -0.14% | 0.26 |
| Hathway Palampur Cable Network Pvt Ltd | 0.05% | 0.46 | 0.06% | (0.11) | 0.00% | - | 0.06% | (0.11) |
| Hathway Prime Cable and Datacom Pvt Ltd | 0.02% | 0.20 | 0.01% | (0.02) | 0.00% | - | 0.01% | (0.02) |
| Hathway MCN Pvt Ltd | 0.63% | 5.66 | 0.10% | (0.20) | -2.21% | (0.01) | 0.10% | (0.20) |
| Hathway SS Cable & Datacom LLP | 0.06% | 0.57 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Sukhamrit cable & Datacom Pvt Ltd | 1.20% | 10.74 | -1.65% | 3.17 | 0.00% | - | -1.65% | 3.17 |
| Hathway Bhawani NDS Network Pvt Ltd | 0.02% | 0.19 | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway CCN Multinet Pvt Ltd | 0.72% | 6.41 | 0.01% | (0.02) | 0.00% | - | 0.01% | (0.02) |
| Hathway CCN Entertainment (India) Pvt Ltd | 0.55% | 4.95 | -0.08% | 0.15 | 0.00% | - | -0.08% | 0.15 |
| Hathway CBN Multinet Pvt Ltd | 0.09% | 0.84 | 0.20% | (0.38) | 0.00% | - | 0.20% | (0.38) |
| Hathway Bhaskar CCN Multi Entertainment Pvt Ltd | 0.34% | 3.08 | -0.13% | 0.26 | 0.00% | - | -0.13% | 0.26 |
| Hathway Digital Saharanpur Cable and Datacom Pvt Ltd | 0.00% | - | 0.49% | (0.94) | 0.00% | - | 0.49% | (0.94) |
| Hathway Channel 5 Cable and Datacom Pvt Ltd | 0.00% | - | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| Hathway Mysore Cable Network Pvt Ltd | 0.00% | - | 1.32% | (2.55) | 0.00% | - | 1.33% | (2.55) |
| Hathway Dattatray Cable Network Pvt Ltd | 0.00% | - | 1.69% | (3.24) | 0.00% | - | 1.69% | (3.24) |
| **Total** | **100.00%** | **893.70** | **100.00%** | **(193.00)** | **100.00%** | **0.26** | **100.00%** | **(192.24)** |

* Amount Less than ₹ 50,000

** Based on consolidated financial statement of the respective entities

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Crores unless otherwise stated)

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

As per our report of even date
**For Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No : 107023W

**(K.Y. Narayana)**
Partner
Membership No : 060639

Place: Mumbai
Date: May 28, 2018

**For and on behalf of the Board**

**(Vinayak Aggarwal)**
Director
DIN : 00007280

**(Rajan Gupta)**
Managing Director
DIN : 07603128

**(Ajay Singh)**
Head Corporate Legal, Company Secretary
and Chief Compliance Officer
FCS - 5189

Place: Mumbai
Date: May 28, 2018

# NOTES

# NOTES

## HATHWAY CABLE AND DATACOM LIMITED

'Rahejas', 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai – 400054
Tel: 91-22-26001306 Fax: 91-22-26001307
CIN: L64204MH1959PLC011421
Website: www.hathway.com ; E-mail: info@hathway.net

## ATTENDANCE SLIP

| | |
|---|---|
| Registered Folio No./ DP ID / Client ID: | |
| Name and address of the Member(s):<br>Joint Holder 1:<br>Joint Holder 2: | |
| Number of Shares held: | |

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 58th Annual General Meeting of the Company at ISKCON's Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai – 400049 on Tuesday, 11th September, 2018 at 3.00 p.m.

_____ _____

Name of the member / proxy Signature of member / proxy

Note:

1. *Only Member/Proxy holder can attend the Meeting.*
2. *Please fill up the attendance slip and hand it over at the entrance of the meeting hall.*
3. *Members are requested to bring their copies of the Annual Report to the AGM.*

## HATHWAY CABLE AND DATACOM LIMITED

'Rahejas', 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai – 400054
Tel: 91-22-26001306 Fax: 91-22-26001307
CIN: L64204MH1959PLC011421
Website: www.hathway.com ; E-mail: info@hathway.net

# MGT-11

# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**58th Annual General Meeting – 11th September, 2018**

| | | |
|---|---|---|
| Name of the Member(s) | : | |
| Registered Address | : | |
| Email | : | |
| Folio No. / Client ID | : | |
| DP ID | : | |

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name: _____ E-mail Id: _____

   Address: _____

   Signature: _____

or failing him/her

2. Name: _____ E-mail Id: _____

   Address: _____

   Signature: _____

or failing him/her

3. Name: _____ E-mail Id: _____

   Address: _____

   Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the company, to be held on Tuesday, 11th September, 2018 at 3.00 p.m. at ISKCON's Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai – 400049 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars | Voting | | |
|---|---|---|---|---|
| | | For | Against | Abstain |
| **ORDINARY BUSINESS** | | | | |
| 1 | Adoption of: | | | |
| | (a) Standalone Financial Statements for the year ended 31st March, 2018 comprising of the Audited Balance Sheet as at 31st March, 2018 and the statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with Report of Directors and Auditors thereon. | | | |
| | (b) Consolidated Financial Statements for the year ended 31st March, 2018 comprising of the consolidated Audited Balance Sheet as at 31st March, 2018 and consolidated statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with Report of Auditors thereon. | | | |
| 2 | To appoint a Director in place of Mr. Vinayak Aggarwal, (DIN 00007280), liable to retire by rotation and being eligible seeks reappointment. | | | |
| **SPECIAL BUSINESS** | | | | |
| 3 | To appoint M/s. Ashok Agarwal & Co., Cost Accountants, (Firm Registration No. 000510) as Cost Auditors of the Company. | | | |

Signed this _____ day of _____ 2018

Affix revenue Stamp of ₹ 1/-

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note:

1. *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
2. *It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.*




www.hathway.com
Toll Free No. 1800-221-119

Concept, Content & Design
WYATTPrism COMMUNICATIONS (info@wyatt.co.in)