

Date: September 3, 2020

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| To, BSE Limited The Corporate Relationship Department, P J Towers, Dalal Street, Mumbai - 400001 BSE Security Code: 533162 | To, National Stock Exchange of India Limited Listing Department "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai – 400051 NSE Trading Symbol: HATHWAY |
|---|---|

Sub.: Intimation of Annual General Meeting of the Members of the Company and Submission of Annual Report for the financial year 2019-20 including Notice of Annual General Meeting

Dear Sir/Madam,

We wish to inform you that pursuant to Regulations 30 and 34 of the Securities and Exchange of India (Listing Obligations and Disclosure Requirements) Regulations, the 60th (Sixtieth) Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, September 25, 2020 through Video Conferencing("VC")/Other Audio Visual Means("OAVM") at 12:00 p.m. (IST).

Please find enclosed herewith the Annual Report for the financial year 2019-20 including Notice convening AGM, which has been sent to the members today i.e. Thursday, September 3, 2020.

The Secretarial Audit Report of material unlisted subsidiary is also enclosed.

The Annual Report for the financial year 2019-20 including Notice is also made available on the website of the Company, viz.,

<https://www.hathway.com/assets/pdf/Annual%20Report/Annual%20Report-2019-20.pdf>

This is for your information and records.

Thanking you,

FOR HATHWAY CABLE AND DATACOM LIMITED



AJAY SINGH

Head Corporate Legal, Company Secretary and Chief Compliance Officer

FCS: 5189

Encls: As above

Hathway Cable and Datacom Limited

805/806, "Windsor", Off C.S.T. Road, Kalina, Santacruz (E), Mumbai 400098. Tel: +91 022 40542500, Fax: +91 22 40542700

Regd. Off: "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (W), Mumbai-400054.

Tel: +91 022 26001306, Fax: +91 22 26001307 Email: info@hathway.net Website: www.hathway.com

CIN: L64204MH1959PLC011421



**STRONGER
SHARPER
SMARTER**



WHAT LIES AHEAD...

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To download or to read this report online, please log on to www.hathway.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sridhar Gorthi

DIN: 00035824

Chairman and Independent Director

Mr. Sasha Mirchandani

DIN: 01179921

Independent Director

Ms. Ameeta Parpia

DIN: 02654277

Independent Director

Mr. Akshay Raheja

DIN: 00288397

Non-Executive Director

Mr. Viren Raheja

DIN: 00037592

Non-Executive Director

Mr. Saurabh Sancheti

DIN: 08349457

Non-Executive Director

Mr. Anuj Jain

DIN: 08351295

Non-Executive Director

Ms. Geeta Fulwadaya

DIN: 03341926

Non-Executive Director

Mr. Rajan Gupta

DIN: 07603128

Managing Director

CHIEF FINANCIAL OFFICER

Mr. Sitendu Nagchaudhuri

HEAD CORPORATE LEGAL, COMPANY SECRETARY AND CHIEF COMPLIANCE OFFICER

Mr. Ajay Singh

FCS No.: 5189

REGISTERED OFFICE

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

Tel No.: (022) 26001306;

Fax No.: (022) 26001307

CIN: L64204MH1959PLC011421

CORPORATE OFFICE

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

Tel No.: (022) 67742500;

Fax No.: (022) 67742400

Website: www.hathway.com

Email: info@hathway.net

STATUTORY AUDITORS

Nayan Parikh & Co.,
Chartered Accountants

SECRETARIAL AUDITORS

Rathi and Associates,
Company Secretaries

COST AUDITORS

Ashok Agarwal & Co.,
Cost Accountants

INTERNAL AUDITORS

Group Internal Audit Cell,
Co-sourced with Chartered
Accountancy Firms

ADVOCATES AND SOLICITORS

Trilegal (Mumbai)

S. Mahomedbhai & Co. (Mumbai)

M/s. Dua Associates (Mumbai)

BANKERS

Axis Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IDFC FIRST Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

Yes Bank Limited

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited

C-101, 247 Park, LBS Marg,

Vikhroli West, Mumbai-400083

Tel: (022) 49186000;

Fax: (022) 49186060

Website: www.linkintime.co.in

THE WORLD IS CHANGING, AND SO ARE ENTERPRISES.

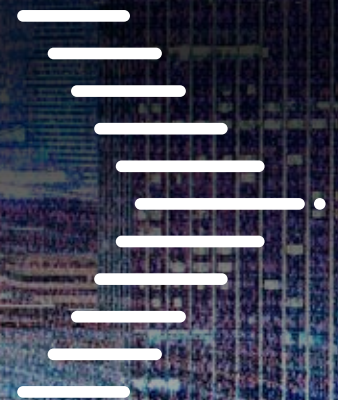
Constantly embracing new ideas, continuously adopting breakthrough technologies and consistently adapting to the fast-paced transformations, businesses today are getting bigger, better and more efficient. Employing the core of their capabilities and capacities, they are powering unprecedented changes across functions to connect more deeply with their customers.





At Hathway, too, we are in the midst of change. Transforming across the organisational fabric, we are progressively strengthening our business proposition to enhance our customer interface. Through a slew of initiatives, we focussed further on augmenting our operational and cost efficiencies during FY 2019-20, as we accelerated the shift towards a more sharply defined Business-to-Consumer (B2C) strategic approach.

Leading this change were our energised efforts to harness the new opportunity landscape unleashed by the New Tariff Order (NTO) regulatory regime, as we moved proactively to address the evolving needs and aspirations of customers more efficaciously. Further being part of the Reliance Group now, has also ushered in greater competencies and capabilities to propel the Company's quest to become a **Stronger, Sharper and Smarter** entity.



STRATEGIC COMMUNIQUE FROM THE MD

Dear Valued Shareholders,

The transformational wave, unleashed in the Indian media and telecommunication industry in the previous fiscal by the NTO regulatory changes, growing competitiveness, market consolidation and new techno-digital interventions, witnessed a further strengthening during FY 2019-20 amid a challenging business landscape. The NTO-driven paradigm shift in TV consumption culture saw a new level of broad-basing, even as online content consumption continued to grow phenomenally to boost demand for high speed connectivity through fixed Broadband.



Aligning ourselves with speed and agility to these fast-paced changes, and seizing the momentum that we had built in FY 2018-19, we, at Hathway, focussed during FY 2019-20 on reinforcing our service charter to drive greater efficiencies. The overarching goal of our efforts was to achieve bigger and smarter growth in a more transparent environment, with customer-centricity driving our strategic plans in the new order of things.

Moving aggressively to implement the NTO through strategic reorientation of our business model, we put into motion a series of initiatives during the year in review. These were aimed at further streamlining our systems and processes, and boosting their efficacy in the new regime. Cumulatively, these measures will help increase satisfaction for both, our Local Cable Operators (LCO) partners and end customers, eventually translating into sustained increase in revenue, profitability and market share.

We also delivered a strong set of operating and financial results for FY 2019-20.

We are proud of our team that has been prudent in financial management and undertook the necessary actions in these unprecedented times towards increasing revenue, controlling costs, optimising Working Capital and Capex, and improving overall financial performance.

Our efforts to enhance our operational efficiencies got a further infusion of energy after the Board of Directors of the Company, at its meeting held on February 17, 2020, approved the Composite Scheme of Amalgamation and Arrangement, paving the way for the amalgamation of the Company, along with Den Networks Limited and TV18 Broadcast Limited, into Network18 Media & Investments Limited. We see in this integration the roadmap for further improvement in our business capability and performance, leading to greater profitability through a more cutting-edge B2C proposition.

As we gear up to sharpen the contours of our transformed strategic framework, our endeavour will be to utilise the levers of technology and digitalisation even more vigorously to further enrich customer experience. We shall strive to bring in more and better innovations to enhance customer engagement and empowerment, even as we consolidate the best practices and learnings we embraced during FY 2019-20 in the post-NTO era.

It will help us to clearly define the way forward for further improvement in our business profile and performance, leading to greater profitability through a sharper customer-focussed strategy, notwithstanding the short-term disruptions to economy as a result of the COVID pandemic.

Though times are tough and unpredictable currently, I am confident of our ability to deliver growth and increase in shareholder value in the coming year, as has been demonstrated in FY 2019-20.

On this note, I would like to conclude by thanking all of you, on behalf of Hathway, for your unwavering support and trust.

Thank You,

Rajan Gupta
Managing Director

As we gear up to sharpen the contours of our transformed strategic framework, our endeavour will be to utilise the levers of technology and digitalisation even more vigorously to further enrich customer experience.

Though times are tough and unpredictable currently, I am confident of our ability to deliver growth and increase in shareholder value in the coming year, as has been demonstrated in FY 2019-20.

TRANSFORMING TO GROW

THE EVOLUTION OF HATHWAY

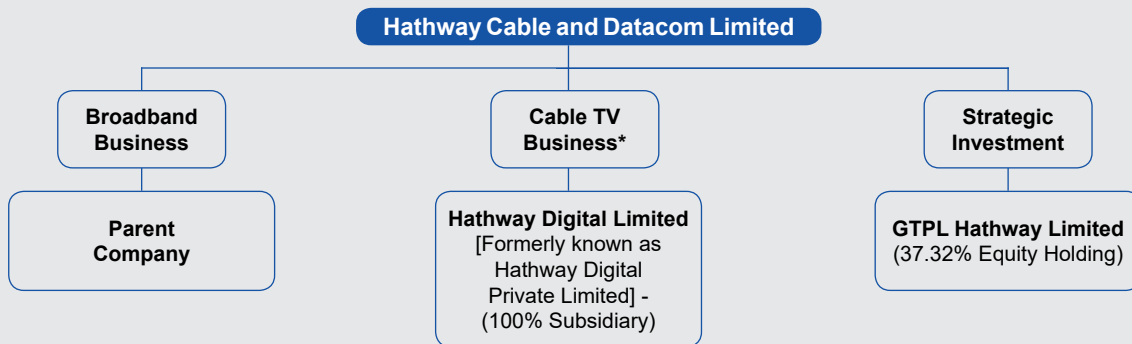
One of India's leading Cable TV and Wired Broadband service providers, Hathway Cable and Datacom Limited ("Hathway" or the "Company") is a continually evolving organisation that is leading the country's Cable and Broadband industry transformation. The Company's transformational agenda is steered by its deep-rooted expertise and experience that enable it to adapt to changes with speed and agility, across segments and functions.

Focussed on engineering change with our industry-leading initiatives and technological prowess, we have, over the years, developed an intrinsic understanding of customer and market needs. At the same time, we are engaged in transforming our own eco-system to make the necessary shift from our conventional Business-to-Business (B2B) approach to the more dynamic B2C model, to effectively address the changing demands of customers in the new business environment.



Vision

To be a single point access provider, bringing into the home and workplace a converged world of information, entertainment and services.



*Cable TV Business includes JVs/Associates/Subsidiaries

BUSINESS AT A GLANCE

Hathway's business is judiciously spread out across its key segments of Cable TV and Broadband, with strategic investment in GTPL Hathway Limited.



Hathway Cable and Datacom Limited

(Stock ticker - BSE: 533162;
NSE: HATHWAY)

India's first Multi System Operator (MSO) to offer Broadband Internet services on pan-India basis

India's first MSO to launch Gigabyte Passive Optical Networks - Fibre to the Home (GPON-FTTH) service in the country

Approx. 5.5 Mn 2-way Broadband homes passed

0.97 Mn subscribers across 16 cities (4 metros and 3 mini metros)



Hathway Digital Limited

(Wholly-owned subsidiary)

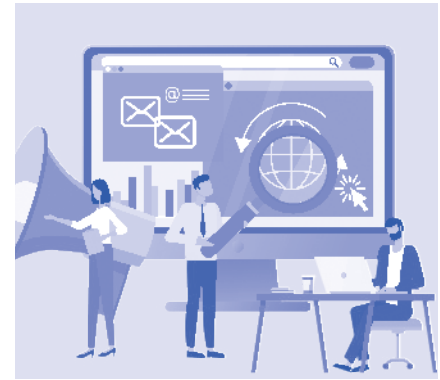
One of India's largest MSOs, with a nationwide network of LCOs and subscribers across regions

Catering to 5.5 Mn Digital Cable TV subscriber base

100% Cable TV subscribers served through Hathway Connect, 80% payment made online by LCOs

Cable TV services offered across 350+ cities and major towns across India

27 in-house channels



GTPL Hathway Limited

(Promoter Company and owns 37.32% stake; Stock ticker BSE: 540602
NSE: GTPL)

800+ towns across 12 states

10.20 Mn seeded Set-top Boxes (STBs)

8.00 Mn active Cable TV subscribers

3.33 Mn Broadband home-pass

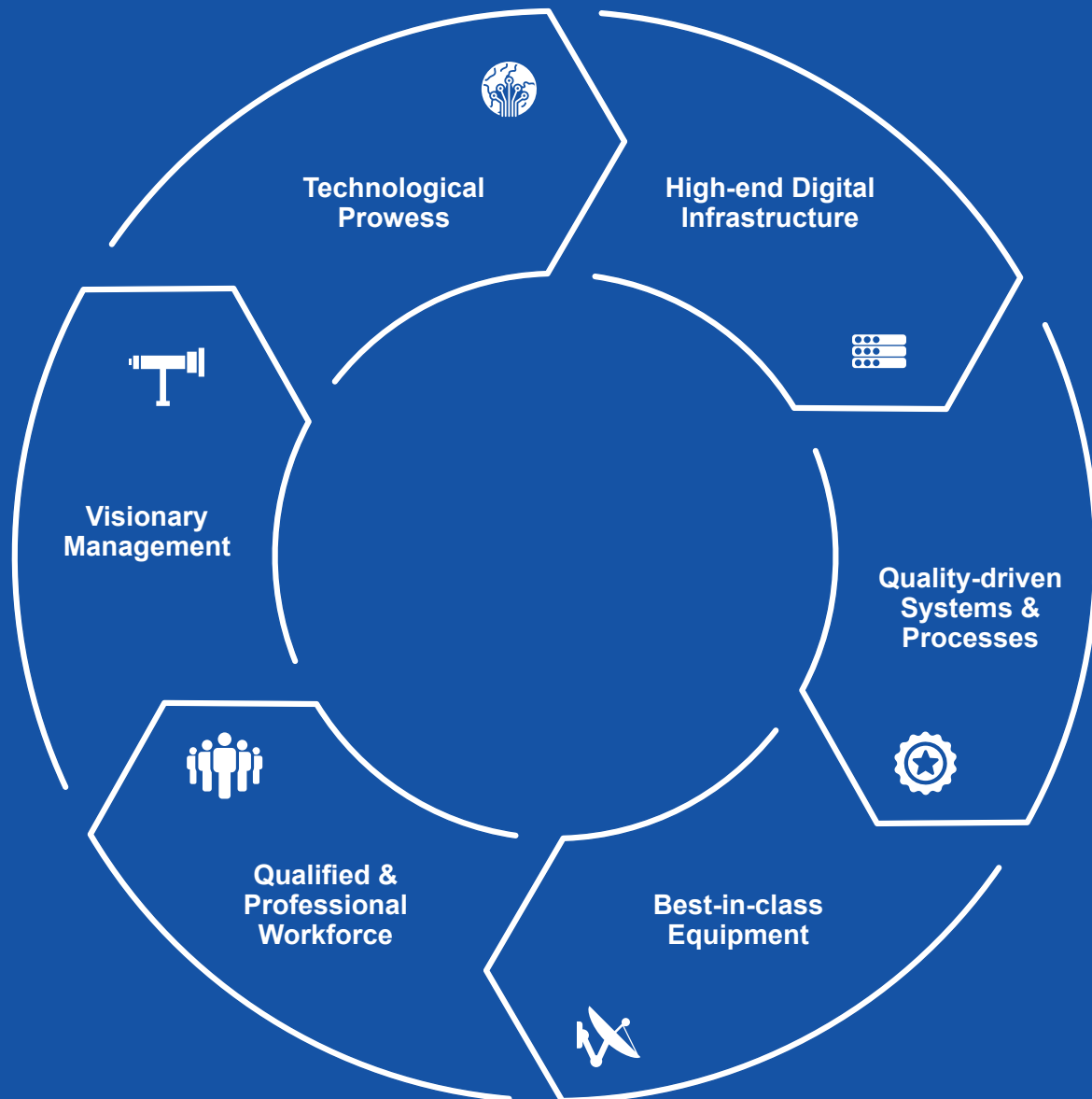
405,000 Active Broadband subscribers

AUGMENTING STRENGTHS. DELIGHTING CUSTOMERS.

Aligning ourselves to the transforming business landscape, we, at Hathway, have pragmatically shifted focus from a pure-play B2B approach to a customer-led B2C orientation. Customer satisfaction and empowerment are the key pillars of our strategic model.

Driving this shift is our strong legacy of expertise and experience, backed by our thrust on technological disruption. The primary objective of this transformation is to ensure greater levels of customer engagement across the portfolio of our unique product and service offerings.

Guiding the realisation of this goal is our powerful nucleus of well-entrenched strengths:





The world has come a long way from that small television set/computer that had to be carefully placed on a sturdy table in the corner of the room. The big screen has changed the way the world consumes Television and Broadband. It can be affixed to any wall in the living room to deliver larger-than-life entertainment in the comfort of the home. It can also be used, as easily, to increase the monitor size of the computer to boost computing speed and productivity.




AMIDST THIS TRANSFORMATION, WE, AT HATHWAY, HAVE ALIGNED OURSELVES TO THE ASPIRATIONS AND NEEDS OF THE NEW-AGE CUSTOMERS. WE HAVE MAPPED OUR STRATEGY TO CREATE A STRONGER AND MORE POWERFUL BUSINESS ENTITY, DESIGNED TO GIVE CUSTOMERS A MORE ENRICHING EXPERIENCE, ACROSS OUR CABLE TV AND WIRED BROADBAND SEGMENTS.



LEVERAGING STRENGTHS TO GROW STRONGER

At Hathway, we continue to chart our business strategy to leverage the transformations taking place across the industry. Led by the unmatched scale, size, content, quality and reach that epitomise our business today, we are pushing the frontiers of our growth to touch the lives of our customers in unimaginable ways, which we could not have even visualised till about two decades ago.



Our strategic approach, during FY 2019-20, was guided by two key developments, which propelled our efforts to strengthen our customer connect.





SCALING GROWTH ON NTO PLATFORM

The transformations in the Cable TV business as a result of the implementation of the NTO with effect from February 1, 2019, triggered a wave of impactful changes at Hathway. We moved with exceptional speed to keep pace with the scale of the explosive NTO-driven changes. We undertook a series of transformational measures to reach out proactively to the end customers, while boosting transparency among the LCOs through our unique Hathway Connect programme.

Realigning our business model to a more sustainable approach, we leveraged our technological supremacy to deliver many industry-first initiatives, structured to give customers the freedom of choice as mandated by the NTO. Customer empowerment emerged the key goal of our renewed and refreshed business model, as we surged forward with increased momentum to launch an extensive research exercise aimed at deriving a greater understanding of their needs in the new regime. Coupled with inputs received from the LCOs, we then moved forcefully to package and recommend differentiated customer-friendly packs across regions, in order to fulfil the daily viewing experience of the customers.

Our focussed approach, with adoption of new best practices, has helped improve our relationship with the LCOs and other stakeholders, which also brought in greater transparency in share allocation of subscription revenues, thereby enabling mutual profitable growth of all the stakeholders.


SHARPENING THE EDGE WITH RELIANCE

The acquisition of majority stake in Hathway by Reliance Industries Limited (RIL) emerged as another strong driver of our strategic shift from being an MSO grade B2B system to a Telco grade B2C player. The new level of system and process efficiencies brought to the table by RIL will lend to Hathway a bigger and sharper competitive edge. We believe this will lead to the creation of a new legacy, which will enable us to build on our robust foundations to emerge even stronger.

The development has paved the way for Hathway's transition into a more customer-oriented organisation. The cultural realignment resulting from the acquisition will carve a new tomorrow for our business, in which the customer will play a bigger role than ever before in guiding our strategy. Central to this realignment is our people integration, which we are ensuring through a host of programmes, initiatives and activities.



Sharper picture, clearer audio, and a more engaging experience – this is what customers expect today from their Cable TV and Broadband service providers.



WITH WIDESPREAD TECHNOLOGICAL AND DIGITAL DISRUPTIONS USHERING IN A WHOLE NEW WAY OF CONSUMING TELEVISION AND BROADBAND, WE, AT HATHWAY, HAVE ALSO SCALED UP OUR OPERATIONAL SYSTEMS AND PROCESSES MULTIFOLD. OUR GAME-CHANGING NEW STRATEGY IS CRAFTED TO GIVE CUSTOMERS AN ALL-ENCOMPASSING EXPERIENCE IN CONTENT AND DELIVERY.



POWERING EFFICIENCIES TO BECOME SHARPER

At Hathway, we have adapted to the technological transitions by further streamlining our systems and processes, making them more seamless and impactful. We have sharpened our technological edge to augment the operational and cost efficiencies of our business operations, thus strengthening our competitive advantage and bringing a new level of resilience to the organisation.

These technological initiatives and upgradations have enabled Hathway to stay ahead of the curve and would keep the Company in good state even in the challenging COVID environment.

NURTURING RELATIONSHIPS WITH CABLE TV CUSTOMERS

Our focus on using technology to steer our journey of transformation from pure business play to customer-centricity is pivotal to our purpose of continuously enhancing the experience of our Cable TV customers. It is our endeavour to empower the end customers with the technological edge needed to seize the opportunities released by the NTO, while giving them the unprecedented power to make their preferred choice of channels in an affordable environment.



Hathway services have been made available on MyJio app, thus further improving our service proposition.

FY 2019-20 WITNESSED A PROLIFICITY OF BACK-END INITIATIVES AIMED AT DEEPENING OUR FRONT-FACING CUSTOMER CONNECT.

IT enhancements made to manage 5-8 times more load – up to 2 Mn transactions per day

Migration of 100% LCO to Online portal ensured

Instant real-time activations (with lead time of 15 seconds) and channel selections

MyJio and Telecom Regulatory Authority of India (TRAI) channel selection apps launched to boost customer empowerment

Middleware rolled out to enable customers to self-service their transactions

STRENGTHENING THE BROADBAND PROPOSITION

Cognisant of the criticality of technology to enriching the experience of our Broadband customers, we have also rolled out a plethora of new technological initiatives to deliver our offerings in this segment at their doorsteps.

- Seamless connectivity with speed enables us to provide our customers with quality products and uninterrupted service
- Re-engineering of customer front-ending processes is further driving our operational efficiencies while making our customers tech-enabled



Speeding to sharpen consumption patterns

Hathway was the first MSO to launch GPON with 300 Mbps speed. Seeing massive opportunity for increasing its market share in the deployment of GPON-FTTH and Parallel Network in High Potential High Penetrated DOCSIS (Data Over Cable Service Interface Specification) home passes, the Company started offering new packs of 200-300 Mbps speed to its premium customers during FY 2019-20. With this, minimum data limits across the country have gone up to 200 GB/customer/month, with average data consumption of 188 GB per subscriber per month. The sharpening of the consumption patterns, resulting from our high-speed Broadband offerings, has enhanced our customer connect multi-fold, with the growing shift of Over The Top (OTT) viewing to large screen further amplifying our high-speed Broadband offerings at the back of our FTTH strength.

CONNECTING THROUGH QUALITY INFRASTRUCTURE

Driving our efforts to continuously enhance customer engagement through technological interventions is our well-established robust and high-end infrastructure.

OPTIC FIBRE CABLE NETWORK

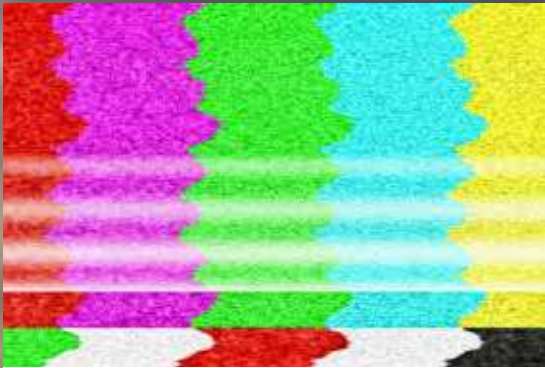
- Overground: 35,000 Kms
- Underground: 500 Kms
- Leased: 4,000 Kms

GPON TECHNOLOGY

- Broadband speed up to 1 Gbps
- Passive Network (No Power)
- Voice on Demand (VoD) & related capabilities

ENGAGING THROUGH PARTNERSHIPS

Our strong and well entrenched partnerships with leading technology vendors is a key engine of our customer-centric strategy. Our vendor partners provide us with advanced technology and equipment to steer our efforts to enhance customer relationships. Some of the high-end equipment we are sourcing from our technology partners are: STBs - Standard Definition (SD) & High Definition (HD), Headend, Compression System, Modems, GPON, Conditional Access System (CAS), Network Operations Centre (NOC) & Operations Support System (OSS) and Enterprise Resource Planning (ERP) & Billing System.



The Smart TV, or the Connected TV (CTV), is an important manifestation of the way technology has changed the world of Cable TV and Broadband. It has given a new expression to customer experience. The technological convergence of computers, TV sets and set-top boxes gives them the best of all three, through an effortless blend of Integrated Internet with Interactive Web 2.0.





EXPANDING OUTREACH, THE SMARTER WAY

With our sharper focus on customer enrichment, we, at Hathway, have leapfrogged our way to the next level of technological advancement to make our customer interface smarter and more engaging.

Led by our deep understanding of the customers' transforming needs and aspirations in the new era, we have leveraged technology even more powerfully to broaden our outreach to them. Aligning ourselves with agility to the changes sweeping our business in the post-NTO regime, as well as the transformations brought in by RIL, we have augmented our strategic, technological and execution strengths by the power of 'n' to reach a new scale of productivity and proficiency.

Armed with a refreshed new outlook, and equipped with the necessary capabilities and capacities, we have given the customers many more reasons to look forward to staying connected with Hathway. The relationship we have built with customers is designed to survive the test of time, as became evident in the COVID period, when we ensured that the users continued to revel in the Hathway experience seamlessly and uninterrupted despite the problems brought in by the pandemic.

ENHANCING THE CABLE TV EXPERIENCE

At the heart of our customer-focussed Cable TV strategy is our effort to continuously deepen our understanding of customer needs, and progressively scale up our technological and IT edge to address the same.

The assurance of the hassle-free viewing experience that we offer customers is the pivot of our business proposition, and we initiated several measures during the year to scale up this proposition.



Easy access of Mobile Apps and Portals to customers and LCOs

Online renewal and payment facility through various self-care apps

Customer Expiry Notification System through TV & SMS

Enhanced customer order fulfilment – instant customer activation with online activation payment

Automated multi-lingual Call Centre to provide enhanced customer service

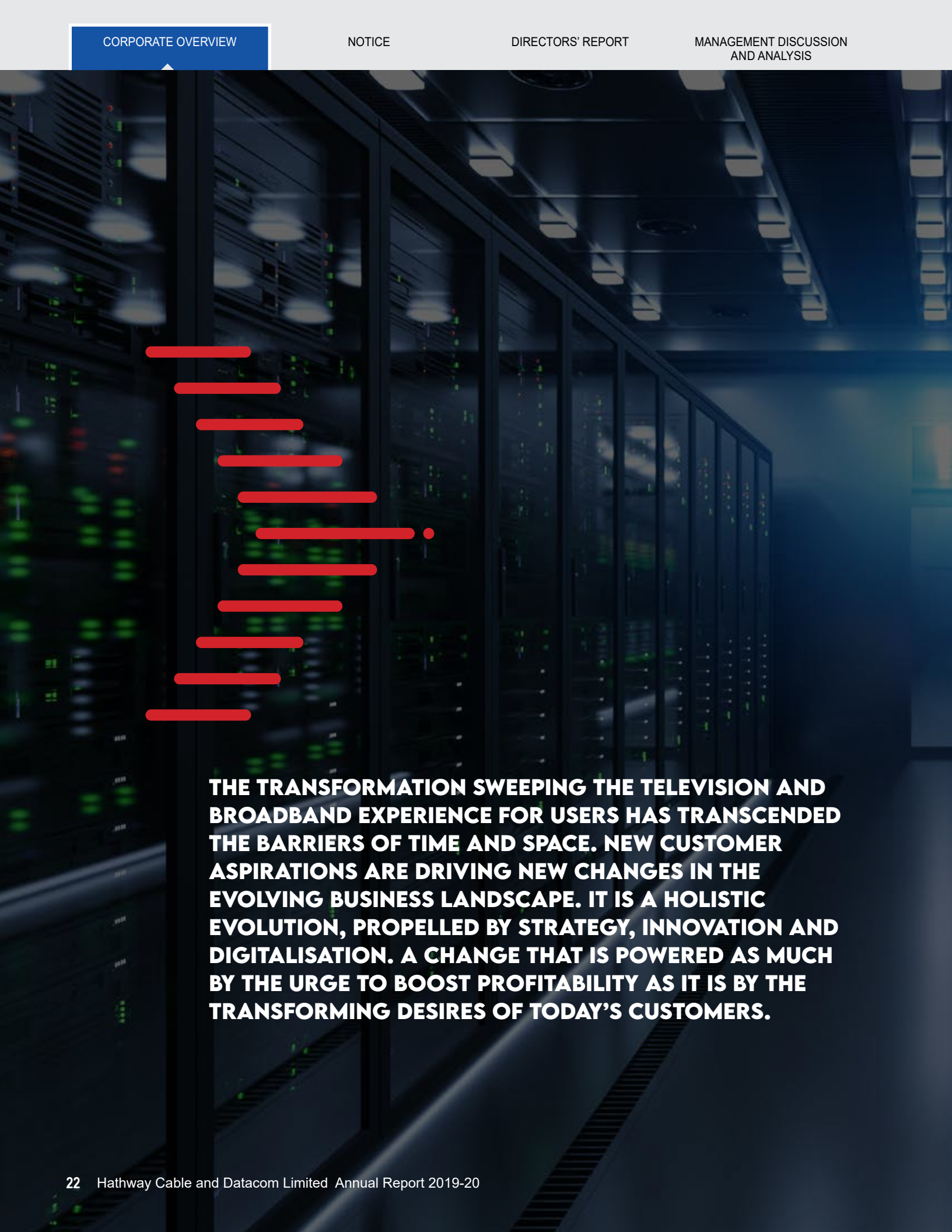


ENRICHING THE BROADBAND EXPERIENCE

The Hathway Broadband service has witnessed technological upgradations year-on-year, to drive a more enhanced customer experience through increased bandwidth, more tech-enabled frontline customer-facing processes, and quality enhancements to online content consumption capabilities. FY 2019-20 saw the Company further build on its customer service charter through a slew of initiatives, crafted to deliver a more engaging experience, and ensuring greater customer stickiness.

- Our high-speed Broadband service gives a seamlessly converged experience to users, who get the freedom to select and download more than 2000 Apps from Google Play, including play services, games and music





THE TRANSFORMATION SWEEPING THE TELEVISION AND BROADBAND EXPERIENCE FOR USERS HAS TRANSCENDED THE BARRIERS OF TIME AND SPACE. NEW CUSTOMER ASPIRATIONS ARE DRIVING NEW CHANGES IN THE EVOLVING BUSINESS LANDSCAPE. IT IS A HOLISTIC EVOLUTION, PROPELLED BY STRATEGY, INNOVATION AND DIGITALISATION. A CHANGE THAT IS POWERED AS MUCH BY THE URGE TO BOOST PROFITABILITY AS IT IS BY THE TRANSFORMING DESIRES OF TODAY'S CUSTOMERS.

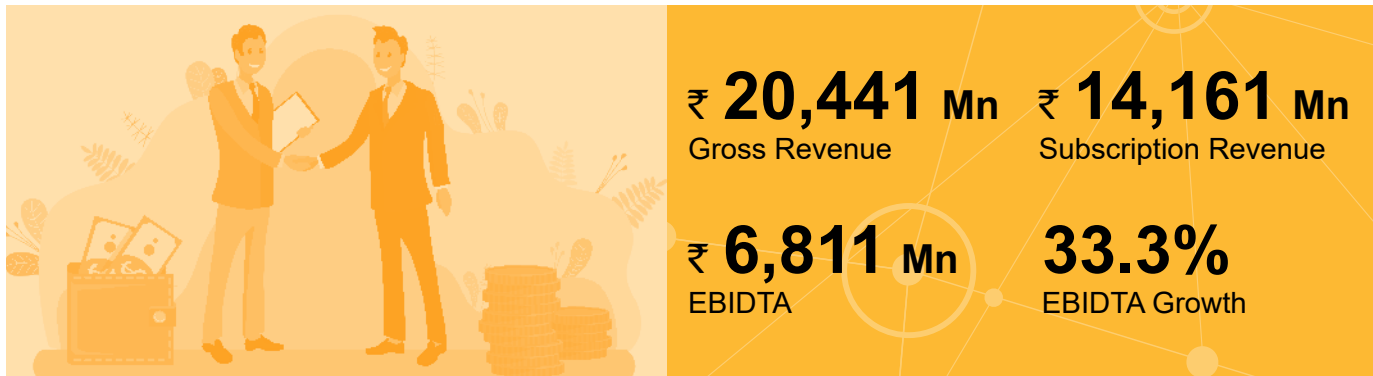
WE, AT HATHWAY, ARE ALSO CONTINUALLY PUSHING THE FRONTIERS OF OUR STRENGTHS TO KEEP PACE WITH THE DYNAMIC TRANSFORMATIONS TAKING PLACE IN OUR BUSINESS ECO-SYSTEM. REALIGNING OUR STRATEGIC PRIORITIES, AND STRENGTHENING OUR EXECUTION CAPABILITIES, WE HAVE ENERGISED OUR CORE TO SURGE FORWARD TO MEET THE NEEDS OF THE NEW-AGE CUSTOMERS. AT THE SAME TIME, WE HAVE ENHANCED OUR SYSTEM EFFICIENCIES AND OPTIMISED OUR BUSINESS PROCESSES TO ACHIEVE HIGHER LEVELS OF EXCELLENCE, AS MANIFEST IN THE CONSISTENT IMPROVEMENT OF OUR PERFORMANCE ACROSS SEGMENTS.

***STRONGER
EFFICIENCIES.
SHARPER
FOCUS.
SMARTER
GROWTH.***

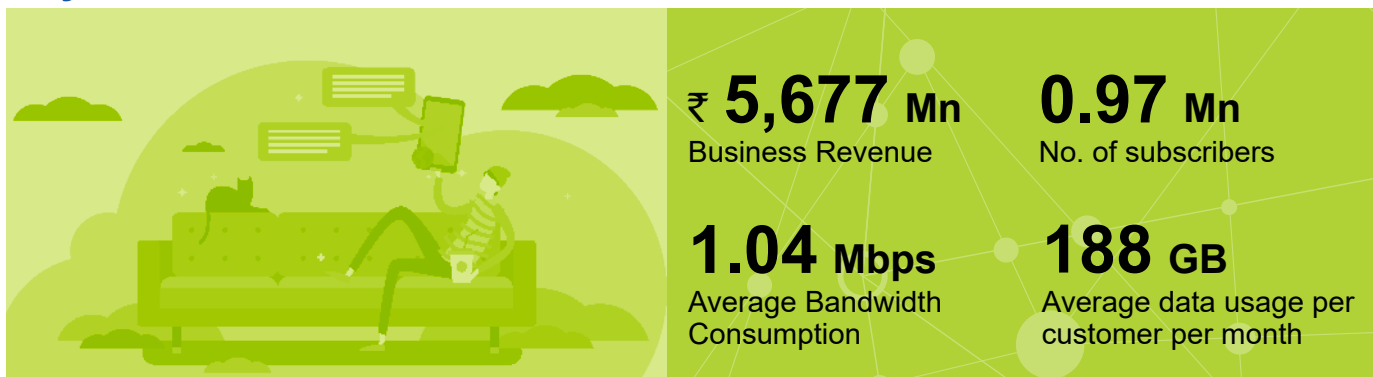


**WITH A SHARPLY FOCUSED STRATEGIC
APPROACH STEERING THE GROWTH IN
EFFICIENCIES, ACROSS THE OPERATIONAL
FABRIC OF THE ORGANISATION, HATHWAY
WITNESSED SMARTER GROWTH AND
RETURNS ON INVESTMENT ACROSS ITS
BUSINESS SEGMENTS DURING FY 2019-20.**

Consolidated Results



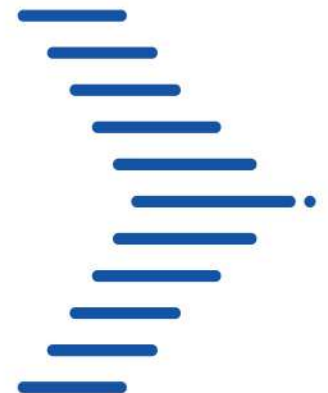
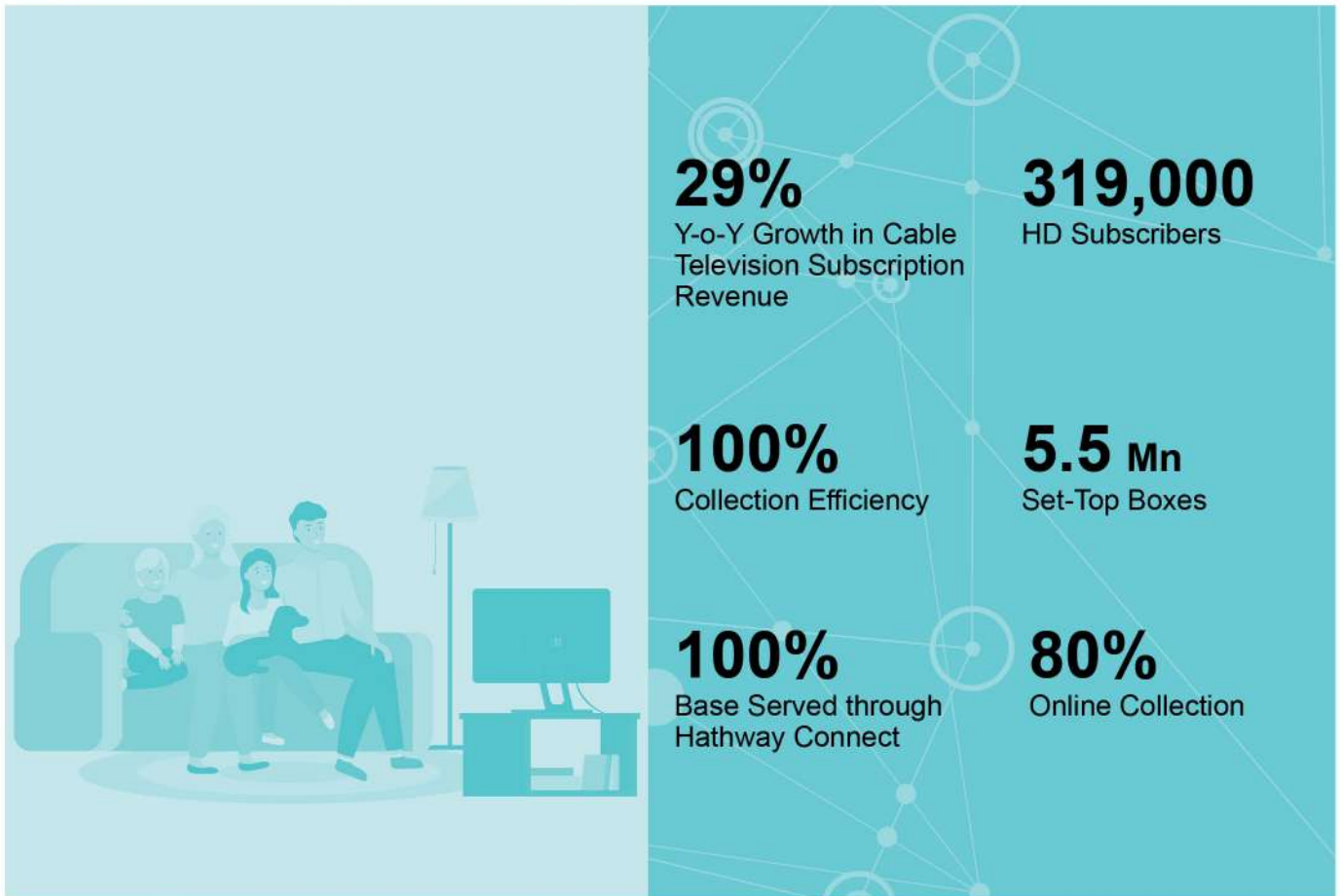
Key Performance Indicators in Broadband



Beyond numbers...

The realisation of Hathway's smart growth is apparent in the recognitions and awards it continues to receive year after year. The Company has been awarded the Best MSO by the Indian Telly Awards for its quality Cable TV and Broadband Internet Services nine times, and also the "Star News Brand Excellence Awards for Brand Excellence in Digital Products for Internet Services in 2011". Hathway has been voted as one of the best managed media companies in Asia 2013, based on a study conducted by EUROMONEY.

Key Performance Indicators in Cable TV



MORE AHEAD...

The strong operational and fiscal performance posted in the tough and challenging macro environment of FY 2019-20 was a precursor to the greater growth that we see ahead. In the post NTO era, we see Hathway strengthening its portfolio of offerings even more sharply, to further augment its efficiencies and deliver an even better performance.

Central to this optimism is our strong understanding of the evolving market and customer trends, coupled with our ability to integrate ourselves - strategically and operationally - with the emerging patterns. The opportunity matrix ahead is clearly defined, and we intend making the most of the new possibilities and potential through our digitisation and automation thrust. In post NTO world, we find ourselves well poised to take advantage of our unique and well-structured strategic and execution strengths to delight customers, outperform competition, and ensure good return on investment for all stakeholders.

WAY FORWARD – CABLE TV

The aspirational evolution of customers is steering an all-embracing change in content consumption as well as the delivery patterns in the Cable TV industry. Launch of value-added services and geographical expansion will lead our growth strategy in this business segment, where we also see immense opportunity in HD by way of new channel launches and better regional content.

WAY FORWARD – BROADBAND

With the rapid growth of the top power cities, backed by the Government of India's focus on Smart cities, pushing demand for high speed connectivity in the fixed Broadband segment, we shall continue to fortify our customer connect in this segment. We shall leverage our unique value proposition of innovative product and service offerings, supported by continuous improvement of business processes and optimal use of resources, in order to deepen penetration into new and existing markets, and to expand our FTTH customer base.

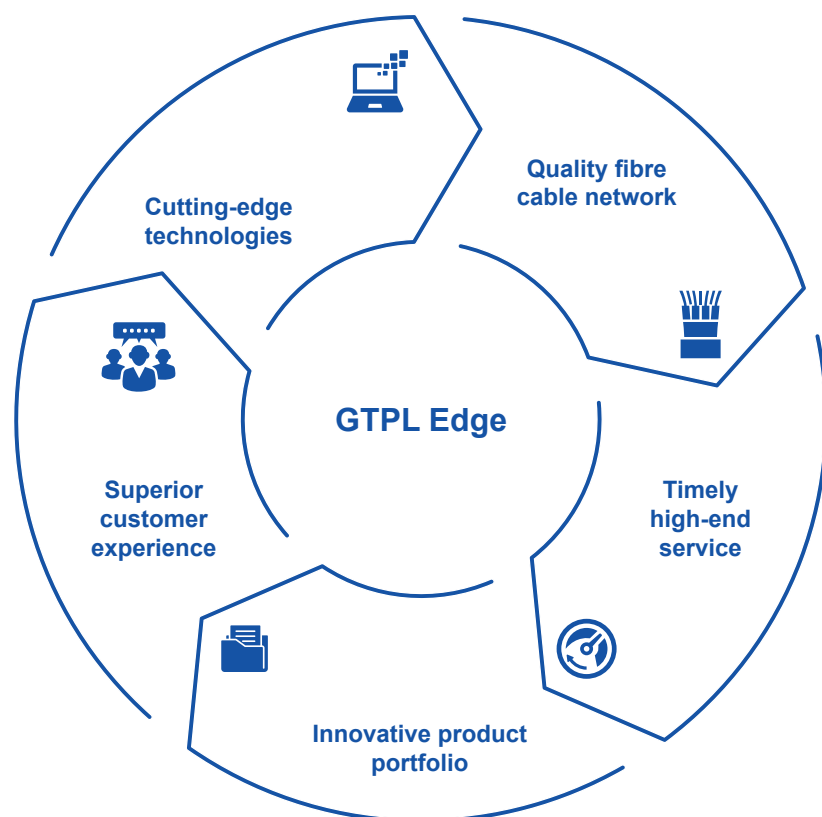


MAPPING THE GTPL HATHWAY PERFORMANCE

Regional growth and expansion plays an important role in the accelerated transformational environment that has caught the imagination of the TV industry in recent years. With increased customer focus guiding the change, the opportunity layers in the regional Cable TV markets have expanded, offering greater potential for the progression of regional players.

GTPL Hathway Limited, with its technology and digital edge along with localised and custom-led content, has emerged a major beneficiary of this change. Hathway holds 37.32%

stake in GTPL, which has 67% and 24% market share in Gujarat and West Bengal, respectively. The market share is likely to be further enhanced over the next few years with the NTO interventions and the Reliance strengths complementing the value proposition for GTPL, which has emerged as a leading market player offering converged Television and Broadband services to customers across India. GTPL stands out as No. 1 MSO in Gujarat, where it has its main headend (in Ahmedabad), and No. 2 in India.



40,000 kms

Optical Fibre Cable - Owned
(3,000+ Kms. Underground;
5,500+ Kms. Leased)

800+

Towns of presence

12

States

10.20 Mn

Seeded STBs

8.00 Mn

Active Cable TV Subscribers

3.33 Mn

Broadband Home-Pass

405,000

Active Broadband Subscribers

100,000

FTTH Subscribers

Key Performance Indicators

₹ 4,695 Mn

Market capitalisation as on
March 31, 2020

₹ 24,247 Mn*

Revenue for FY 2019-20

₹ 5,025 Mn*

EBIDTA for FY 2019-20

₹ 770 Mn*

PAT for FY 2019-20

*Consolidated

NOTICE

NOTICE is hereby given that the Sixtieth Annual General Meeting of the Company will be held on Friday, September 25, 2020 at 12 p.m. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

- a) "RESOLVED THAT the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- b) "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint Mr. Viren Raheja, who retires by rotation as Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, read with rules thereunder, Mr. Viren Raheja (DIN: 00037592), who retires by rotation at this meeting, be and is hereby appointed as Non-Executive Director of the Company."

3. To appoint Ms. Geeta Fulwadaya, who retires by rotation as Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with rules thereunder, Ms. Geeta Fulwadaya (DIN: 03341926), who retires by rotation at this meeting, be and is hereby appointed as Non-Executive Director of the Company."

SPECIAL BUSINESS:

4. To reappoint Ms. Ameeta Parpia as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to sections 149, 152 and Schedule IV of the Companies Act, 2013 including subsequent rules thereof and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the recommendation of Nomination and Remuneration Committee of the Board of Directors of the Company, Ms. Ameeta Parpia, having Director Identification Number 02654277, be and is hereby re-appointed as an Independent Director of the Company, for the second term of five consecutive years with effect from February 11, 2020 to hold office up to February 10, 2025.

RESOLVED FURTHER THAT the Board of Directors 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."

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to the Cost Auditors appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified."

By Order of the Board of Directors
Sd/-

Ajay Singh

Head Corporate Legal,
Company Secretary and
Chief Compliance Officer
FCS 5189

Mumbai, August 10, 2020

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. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In terms of the provisions of Section 152 of the Act, Mr. Viren Raheja and Ms. Geeta Fulwadaya, Director, retires by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend their appointment. Mr. Viren Raheja and Ms. Geeta Fulwadaya are interested in the ordinary resolution set out at Item No.2 & 3 respectively with regard to their appointment. The relatives of Mr. Viren Raheja and Ms. Geeta Fulwadaya may be deemed to be interested in the resolution set out at Item No. 2 & 3 respectively of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.
5. Details of Directors retiring by rotation/re-appointment at this AGM are provided in the “Annexure” to the notice.
6. Pursuant to the amendment to the section 139 of the Act, effective from May 7, 2018, the ratification of the

appointment of auditors by the members at every AGM 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 AGM held on September 15, 2017, for a period of 5 years, is not required at the ensuing AGM.

7. Since the AGM will be held through VC/OAVM, the Route Map of the venue of the AGM is not annexed hereto.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

8. In compliance with the MCA Circulars and SEBI circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the FY 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participant(s). Members may note that the Notice and Annual Report for 2019-20 will also be available on the Company’s website at www.hathway.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin Technologies Private Limited (“KFinTech”) at <https://evoting.karvy.com>.
9. For receiving all communication (including Annual Report) from the Company electronically:
 - a. Members holding shares in physical mode and who have not registered/ updated their email address may get their e-mail addresses registered with Link Intime India Private Limited, Registrar and Transfer Agent, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on the website www.linkintime.co.in under the Investor Services tab by choosing the Email / Bank Registration heading and following the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rt.helpdesk@linkintime.co.in.
 - b. Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depository Participant with whom they maintain their account.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

10. The Company will provide VC/OAVM facility to its Members for participating at the AGM.

- a. **Members will be able to attend the AGM through VC/OAVM by using their e-voting login credentials.**

Members are requested to follow the procedure given below:

OPTION 1

- i. Launch internet browser (Edge 44+, Firefox 78+, Chrome 83+, Safari 13+) by typing the URL: <https://jiomeet.jio.com/hathwayagm>
- ii. Select "Shareholders" option on the screen
- iii. Enter the login credentials

User ID: For demat shareholders: 16-digit DPID+Client ID is your User ID

(DP ID and Client ID to be typed continuously)

For e.g. IN12345612345678 (NSDL)
1402345612345678 (CDSL)

(Client ID is the last 8 digits of your demat account number as per your account statement / contract note / delivery instruction slip / email sent by the Company); or

For holders of shares in physical form: Your Folio No. is your User ID (to be typed continuously)

Password: Enter your password for e-voting sent by the Company through e-mail.

- iv. After logging in, you will be directed to the AGM.

OPTION 2

- i. Launch internet browser (Edge 44+, Firefox 78+, Chrome 83+, Safari 13+) by typing the URL: <https://emeetings.kfintech.com>.
- ii. Enter the login credentials (i.e., User ID and password for e-voting).

- iii. After logging in, click on "Video Conference" option

- iv. Then click on camera icon appearing against AGM event of Hathway Cable and Datacom Limited, to attend the Meeting.

- b. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

11. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Saturday, September 19, 2020 to Monday, September 21, 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

12. Members will be allowed to attend the AGM through VC/OAVM on first come first serve basis.

13. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

14. Members who need assistance before or during the AGM, can contact KFinTech on evoting@kfintech.com or call on toll free number 1800-3454-001 (from 9:00 a.m. to 5:00 p.m.). Kindly quote your name, DP ID-Client ID/ Folio no. and E-voting Event Number in all your communications.

15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

16. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

17. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

18. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting"). Further, the facility for voting through electronic voting system

will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.

The remote e-voting facility will be available during the following voting period:

| | |
|--|---|
| Commencement of remote e-voting | 9:00 a.m. on Tuesday, September 22, 2020 |
| End of remote e-voting | 5:00 p.m. on Thursday, September 24, 2020 |

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

Voting rights of a member/beneficial owner (in case of electronic shareholding) shall be in proportion to his/her share in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 18, 2020.

The Board of Directors of the Company has appointed Mr. Himanshu Kamdar, Practicing Company Secretary (Membership No. 5171), as Scrutinizer to scrutinize the remote e-voting and Insta Poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

Information and instructions relating to e-voting are as under:

- i. **The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**
- ii. A member has to opt only single mode of voting i.e. through remote e-voting or Insta Poll. If a member casts vote(s) through remote e-voting then he/she shall not be allowed to vote again at the Meeting.

iii. **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date i.e. Friday, September 18, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.**

iv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from KFinTech in the manner as mentioned below:

- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to **9212993399**

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click

"Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- c. Member may call on KFinTech's toll-free number 1800-3454-001 (from 9:00 a.m. to 5:00 p.m.)
 - d. Member may send an e-mail request to evoting@kfintech.com.
 - e. If the member is already registered with KFinTech's e-voting platform, then he can use his existing password for logging in.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

vi. Information and instructions for remote e-voting:

IA. In case member receives an e-mail from the Company/ KFinTech [for members whose e-mail addresses are registered with the Company/ Link Intime India Private Limited/ Depository Participant(s)]:

- a. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- b. Enter the login credentials (**User ID and password given in the e-mail**). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.karvy.com> or contact toll-free number 1800-3454-001 (from 9:00 a.m. to 5:00 p.m.) for your existing password.
- c. After entering these details appropriately, click on "LOGIN".
- d. You will now reach Password Change Menu wherein you are required to mandatorily change your password upon

logging in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

- e. You need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Hathway Cable and Datacom Limited.
- g. On the voting page, enter the number of shares as on the cut-off date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
- h. Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- i. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- j. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- k. A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.

- I. Once you confirm, you will not be allowed to modify your vote.
- m. Corporate/Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: hsk@rathindassociates.com with a copy marked to evoting@kfintech.com. It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."

IB. In case of a member whose e-mail address is not registered / updated with the Company/ Link Intime India Private Limited/Depository Participant(s), please follow the following steps to generate your login credentials:

- a. The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on the website www.linkintime.co.in under the Investor Services tab by choosing the E mail / Bank Registration heading and following the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.
- b. Advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <https://www.hathway.com/assets/>

[pdf/Annual%20Report/Nomination%20Form.pdf](#).

- c. **Members holding shares in dematerialized mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register/update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.**
 - d. After due verification, the Company/ KFinTech will forward your login credentials to your registered email address.
 - e. Follow the instructions at I(A) (a) to (m) to cast your vote.
- II. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending further communication(s).
- III. **Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**
- IV. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections/ E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: <https://evoting.karvy.com> or contact KFinTech as per the details given under sub-point no. V below.
- V. **Members are requested to note the following contact details for addressing e-voting grievances:**
- Mr. S.V Raju, Deputy General Manager
KFin Technologies Private Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad 500 032, India
Phone No.: +91 40 6716 1582
Toll-free No.: 1800-3454-001
(from 9:00 a.m. to 5:00 p.m.)
E-mail: evoting@kfintech.com

VI. Information and instructions for Insta Poll:

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

VII. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company: www.hathway.com and on the website of KFinTech at: <https://evoting.karvy.com>. The result will simultaneously be communicated to the Stock Exchanges.

VIII. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e. Friday, September 25, 2020.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

19. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by

the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@hathway.net

20. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, September 21, 2020 through email on info@hathway.net. The same will be replied by the Company suitably.

21. The Annual Accounts of the subsidiary companies shall be available at the website of the Company www.hathway.com.

OTHER INFORMATION

22. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company or Company's Share Transfer Agents, Link Intime India Private Limited has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.

By Order of the Board of Directors
Sd/-

Ajay Singh

Head Corporate Legal, Company Secretary and
Chief Compliance Officer

FCS 5189

Mumbai, August 10, 2020

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

STATEMENT PURSUANT TO SECTION 102 (1) OF THE ACT

The following Statement sets out all material facts relating to Special Business mentioned in the notice:

Item No. 4

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company subject to approval of the members of the Company. The first term of Ms. Ameeta Parpia as Independent Director on the Board of Directors of the Company ended on 10th February, 2020. Accordingly, on 16th January, 2020, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had approved her re-appointment as an Independent Director and now it is proposed to confirm her appointment as Independent Director in terms of the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Act, SEBI Listing Regulations and the Articles of Association of the Company.

The Board of Directors recommend the proposal to re-appoint her as Independent Director for the second term of five consecutive years with effect from February 11, 2020 to hold office up to February 10, 2025. The Company has received written notice under Section 160 of the Act from members of the Company proposing the candidature of Ms. Ameeta Parpia, as Independent Director of the Company.

The Company has also received a declaration of independence from her. In the opinion of the Board, she fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of SEBI Listing Regulations for her appointment as an Independent Director of the Company and is independent of the management. The Board considers that continuance of the association of Ms. Ameeta Parpia would be of immense benefit to the Company considering her expertise and experience and it is desirable to have her presence on the Board.

Ms. Ameeta Parpia is a renowned Advocate and Solicitor. She is partner in Messrs. A.H. Parpia and Company, Advocates and Solicitors and has key expertise in the field of Conveyancing, Personal laws, immovable property and documentation.

Ms. Ameeta Parpia is interested in the resolution set out at Item No. 4 of the Notice with regard to her appointment. Relatives of Ms. Ameeta Parpia may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Ashok Agarwal & Co. (Firm Registration No. 000510), as Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021 and also approved the remuneration of ₹ 575,000/- (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 as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for ratification by the members.

By Order of the Board of Directors

Sd/-

Ajay Singh

Head Corporate Legal,

Company Secretary and

Chief Compliance Officer

FCS 5189

Mumbai, August 10, 2020

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 TO THE NOTICE DATED AUGUST 10, 2020**Details of Directors retiring by rotation and seeking appointment/ reappointment at the meeting:**

| Mr. Viren Raheja | |
|---|--|
| Date of Birth | 13/06/1984 |
| Nationality | Indian |
| Date of Appointment on the Board | 28/03/2008 |
| Qualification | B. Com, MBA from London Business School, CFA |
| Expertise in Specific Functional Area | Holds Directorship in diversified industries including Real Estate, Cable TV, Retailing and Software Development |
| Number of shares held in the Company | 11,95,53,000 equity shares of ₹ 2 each |
| Disclosure of relationships between directors inter-se | Brother of Mr. Akshay Raheja, the Non-Executive Director of the Company |
| Names of listed entities in which the director holds the directorship and the membership of the Committees of the Board | <ul style="list-style-type: none"> • Listed entities in which the director holds the directorship <ul style="list-style-type: none"> a) Hathway Cable and Datacom Limited b) Sonata Software Limited • Listed entities in which the director holds the membership of the Committees of the Board <ul style="list-style-type: none"> a) Hathway Cable and Datacom Limited <ul style="list-style-type: none"> • Audit Committee-Member • Nomination and Remuneration Committee-Member • Stakeholders' Relationship Committee-Member • Investment and Loan Committee-Member • Administrative Cum Regulatory Committee-Member • Business Responsibility Committee-Member b) Sonata Software Limited <ul style="list-style-type: none"> • Nomination and Remuneration Committee-Member |

| Ms. Geeta Fulwadaya | |
|---|---|
| Date of Birth | 17/11/1979 |
| Nationality | Indian |
| Date of Appointment on the Board | 30/01/2019 |
| Qualification | B.Com, Associate member of the Institute of Company Secretaries of India (ICSI) and law graduate from Government Law College |
| Expertise in Specific Functional Area | Extensive experience in the field of Corporate laws and allied matters |
| Number of shares held in the Company | NIL |
| Disclosure of relationships between directors inter-se | NIL |
| Names of listed entities in which the director holds the directorship and the membership of the Committees of the Board | <ul style="list-style-type: none"> • Listed entities in which the director holds the directorship <ul style="list-style-type: none"> a) Hathway Cable and Datacom Limited b) Den Networks Limited • Listed entities in which the director holds the membership of the Committees of the Board <ul style="list-style-type: none"> a) Hathway Cable and Datacom Limited <ul style="list-style-type: none"> • Investment and Loan Committee-Member b) Den Networks Limited <ul style="list-style-type: none"> • Finance Committee-Member |
| Ms. Ameeta Parpia | |
| Director Identification Number | 02654277 |
| Age | 55 |
| Date of first Appointment on the Board | 11 th February, 2015 |
| Expertise in specific functional area | In the field of Conveyancing, Personal laws, immovable property and documentation |
| Directorships held in other Companies | <ol style="list-style-type: none"> 1. Supreme Petrochem Limited 2. Prism Johnson Limited 3. Raheja QBE General Insurance Company Limited 4. Hathway Digital Limited |
| Memberships/Chairmanships of Committees of other Companies | <p>Ms. Ameeta Parpia holds 2 Memberships and 3 Chairmanship in the Committees of Prism Johnson Limited</p> <ol style="list-style-type: none"> 1. Stakeholders' Relationship Committee 2. Nomination and Remuneration Committee 3. Audit Committee 4. Corporate Social Responsibility Committee 5. Risk Management Committee |

| | |
|---|---|
| | <p>Ms. Ameeta Parpia holds 5 Memberships in the Committees of Supreme Petrochem Limited</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Stakeholders' Relationship Committee 3. Finance Committee 4. Nomination and Remuneration Committee 5. Corporate Social Responsibility Committee <p>Ms. Ameeta Parpia holds 1 Membership and 2 Chairmanship in the Committees of Raheja QBE General Insurance Company Limited</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Corporate Social Responsibility Committee 3. Nomination and Remuneration Committee <p>Ms. Ameeta Parpia holds 1 Membership and 1 Chairmanship in the Committees of Hathway Digital Limited</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee |
| Shareholding in the Company as on August 10, 2020 | Ms. Ameeta Parpia holds 27,315 equity shares of the Company |
| Number of Board meetings attended during the year i.e. 2019-20 | Ms. Ameeta Parpia has attended 6 Board Meetings during the financial year 2019-20 |
| Disclosure of relationships with directors and other key managerial personnel | Ms. Ameeta Parpia is not related, directly or indirectly, to any Directors or other Key Managerial Personnel of the Company |

By Order of the Board of Directors
Sd/-
Ajay Singh
Head Corporate Legal,
Company Secretary and
Chief Compliance Officer
FCS 5189

Mumbai, August 10, 2020

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

DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 60th Annual Report and the Company's audited financial statement for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2020 is summarized below: -

(₹ in Crores)

| Particulars | Standalone | | Consolidated | |
|---|-----------------|-----------------|------------------|------------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue from Operations | 567.69 | 527.63 | 1798.39 | 1558.29 |
| Other Income | 250.34 | 54.86 | 245.75 | 60.91 |
| Profit/(Loss) before Tax | 107.69 | (57.07) | 109.57 | (626.56) |
| Less: Current Tax | - | - | 0.12 | 0.06 |
| Deferred Tax | 91.05 | (267.67) | 3.98 | (438.95) |
| Profit/(Loss) for the year | 16.64 | 210.60 | 105.47 | (187.67) |
| Add: Other Comprehensive Income (OCI) | 0.04 | 0.85 | (0.02) | 1.14 |
| Total Comprehensive Income for the year | 16.68 | 211.45 | 105.45 | (186.53) |
| Add: Opening Balance in Retained Earnings and OCI (Adjusted) | (777.76) | (989.21) | (1441.31) | (1254.70) |
| Less: Appropriation | | | | |
| - General Reserve | - | - | - | - |
| Closing Balance of Retained Earnings and OCI | (761.09) | (777.76) | (1335.86) | (1441.24) |

2. TRANSFER TO RESERVE

The Board of Directors of the Company have not transferred any amount to the Reserves for the year under review.

3. RESULT OF OPERATIONS & STATE OF COMPANY'S AFFAIRS

During the year under review, the total revenue from operations was ₹ 567.69 crores on standalone basis and ₹ 1798.39 crores on consolidated basis as compared to the last year's revenue of ₹ 527.63 crores on standalone basis and ₹ 1558.29 crores on consolidated basis respectively. The post-tax profit of your Company was ₹ 16.64 crores on standalone basis and ₹ 105.47 crores on consolidated basis as compared to the last year's post-tax profit of ₹ 210.60 crores on standalone basis and post-tax Loss of ₹ 187.67 crores on consolidated basis respectively.

4. SCHEME OF AMALGAMATION AND CORPORATE RESTRUCTURING

During the year under review, the Board of Directors of the Company on recommendation of the Audit Committee, approved composite scheme of Amalgamation and

Arrangement between the Company, Den Networks Limited (DEN), TV18 Broadcast Limited (TV18), Network18 Media & Investments Limited (Network18), Media18 Distribution Services Limited (Media18), Web18 Digital Services Limited (Web18) and Digital18 Media Limited (Digital18) and their respective shareholders and creditors with appointed date 1st February, 2020, under the applicable provisions of the Companies Act, 2013 ("the Act").

The Scheme inter - alia provides for amalgamation of the Company, DEN and TV18 into Network18 and transfer of the cable, broadband and digital businesses by Network18 to its 3 (three) separate wholly owned subsidiaries, namely Media18, Web18 and Digital18, respectively.

The said Scheme is inter alia subject to approval from shareholders and creditors of the companies which are party to the Scheme, approval of the BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India, the Central Government, the Hon'ble National Company Law Tribunal, the Department of Telecommunication and any other appropriate authorities as may be required.

5. DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Subsequent to the outbreak of Coronavirus (COVID-19) and consequential nation wide lock down declared across the country on 20th March, 2020 by the Government of India, which further got extended till 3rd May, 2020, the Company has continued to operate and provide internet services to its customers, which has been declared as an essential service, without any significant disruptions. However, disruptions to businesses worldwide and economic slowdown may have its eventual impact on the Company. A definitive assessment of the impact is not possible at this point of time, in view of the highly uncertain economic environment and the scenario is still evolving. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and have concluded that no material adjustments is required at this stage in its financial statements.

6. DIVIDEND

The Board of Directors of the Company have not recommended any dividend on Equity Shares for the year under review.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)" is presented in a separate section, which forms part of the Annual Report.

8. BUSINESS OPERATIONS/PERFORMANCE OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

The developments in business operations / performance of the Company and its major subsidiaries consolidated with the Company are as below:

A. Broadband Business

With deployment of GPON FTTH and Parallel network in High Potential High Penetrated DOCSIS home passes, the Company assessed an opportunity to increase market share by offering 200-500 MBPS speed to its premium consumers, which resulted in increase of minimum data limits across country to 200 GB/consumer/month. Besides during this year, the Company focused largely to re-engineer its customer front-ending processes to make them technology enabled, so as to drive operational efficiencies and enhanced consumer experience.

From consumer behaviour point of view, the year experienced gradual shift in consumers OTT viewing to large screen, thereby further strengthening our business case for FTTH. The growth in OTT segment growth is allowing us to leverage our high-speed broadband offerings.

The average bandwidth consumption (MBPS) per subscriber is 1.04. The average data usage per customer per month has now reached 188 GB which shows customers preference of watching online media and reflects the binge-watching culture of users. The average speed offered to our customers is 94 MBPS.

Your Company has always invested and focused to bring path breaking innovative technological products and offerings to its customers. Living by this philosophy, the Company continued to focus on Hathway Play Box based on android platform which provides world class large screen OTT viewing experience to our privileged customers. Hathway Play box also allows consumers to experience Android gaming on big screen including multiple users having gaming fun on same screen. It also provides consumers a smarter way to watch all Google Play content on a big screen. These initiatives help to increase customer sticky-ness and to retain customers for longer duration.

India has around 19.14 Mn wireline broadband subscribers as on 31st December, 2019 (As per revised definition i.e. a Broadband customer is a customer having minimum speed of 512 KBPS). Comparing the trend on 9-month basis, the wireline broadband number has added by 0.72 Mn subscribers (March 2019 18.42 Mn) [Source-TRAI Report February 2020]. Customers increasingly prefer wireline broadband as it allows online media consumption and seamless accessibility of data to multiple devices while at home.

The Company's technologic edge, customer centricity, unique value proposition of product and service offerings, continuous improvement of business process, optimization usage of resources and its lean towards digitisation and automation helped Company garner strong FTTH customers acquisition growth during the year.

B. Cable Television Business:

This has been a transformational year for Cable Television Business, post implementation of

New Tariff Order (NTO) from 1st February, 2019. The purpose of the new tariff order was to bring transparency to end customers and provide them freedom to watch television of their choice and also to bring fairness in share allocation of subscription revenues within the stakeholders.

To meet the end objective of effective implementation of New Tariff order and establishing a sustainable renewed business model, the Company undertook series of transformational initiatives. These initiatives largely thrive on our technological supremacy over competition to provide best-in-class experience to our customers and many of these are industry first initiatives. Some of key initiatives are enumerated below:

- Enhanced our system and technical capabilities to meet customer wants to watch television of their choice;
- Enables access of Mobile Apps and Portals to our customers and LCOs;
- Encouraging LCO's to empower their customers with online renewal facility;
- Advanced technical capability to provide timely renewal notifications to customers coupled with SMS alerts;
- Enhanced Customer order fulfillment - Instant Customer Activation;
- Unique bouquet of customer offerings – Android Hybrid Cable & OTT STB;
- Automated multi-lingual Call Center providing enhanced customer service experience;

Your Company has successfully implemented DPO packs for all regions. Packaging is based on the extensive consumer research and focused group interviews with the customers along with input from Local Cable Operators. In view of the NTO, the relationship between the stakeholders has improved, which helped us to drive our initiatives.

9. CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The details of credit ratings are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

10. CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Act and SEBI (LODR) read with Ind AS-110 (Consolidated Financial Statement), Ind AS-28 (Investments in Associates and Joint Ventures), the consolidated audited financial statement forms part of the Annual Report.

11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review and till the date of this report, no company has become or ceased to be subsidiary, joint venture or associate of the Company.

A statement providing details of performance and salient features of the financial statements of Subsidiary/ Associate/ Joint Venture companies, as per Section 129(3) of the Act, is provided as **Annexure I** to this report.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto is put up on the Company's website and can be accessed at <https://www.hathway.com/About/QuarterlyFinancialResults#>. The financial statements of the subsidiaries, as required, are put up on the Company's website and can be accessed at <https://www.hathway.com/About/Subsidiaries>

The Company has formulated a policy for determining Material Subsidiaries and the same is placed on the website of the Company at https://www.hathway.com/assets/pdf/Policies/Policy%20on%20material%20subsidiaries_2014-15_11.02.2015.pdf

12. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there were no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India, ("SEBI").

The detailed Corporate Governance Report of the Company in pursuance of the SEBI (LODR) forms part of the Annual Report of the Company. The requisite Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI (LODR) is enclosed to the Corporate Governance Report.

15. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all the transactions which were within the purview of Section 188 of the Act, were on an arm's length basis and entered into in the ordinary course of business of the Company.

Members may refer Note 4.13 to the Standalone Financial Statement which sets out related party disclosures pursuant to Ind AS/applicable accounting standards.

The Policy on Materiality of Related Party Transactions on dealing with Related Party Transactions as approved by the Board is put up on the Company's website and can be accessed at https://www.hathway.com/assets/pdf/Policies/Related%20Party%20Transactions%20Policy_16.01.2020.pdf

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

16. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

In terms of the CSR Policy, the focus areas of engagement shall be rural transformation, affordable healthcare solutions, access to quality education, environmental sustainability and protection of national heritage.

The Company's average net profit for the three immediately preceding financial years was negative. Hence, in terms of the Act, during the year under review, the Company was not required to spend any amount on CSR activities.

The CSR Policy may be accessed on the Company's website at <https://www.hathway.com/assets/pdf/Policies/CSR%20Policy.pdf>

17. RISK MANAGEMENT

The Company has in place Risk Management Committee which has established a robust Risk Management Policy and an adequate risk management infrastructure in place, capable of addressing all the risks that the organization faces such as financial, credit, market, liquidity, security, IT (cyber risk), legal, regulatory, reputational risks and such other risks.

The Risk Management Committee manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors governs how the Company conducts the business and manages associated risks.

18. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls commensurate with the size of the business and nature of its operations, designed to provide reasonable assurance with regard to the accuracy and completeness of the accounting records and timely preparation and provision of reliable financial statements.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Viren Raheja (DIN: 00037592) and Ms. Geeta Fulwadaya (DIN: 03341926), Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Board of Directors have recommended their re-appointment.

During the year, the Board of Directors of the Company have appointed:

1. Mr. A. Siddharth (DIN: 00016278) as an Additional Director, designated as an Independent Director of the Company for a period of five years from 5th August, 2019 to 4th August, 2024. Mr. A. Siddharth, however resigned from the Board on 3rd September, 2019.
2. Mr. Sridhar Gorthi (DIN: 00035824) as an Additional Director, designated as an Independent Director of the Company for a period of five years from 5th August, 2019 to 4th August, 2024.
3. Mr. Sasha Mirchandani (DIN: 01179921) as an Additional Director, designated as an Independent Director of the Company for a period of five years from 5th August, 2019 to 4th August, 2024.

Mr. Sridhar Gorthi and Mr. Sasha Mirchandani completed their respective first tenure as Independent Director on 4th August, 2019. Appointment of Mr. Sridhar Gorthi and Mr. Sasha Mirchandani as Independent Directors of the Company was subsequently approved by the Shareholders of the Company through Postal Ballot on 4th January, 2020.

In the opinion of the Board, the Company has immensely benefited from the rich experience of Mr. Sridhar Gorthi as a Corporate Lawyer and Mr. Sasha Mirchandani as financial and investment expert, during their previous tenure and looks forward to their continued support and guidance in taking the Company forward.

Ms. Ameeta Parpia's first tenure as Independent Director of the Company got completed on 10th February, 2020. The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee (NRC), at its meeting held on 16th January, 2020, approved her re-appointment for a second term as Independent Director of the Company for a period of five consecutive years with effect from 11th February, 2020 to hold office up to 10th February, 2025. It is proposed to approve her re-appointment as Independent Director by the Shareholders at the ensuing Annual General Meeting of the Company.

The Board considers that given her background, experience and contribution made by her during her first tenure, the continued association of Ms. Ameeta Parpia will be beneficial to the Company.

The tenure of Mr. Devendra Shrotri (DIN 02780296), Independent Director, expired on 4th August, 2019. The

Board places on record its appreciation for the valuable contribution made by him during his tenure as an Independent Director of the Company.

Save and except aforementioned, there were no other changes in the Board of Directors and Key Managerial Personnel of the Company.

The Company has received separate declarations from all Independent Directors of the Company, respectively confirming that:

- i) they meet with the criteria of independence as prescribed under Section 149(6) of the Act.
- ii) they have registered their names in the Independent Directors' Databank.

The Company has devised the Nomination and Remuneration Policy, which is put up on the Company's website at <https://www.hathway.com/About/Policies>.

The Policy sets out the guiding principles for the NRC for identifying persons who are qualified to become Director and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations.

The Policy also sets out the guiding principles for the NRC for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees.

There has been no major change in the aforesaid policy during the year.

20. PERFORMANCE EVALUATION

The Company has a policy for performance evaluation of the Board, Committees and other Individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors.

In accordance with the manner specified by the Nomination and Remuneration Committee, the Committee carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairperson, the Non-Independent Directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each

Committee was evaluated by the Board, based on report on evaluation received from respective Committees. A Consolidated Report was shared with the Chairman of the Board for his review and giving feedback to each Director.

21. AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

M/s. Nayan Parikh & Co. Chartered Accountants (Firm Registration No.107023W) were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting held on 15th September, 2017. They have confirmed their eligibility and qualifications required under the Act for holding office as Statutory Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

B. Secretarial Auditor

The Board of Directors of the Company has appointed M/s. Rathi & Associates to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

C. Cost Auditor

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records.

The Board of Directors of the Company has appointed M/s. Ashok Agarwal & Co., Cost Accountant, as Cost Auditor of the Company to conduct the audit of the cost records relating to ISP Operations of the Company for the financial year 2019-20 under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

22. DISCLOSURES

A. Meetings of the Board

During the financial year ended on 31st March, 2020, 7 (Seven) Board Meetings were held. Further, details of the meetings of the Board and its Committees are given in the Corporate Governance Report, which forms part of the Annual Report.

B. Audit Committee

The Audit Committee of the Company comprises of Mr. Shridhar Gorthi (Chairman), Mr. Sasha Mirchandani, Mr. Viren Raheja and Ms. Ameeta Parpia as Members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

C. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Mr. Viren Raheja (Chairman), Mr. Shridhar Gorthi and Mr. Rajan Gupta as Members. Owing to the retirement of Mr. Devendra Shrotri from the Board of Directors of the Company, Mr. Viren Raheja was appointed as Chairman of the Committee with effect from 4th August, 2019.

D. Business Responsibility Report Committee

The Business Responsibility Report Committee comprises of Mr. Rajan Gupta (Chairman) and Mr. Viren Raheja as Member.

As required under Regulation 34(2)(f) of SEBI (LODR), your Company has published the Business Responsibility Report on its website which can be accessed through web link <http://www.hathway.com/About/AnnualReport>.

E. Other Board Committees

In compliance with the provisions of the Act and SEBI (LODR), the Board has constituted Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee.

The details of the composition, dates of meetings, attendance and terms of reference of each of the Committees are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

F. Particulars of loans given, investments made, guarantees given and securities provided

The Company, being a company providing Infrastructural facilities, is exempted from the provisions of Section 186 of the Act relating to loan and guarantee given, and security provided by the Company. During the year under review, the Company made an investment of ₹ 70,37,921/- (13,613 Equity Share of ₹ 10 each, at a premium of ₹ 507 per Equity Share) through Right Issue in Hathway Sai Star Cable & Datacom Private Limited.

G. Under Section II of Schedule V of the Act

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) | ₹ 44,113,751* |
| Details of fixed component and performance linked incentives along with the performance criteria | Fixed: ₹ 39,210,751* |
| | Variable: ₹ 4,903,000 |
| Service contracts, notice period, severance fees | Nil |
| 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 | Nil |

*Includes provident fund of ₹ 12,96,000/-

Note: The remuneration of Mr. Rajan Gupta was revised during the year and was duly approved by the Shareholders through postal Ballot on 4th January, 2020.

H. Vigil Mechanism

The Vigil Mechanism of the Company also incorporates a whistle blower policy. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Compliance Officer or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at <https://www.hathway.com/About/Policies>.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism and Whistle Blower Policy of the Company was received by the Company.

23. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a policy for prevention of Sexual Harassment, which ensures a free and fair enquiry process with clear timelines for resolution. There were no cases/complaints filed during the year under POSH Act.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure III** to this Report.

25. ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the extract of Annual Return in form MGT 9 is put up on the Company's website and can be accessed at https://www.hathway.com/assets/pdf/Annual%20Report/Extract%20of%20Annual%20Return_31.03.2020.pdf and extract of the Annual return in form MGT 9 for the FY 2018-19 can be accessed at https://www.hathway.com/assets/pdf/Annual%20Report/Extract%20of%20Annual%20Return_31.03.2019.pdf

26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company on email id info@hathway.net.

27. GENERAL

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions or applicability pertaining to these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- iii) Issue of shares (including sweat equity shares and ESOS) to employees of the Company under any scheme.
- iv) Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- v) Fraud reported by the Auditors to the Audit Committee or the Board of Directors of the Company.
- vi) Scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- vii) Payment of remuneration or commission from any of its holding or subsidiary companies to the Managing Director of the Company.
- viii) There has been no change in the nature of business of the Company.
- ix) Instances of transferring the funds to the Investor Education and Protection Fund.

- x) Issue of debentures/bonds/warrants/any other convertible securities.
- xi) Details of any application filed for corporate insolvency under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.
- xii) Instances of exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- xiii) Statement of deviation or variation in connection with preferential issue.

28. ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

sd/-
Rajan Gupta
Managing Director
DIN 07603128

sd/-
Saurabh Sancheti
Non-Executive Director
DIN 08349457

Place: Mumbai

Date: 23rd April, 2020

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 I
AOC - I**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 : 01/04/2019 to 31/03/2020 and Reporting Currency in INR
(₹ In Crores unless Otherwise Stated)

| Sr. No. | Name of the Subsidiary | Note | Date of Acquisition | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Total Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding |
|---------|---|------|---------------------|---------------|----------------------|--------------|-------------------|-------------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| 1 | Channels India Network Private Limited | | 20/04/1995 | 0.09 | -1.41 | 0.02 | 1.34 | - | 0.00 | - | - | - | NA | 95.63% |
| 2 | Vision India Network Private Limited | | 07/04/1998 | 0.09 | -2.15 | 0.01 | 2.07 | - | 0.00 | - | - | - | N.A | 100.00% |
| 3 | Liberty Media Vision Private Limited | | 07/04/1998 | 0.01 | -2.28 | 0.07 | 2.34 | - | 0.00 | -0.00 | - | -0.00 | N.A | 100.00% |
| 4 | Ideal Cables Private Limited | | 07/04/1998 | 0.08 | -0.86 | 0.00 | 0.78 | - | 0.00 | -0.00 | - | -0.00 | NA | 100.00% |
| 5 | Hathway Channel 5 Cable & Datacom Private Limited | | 07/04/1998 | 0.49 | -0.16 | 4.16 | 3.83 | - | 0.00 | -0.00 | - | -0.00 | N.A | 51.00% |
| 6 | Bee Network and Communication Private Limited | | 07/04/1998 | 0.10 | -1.44 | - | 1.34 | - | 0.00 | - | - | - | NA | 100.00% |
| 7 | Elite Cable Network Private Limited | | 07/04/1998 | 0.06 | -0.08 | - | 0.02 | - | 0.00 | - | - | - | NA | 80.00% |
| 8 | Binary Technology Transfers Private Limited | | 07/04/1998 | 0.01 | -1.65 | 0.00 | 1.64 | - | - | - | - | - | NA | 100.00% |
| 9 | Hathway Media Vision Private Limited | | 13/08/1998 | 0.07 | -1.27 | 3.58 | 4.78 | 1.85 | 0.00 | -0.27 | 0.85 | -1.12 | N.A | 100.00% |
| 10 | UTN Cable Communications Private Limited | | 31/05/1999 | 0.76 | -24.03 | 5.45 | 28.73 | - | 11.44 | -1.18 | - | -1.18 | N.A | 100.00% |
| 11 | ITV Interactive Media Private Limited | | 09/09/1999 | 0.08 | -0.50 | 0.03 | 0.45 | - | 0.00 | - | - | - | N.A | 100.00% |
| 12 | Chennai Cable Vision Network Private Limited | | 30/09/1999 | 0.18 | -2.18 | 0.00 | 2.00 | - | 0.00 | - | - | - | NA | 75.99% |
| 13 | Win Cable and Datacom Private Limited | | 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 Private Limited | | 15/03/2000 | 0.01 | -1.05 | 0.00 | 1.04 | - | 0.00 | - | - | - | NA | 100.00% |
| 15 | Hathway Software Developers Private Limited | | 21/03/2000 | 0.76 | -15.49 | 4.67 | 19.40 | 0.00 | 7.22 | -2.13 | - | -2.13 | N.A | 100.00% |

Reporting period : 01/04/2019 to 31/03/2020 and Reporting Currency in INR
(₹ In Crores 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 |
|---------|--|------|---------------------|---------------|----------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| 16 | Hathway Nashik Cable Network Private Limited | | 17/06/2000 | 0.05 | -10.45 | 0.00 | 10.40 | - | 0.00 | -0.00 | - | -0.00 | N.A | 90.06% |
| 17 | Hathway Cnet Private Limited | | 27/07/2000 | 0.10 | -0.53 | 0.02 | 0.45 | - | 0.00 | 0.00 | - | 0.00 | NA | 100.00% |
| 18 | Hathway United Cables Private Limited | | 01/12/2000 | 0.01 | -0.17 | 0.02 | 0.18 | 0.00 | 0.00 | -0.00 | - | -0.00 | NA | 100.00% |
| 19 | Hathway Internet Satellite Private Limited | | 01/01/2001 | 0.01 | -1.64 | 0.00 | 1.63 | - | - | -0.00 | - | -0.00 | NA | 100.00% |
| 20 | Hathway Krishna Cable Private Limited | | 22/07/2002 | 7.81 | -22.40 | 3.98 | 18.57 | 0.00 | 13.87 | -0.71 | - | -0.71 | N.A | 100.00% |
| 21 | Hathway Mysore Cable Network Private Limited | | 29/11/2003 | 1.04 | -20.80 | 2.48 | 22.23 | 0.00 | 9.45 | -0.38 | - | -0.38 | N.A | 100.00% |
| 22 | Hathway Prime Cable & Datacom Private Limited | | 03/02/2006 | 0.45 | -0.52 | 0.23 | 0.31 | - | 0.00 | -0.00 | - | -0.00 | N.A | 51.00% |
| 23 | Hathway Gwalior Cable & Datacom Private Limited | | 01/05/2007 | 0.01 | -0.59 | 0.05 | 0.63 | - | 0.00 | -0.00 | - | -0.00 | N.A | 100.00% |
| 24 | Hathway Digital Saharanpur Cable & Datacom Private Limited | | 01/03/2008 | 0.02 | -4.27 | 0.52 | 4.78 | - | 0.00 | -0.01 | - | -0.01 | N.A | 51.00% |
| 25 | Hathway Enjoy Cable Network Private Limited | | 07/06/2007 | 0.01 | -0.00 | 0.01 | 0.01 | - | 0.00 | - | - | - | N.A | 100.00% |
| 26 | Hathway JMD Farukhabad Cable Network Private Limited | | 01/05/2007 | 0.01 | -0.01 | 0.01 | 0.00 | - | 0.00 | - | - | - | N.A | 100.00% |
| 27 | Hathway Kokan Crystal Cable Network Private Limited | | 01/11/2011 | 0.15 | -2.43 | 3.73 | 6.01 | - | 3.84 | -1.49 | -0.15 | -1.34 | N.A | 96.36% |
| 28 | Hathway Latur MCN Cable & Datacom Private Limited | | 15/01/2008 | 0.10 | -0.08 | 1.50 | 1.48 | - | 6.86 | -0.04 | 0.11 | -0.16 | N.A | 51.00% |
| 29 | Hathway MCN Private Limited | | 01/06/2007 | 1.89 | 5.37 | 12.47 | 5.21 | 0.41 | 18.38 | 2.41 | 0.46 | 1.95 | N.A | 51.00% |
| 30 | Hathway Sonali OM Crystal Cable Private Limited | | 01/06/2008 | 0.10 | -11.47 | 2.39 | 13.77 | - | 2.06 | 1.62 | - | 1.62 | N.A | 68.00% |
| 31 | Hathway ICE Television Private Limited | | 15/10/2007 | 0.20 | -0.81 | 1.04 | 1.65 | - | 0.00 | -0.00 | - | -0.00 | N.A | 51.00% |
| 32 | Hathway Digital Private Limited | | 31/12/2007 | 355.73 | -499.77 | 1,267.56 | 1,411.59 | 18.24 | 1,180.85 | -20.59 | -86.21 | 65.62 | N.A | 100.00% |
| 33 | Net 9 Online Hathway Private Limited | 4 | 01/03/2008 | 0.01 | 2.14 | 3.93 | 1.79 | - | 7.59 | 0.12 | 0.06 | 0.06 | N.A | 50.00% |

Reporting period : 01/04/2019 to 31/03/2020 and Reporting Currency in INR
(₹ In Crores unless Otherwise Stated)

| Sr. No. | Name of the Subsidiary | Note | Date of Acquisition | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Total Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding |
|---------|---|------|---------------------|---------------|----------------------|--------------|-------------------|-------------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| 34 | Hathway New Concept Cable & Datacom Private Limited | | 01/09/2008 | 0.15 | -3.51 | 8.21 | 11.57 | - | 4.45 | -2.51 | - | -2.51 | N.A | 100.00% |
| 35 | Hathway Sai Star Cable & Datacom Private Limited | | 01/09/2008 | 0.16 | 35.23 | 54.49 | 19.12 | - | 46.56 | 0.13 | - | 0.13 | N.A | 51.00% |
| 36 | Hathway Cable MCN Nanded Private Limited | 3 | 17/06/2008 | 3.36 | -2.59 | 2.21 | 1.44 | - | 8.92 | 0.84 | 0.49 | 0.36 | N.A | 45.05% |
| 37 | Hathway Palampur Cable Network Private Limited | | 01/04/2008 | 0.03 | 0.18 | 1.24 | 1.03 | - | - | -0.13 | - | -0.13 | N.A | 51.00% |
| 38 | Hathway Mantra Cable & Datacom Private Limited | | 30/08/2008 | 0.01 | -18.57 | 7.10 | 25.66 | - | 14.19 | 0.15 | - | 0.15 | N.A | 100.00% |
| 39 | Hathway Dattatray Cable Network Private Limited | | 13/05/2009 | 0.04 | -5.64 | 6.68 | 12.28 | - | 20.69 | 0.67 | - | 0.67 | N.A | 51.00% |
| 40 | Hathway CBN Multinet Private Limited | 1 | 01/07/2008 | 0.05 | 1.34 | 5.83 | 4.44 | - | 5.66 | 1.13 | - | 1.13 | N.A | 51.00% |
| 41 | Hathway CCN Multinet Private Limited | 1 | 01/07/2008 | 0.48 | 3.47 | 9.28 | 5.33 | - | 10.25 | 1.18 | - | 1.18 | N.A | 51.00% |
| 42 | Hathway CCN Entertainment (India) Private Limited | 1 | 01/07/2008 | 0.50 | 0.58 | 5.93 | 4.85 | - | 7.53 | 0.04 | - | 0.04 | N.A | 51.00% |
| 43 | Hathway Bhaskar CCN Multi Entertainment Private Limited | 1 | 29/09/2011 | 0.01 | 0.01 | 0.88 | 0.86 | - | - | - | - | - | N.A | 70.00% |
| 44 | Hathway Bhawani Cabletel & Datacom Limited | 2 | 31/08/2009 | 8.10 | -8.36 | 4.37 | 4.63 | 0.35 | 5.13 | 2.19 | -1.51 | 3.70 | N.A | 51.60% |
| 45 | Hathway Bhawani NDS Network Private Limited | 5 | 13/10/2010 | 1.55 | -0.88 | 0.75 | 0.08 | 0.01 | 1.19 | 0.10 | 0.05 | 0.06 | N.A | 26.32% |
| 46 | Hathway Broadband Private Limited | | 15/10/2014 | 2.50 | 0.88 | 3.40 | 0.01 | - | 0.25 | 0.24 | 0.06 | 0.19 | N.A | 100.00% |

Notes

- 1 Held through subsidiary Hathway Digital Private Limited.
- 2 Partly held directly by Hathway Cable and Datacom Limited and partly through its subsidiary Hathway Media Vision Private Limited.
- 3 Held through its subsidiary Hathway MCN Private Limited and has control over the composition of the Board of Directors.
- 4 Subsidiary based on our Company's right to appoint majority of Directors on the Board of the Subsidiary Company.
- 5 Held through subsidiary Hathway Bhawani Cabletel & Datacom Limited.

Part - B
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In Crores unless otherwise stated)

| Sr. No. | Name of Associates/Joint Ventures | GTPL Hathway Limited (f.k.a GTPL Hathway Private Limited) | Pan Cable Services Private Limited | Hathway VCN Cablenet Private Limited | Hathway SS Cable & Datacom LLP |
|---------|---|---|--|--|---|
| 1 | Latest Audited Balance Sheet | 31 st March, 2020 | 31 st March, 2020 | 31 st March, 2020 | 31 st March, 2020 |
| 2 | Date of Acquisition | 12 th October, 2007 | 10 th May, 1995 | 18 th March, 2009 | 30 th September, 2012 |
| 3 | Shares of Associate/Joint Ventures held by the Company on the year end | | | | |
| | No. | 41972694 | 10 | 12520 | - |
| | Amount of Investment in Associates/ Joint Venture | 168.75 | 0.00 | 0.10 | 0.00 |
| | Extent of Holding % | 37.32% | 33.33% | 25.03% | 51.00% |
| 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 | By virtue of control over composition of Board of Directors of the Company | By virtue of joint arrangement whereby 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 | 260.43 | -0.21 | -2.02 | -1.28 |
| 7 | Profit/Loss for the year | | | | |
| | (i) Considered in Consolidation | 28.75 | 0.00 | 0.00 | -0.14 |
| | (ii) Not Considered in Consolidation | NA | NA | NA | NA |

Note: The investment in equity shares of Hathway Patiala Cable Private Limited (formerly known as Hathway Sukhamrit Cable & Datacom Private Limited) was being classified as investment in Joint Venture. However, as the Management no longer intended to exercise its influence in operations of Hathway Patiala Cable Private Limited, such equity interest in Hathway Patiala Cable Private Limited was reclassified and measured as financial assets in terms of Ind AS 109 since financial year FY 2017-18.

For and on behalf of the Board

sd/-
Saurabh Sancheti
Director
DIN : 08349457

sd/-
Rajan Gupta
Managing Director
DIN : 07603128

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

Place: Mumbai
Date: 23rd April, 2020

ANNEXURE II**SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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 authorized 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, 2020, 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:

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**”) for the Financial Year ended on 31st March, 2020, 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 thereunder;
- 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 thereunder 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’) to the extent applicable:-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. 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:-
 - a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - d) 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; and
- vii. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings and Overseas Direct Investment were not attracted to the Company under the financial year under report.
- viii. 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:

- a) Indian Wireless Telegraphy Act, 1933;
- b) Indecent Representation of Women (Prohibition) Act, 1986;
- c) Telecom Regulatory Authority of India Act, 1997;
- d) Information Technology Act, 2000.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 for the Board Meetings and General Body Meetings; and
- b) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India.

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 was 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 review, the following event had a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:

Approval of the Composite Scheme of Amalgamation and Arrangement under Section 230 to 232 read with Section 66 and other relevant provisions of the Companies Act, 2013 between the Company, Network 18 Media & Investments Limited (Network18), Den Networks Limited (DEN), TV18 Broadcast Limited (TV18), (the Company, DEN and TV18 collectively referred as Amalgamating Companies), Media18 Distribution Services Limited (Cable Co), Web18 Digital Services Limited (ISP Co.) and Digital18 Media Limited (Digital Co.) and their respective shareholders and creditors (Scheme) with Appointed Date 1st February 2020, at the meeting of the Board of Directors of the Company held on 17th February, 2020, pursuant to which the Company, DEN and TV18 will amalgamate with Network18. Pursuant to this Amalgamation, with effect from the Appointed Date, Cable, Broadband and Digital Businesses from Network18 will be transferred to (3) three separate wholly owned subsidiaries of Network18, namely Cable Co, ISP Co. and Digital Co. respectively, each on a "going concern" basis.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

sd/-

HIMANSHU S. KAMDAR

PARTNER

FCS: 5171

COP: 3030

Place: Mumbai

Date: 23rd April, 2020

ANNEXURE III**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of Energy****(i) Steps taken for conservation of energy:**

During the year under review, the Company was not engaged in any manufacturing or processing activity. Considering the nature of the Company's business, there is no reporting to be made on conservation of energy in its operations.

Notwithstanding this, the Company recognises the importance of energy conservation in decreasing the adverse effects of global warming and climate change. The Company carries on its activities in an environmental friendly and energy efficient manner.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

Nil

(iii) The capital investment on energy conservation equipment:

Nil

B. Technology Absorption**(i) Major efforts made towards technology absorption:**

The Company has not entered into any technology agreement or collaborations.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

None

(iii) Information regarding imported technology (Imported during last three years):

The Company has not imported any technology during the last three years.

(iv) Expenditure incurred on research and development:

None

C. Foreign Exchange Earnings and Outgo:

| | | |
|--|---|-----|
| Foreign Exchange earned in terms of actual inflows | - | Nil |
| (Previous Year ₹ 1.95 crore) | | |

| | | |
|--|---|---------------|
| Foreign Exchange outgo in terms of actual outflows | - | ₹ 44.89 crore |
| (Previous Year ₹ 54.99 crore) | | |

For and on behalf of the Board

sd/-

Rajan Gupta

Managing Director

DIN 07603128

sd/-

Saurabh Sancheti

Non-Executive Director

DIN 08349457

Place: Mumbai

Date: 23rd April, 2020

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 & ANALYSIS

1. GLOBAL ECONOMY OVERVIEW

The calendar year 2019 started off with rising tensions between the world's two largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and sentiment overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deferred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

Brexit was the other major event that finally took place on January 2020, after the public referendum in 2016 and years of negotiations. The impact of Brexit is expected to hurt the UK economy primarily in 2020 by having the weakest export growth since 2009, Business investments to contract by 0.7%, and Household spending growth predicted to be at its slowest since 2011, due to historically low unemployment.

If the pain felt across global economies was not enough in 2019, the year ended off on a worse footing with the Corona Virus being first detected in December and quickly spreading across the world's second-largest economy from the capital of Hubei province before infecting more than 110,000 people in at least 110 countries in less than three months. According to the WHO, the death toll reached more than 4,000 by March 2020. From an economic perspective, the key issue was not just the number of cases of this virus, but the level of disruption to economies. In a March report, the Organisation for Economic Co-operation and Development, or OECD, announced it had downgraded its 2020 predictions for almost all countries, the UN Conference on Trade and Development went even further and predicted that global GDP could take a \$2 trillion hit. The global economic activity from the Purchasing Manager Index for the manufacturing and the services sector showed that Both manufacturing and services activity plunged in February 2020. The composite index was at 46.1 indicating that the global economy was potentially in a recession for the month.

As a silver lining, Governments of all countries have taken strong and bold measures to brace their economies from the expected impact of the Corona Virus. USA started off by rate cuts and infusing more than \$1.5 Trillion into the financial system in an effort to calm the market turmoil after Wall Street suffered its worst day since the 1987 market crash.

2. INDIAN ECONOMY OVERVIEW

The Indian economy started this financial year on a dull note due to the ongoing liquidity crisis. In order to achieve the governments vision of making India a USD 5 trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% in the mid-year to spur the investments in the economy. As a result, the domestic investments contributed intermittently to the India growth story, but this proved to be a bit too little, too late.

The Consumer Price Index (CPI) showed retail inflation rising to 7.59% in January 2020 and IIP growth stood at a mere 2% YoY in January 2020, which was mainly driven by intermediate goods output whereas, Capital goods, infrastructure and construction goods output declined.

The liquidity crunches stressed NBFC funding; interest rates hiked up, which resulted in a de growth of household consumption. The Indian auto sector which has a valuable contribution to the economy went through a difficult phase in the last one year primarily due to government norms pushing to shift to BS-VI models.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. The balance of payments surplus stood at US\$21.6bn which was supported by FPI and FDI flows.

Although, according to the Indian Budget 2020 the real GDP growth was estimated at 5.0% in the financial year 2019-20, growing to 5.6% in financial year 2020-21, with recent development with regards to Covid-19 cases in India, these growth estimates are expected to take a major hit. The financial year 2021, regardless to say, is going to be a challenging one for the world and India.

3. MEDIA & ENTERTAINMENT INDUSTRY

| | 2018 | 2019 | 2020E | 2022E | CAGR 2019-22 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Television | 740 | 787 | 790 | 882 | 4% |
| Print | 305 | 296 | 301 | 309 | 1% |
| Digital Media | 169 | 221 | 279 | 414 | 23% |
| Filmed entertainment | 175 | 191 | 207 | 244 | 8% |
| Animation and VFX | 79 | 95 | 112 | 156 | 18% |
| Live Events | 75 | 83 | 94 | 122 | 14% |
| Online Gaming | 46 | 65 | 91 | 187 | 43% |
| Out of Home Media | 37 | 39 | 41 | 46 | 5% |
| Radio | 34 | 30 | 33 | 36 | 5% |
| Music | 14 | 15 | 17 | 20 | 10% |
| Total | 1,674 | 1,822 | 1,965 | 2,416 | 10% |

Revenue are gross of taxes (INR in billion) for calendar year | EY estimates

The Indian Media and Entertainment (M&E) sector reached ₹ 1.82 trillion (US\$25.7 billion) in 2019, registering a growth of 9% as compared to 2018. With its current trajectory, the M&E sector in India is expected to cross ₹ 2.4 trillion (US\$34 billion) by 2022, at a CAGR of 10%.

While television and print retained their positions as the two largest segments, digital media overtook filmed entertainment in 2019 to become the third largest segment of the M&E sector. Digital subscription revenues more than doubled from 2018 levels and digital advertising revenues grew to command 24% of total advertising spend.

The sector continues to grow at a rate faster than the GDP, driven primarily by growth in subscription-based business models and India's attractiveness as a content production and post production destination.

The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. With a population of 1.3 billion, a tele-density approaching 89% of households, 688 million internet subscribers and nearly 400 million smartphone users, India's telecom industry is poised to become the primary platform for content distribution and consumption. India ranks as one of the fastest-growing app markets globally, where entertainment apps are driving significant consumer engagement.

Online gaming retained its position as the fastest growing segment on the back of transaction-based games mainly fantasy sports, increased in-app purchases and a 31%

growth in the number of online gamers to reach around 365 million.

| | 2019 | 2022 |
|------------------|--------|--------|
| Digital only | 8 Mn | 14 Mn |
| Tactical digital | 34 Mn | 91 Mn |
| Bundled digital | 262 Mn | 363 Mn |
| Mass consumers | 316 Mn | 176 Mn |
| Free consumers | 190 Mn | 220 Mn |

Source: EY Analysis March 2020

4. INDIAN BROADBAND INDUSTRY

In Million

| Internet Penetration | 2017 | 2018 | 2019 |
|------------------------------|------|------|------|
| Total Subscribers | 446 | 604 | 723 |
| Broadband Subscribers | 363 | 525 | 662 |
| Narrow Broadband Subscribers | 83 | 79 | 61 |

Internet Penetration continued to increase by 20% and Broadband Subscription reached 662 Mn, number of broadband subscribers increased from 525 million to 662 million in December 2019

According to IAMA report India Internet 2019, release March 2019, 451 Mn people accessed the internet each month, and this could cross 650 mn by 2023. The growth of the internet in India brought a new change in today's era. Businesses and company's started growing in e-commerce, social media marketing, digital advertising, e-payments, etc.

Top five service providers constituted 98.98% market share of the total broadband subscribers at the end

of Dec-19. These service providers were Reliance Jio Infocom Ltd (370.87 million), Bharti Airtel (140.40 million), Vodafone Idea (118.45 million), BSNL (23.96 million) and Atria Convergence (1.52 million).

Broadband Segment further split between Wired 20 million increase by 11% YoY basis, which majorly comprise of consumption of the online streaming and India has 395 Mn smart phones, and around 4 mn is connected to TV

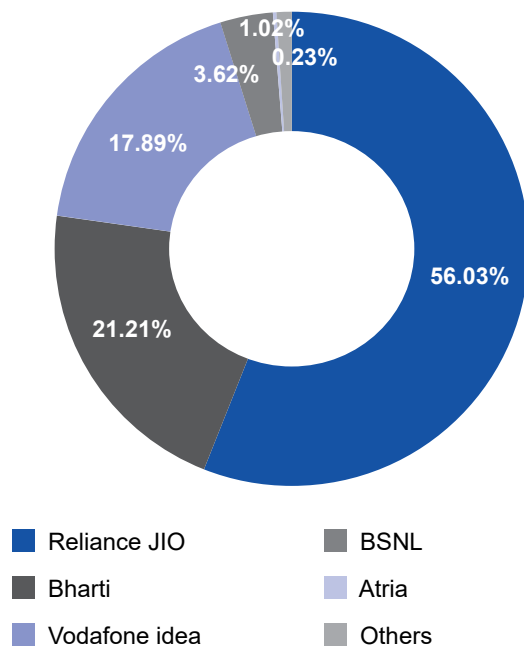
| | In Million | | |
|--------------------|------------|--------|--------|
| Subscribers | Dec-17 | Dec-18 | Dec-19 |
| Wired Broadband | 18 | 18 | 20 |
| Wireless Broadband | 345 | 507 | 641 |
| Total Broadband | 363 | 525 | 661 |

(Source E & Y 2020)

The top five Wired Broadband Service providers were BSNL (8.39 million), Bharti Airtel (2.42 million), Atria Convergence Technologies (1.52 million), Hathway Cable and Datacom (0.90 million) and Reliance Jio infocom Ltd (0.86 million).

The top five Wireless Broadband Service providers were Reliance Jio Infocom Ltd (370.02 million), Bharti Airtel (137.98 million), Vodafone Idea (118.43 Million), BSNL (15.56 million) and MTNL (0.20 million).

Service Provider Wise Market Share of Broadband (Wired + Wireless) as on December 2019



Source: TRAI Website

5. INDIAN CABLE TELEVISION INDUSTRY

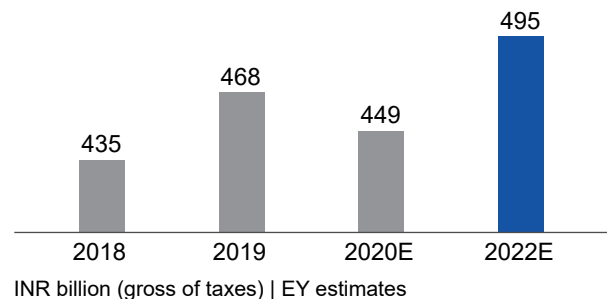
After New Tariff Order "NTO" implementation in February 2019, Television universe has reset the Active Paid Pay TV Universe

| | In Million | |
|----------------------------|------------|------|
| Subscribers | 2018 | 2019 |
| Pay TV (Cable + DTH*+Hits) | 161 | 133 |
| Free TV | 36 | 38 |
| Total unidirectional TV | 197 | 171 |
| Connected TV | 2 | 4-5 |
| Total TV | 199 | 175+ |

Source E & Y 2020

- Net of temporally suspended subscribers

Television subscription at end-customer prices



- Total subscription paid for television in India by viewers increased 7.5% in 2019, despite a fall in active paid subscriptions, on account of higher ARPU.
- It is expected that the subscription base for traditional unidirectional television services (cable, DTH, HITS) would keep growing as penetration levels increase over the next few years.
- Ground up analysis was done as BARC survey didn't happen after NTO.
- This change in methodology has impacted the pay TV universe as 2019 numbers do not account for undeclared TV households.

Broadcaster share of revenues grew 10-15% due to increased number of pay channels, higher ARPU and increased share of revenues from end customers. Also, Broadcaster's share of total subscription income increased to approximately ₹130 billion.

6. REGULATORY FRAMEWORK

The Telecom Regulatory Authority of India (TRAI) amends the New Tariff Order on 1 January 2020

The amendments have been made after TRAI issued two Consultation Papers on "Tariff related issues for

Broadcasting and Cable services” and “Issues related to Interconnection Regulation, 2017” in the months of August and September 2019 respectively. Some of the major issues identified by TRAI were the ₹ 19 price ceiling on channels that can form a bouquet, the cap on maximum discount permissible to broadcasters while forming a bouquet, number of channels permitted in Network Capacity Fee (NCF), applicable NCF for multi-TV homes, flexibility to Distribution Platform Owners (DPOs) in offering long-term subscription plans and carriage fee payable by broadcasters to DPOs.

The following key amendments have been carried out by TRAI:

- a. TRAI has re-introduced the “Twin-Condition” to address the issue of huge discounts in the formation of bouquets by broadcasters vis-à-vis sum of a-la-carte channels to ensure that price of a-la-carte channels does not become illusionary.
 - (i) the sum of the a-la-carte rates of the pay channels (MRP) forming a part of a bouquet shall under no circumstances exceed one and a half times the rate of the bouquet of which such pay channels are a part
 - (ii) the a-la-carte rates of each pay channel (MRP), forming a part of a bouquet, shall under no circumstances exceed three times the average rate of a pay channel of the bouquet of which such pay channel is a part
- b. Additionally, the maximum retail price per month of a pay channel cannot exceed the maximum retail price per month of the bouquet containing that pay channel.
- c. Only those channels priced at ₹12 or less will be permitted to be part of the bouquet offered by broadcasters.
- d. Number of free standard definition channels under NCF of ₹130 (plus taxes) has been increased to 200.
- e. Channels declared mandatory by the Ministry of Broadcasting will not be included while calculating the 200 channels in point (d).
- f. DPOs cannot charge more than ₹ 160 per month for providing all channels available on their platform.
- g. In case of a multi-TV home, where more than one TV connection is registered in the name of one person, a maximum fee of 40% of the declared NCF will be charged for the second and additional connections.
- h. DPOs may offer discounts on connections for six months or more.

- i. To address the concerns of broadcasters regarding huge carriage fee being charged by DPOs, TRAI has mandated MSOs, Heads in the Sky (HITS) operators, IPTV service providers will not have target market bigger than States or Union Territory, as the case may be. Additionally, TRAI has proposed a cap of ₹ 0.4 million per month on carriage fee payable by a broadcaster to a DPO for carrying a channel.

The amendments have significantly changed the regulatory framework. However, various challenge to the same has been filed by different Stakeholders in various High Courts across India. In some of the cases orders have been reserved by the Honourable High Court, while in some cases the hearing is still at interim stage and no relief has been granted in favour of the Petitioners in one of the cases, the Hon'ble High Court of Kerala at Ernakulum has stayed the implementation of this provisions relating to grant of LCN to Broadcasters in perpetuity.

7. GOVERNMENT INITIATIVES IN THE MEDIA AND ENTERTAINMENT SECTOR

The government has played an active role in supporting the media and entertainment sector, especially through various policies aimed at increasing digitization including development of digital communication infrastructure. With the objective of bringing in the next generation technology, the government intends to hold 5G spectrum auctions in 2020-21. According to the government, 5G based technology would help in the achievement of its Digital India vision. The economic impact of introducing 5G technology is estimated to reach US\$1trillion by 2035. Some of the other important initiatives undertaken by the government are given below.

National Digital Communications Policy-2018

Both the telecommunications and the media and entertainment sectors are part of the current government's Make in India plan and therefore have been given special attention. In September 2018, the government released the National Digital Communications Policy-2018 (NDCP 2018) catered towards the establishment of a “ubiquitous, resilient and affordable digital communications infrastructure and services”. Its key objectives include: (1) providing universal broadband connectivity at 50 Mbps to every citizen, (2) providing 1 Gbps connectivity to all gram panchayats by 2020 and 10 Gbps by 2022, (3) ensuring connectivity to all uncovered areas, (4) attract investments of US\$100 billion in the digital communications sector, (5) training one million manpower for building new age skills, (6) expanding the Internet of Things (IoT) ecosystem to five billion connected devices and (7) facilitating India's effective participation in the global digital economy.

Investment under National Infrastructure Pipeline (NIP)

The government has targeted an investment of close to ₹3.2 trillion in digital infrastructure over the next six years from FY20 to FY25 as part of the recently proposed NIP, of which the private sector is expected to contribute 71%. The NIP has set a goal of digital services access for all along with a two-fold strategy to achieve this goal, namely: a) 100% population coverage for telecom and high-quality broadband services for socio-economic empowerment of every citizen; b) digital payments and e-governance infrastructure for delivery of banking and public services.

FDI policy initiatives

The government has focused on liberalizing the FDI regime for both telecom and media and entertainment sectors, to attract investment for adequate infrastructure development. FDI limits for the telecom sector were eased in 2013 while those for the media and entertainment sector were eased in 2015 and 2016. In June 2016, FDI limits in teleports, DTH, cable networks, mobile TV, head-in-the sky broadcasting service and cable networks were completely lifted, allowing 100% FDI through the automatic route. Further, there were no express provisions in relation to digital media in the FDI policy until 2019. However, in December 2019, FDI up to 26% has been permitted under the government approval route for uploading/streaming of news and current affairs, through digital media.

FICCI Report 19-20

8. COMPANY OVERVIEW

Hathway Cable and Datacom Limited (HCDL), is one of India's leading Broadband players having 5.5 million Home passes and 0.97 million subscribers base. It is India's first MSO to launch GPON FTTH service in India.

Hathway Digital Private limited, a wholly owned subsidiary of HCDL, is an MSO, with 6+ main head ends and a network of approximately 35,000 Kms of optical fibre and coaxial cable, providing cable services to 5.5 million viewers (including through its fellow subsidiaries & JV's) pan India and reach to 109+ cities and adjoining areas.

a) Broadband Business:

With deployment of GPON FTTH and Parallel network in High Potential High Penetrated DOCSIS home passes, the Company assessed an opportunity to increase market share by offering 200-500 mbps speed to its premium consumers, which resulted in increase of minimum data limits across country to 200 GB/consumer/

month. Besides during this year, the Company focussed largely to re-engineer its customer front-ending processes to make them technology enabled, so as to drive operational efficiencies and enhanced consumer experience.

The average bandwidth consumption (Mbps) per subscriber is 1.04. The average data usage per customer per month has now reached 188 GB which shows customers preference of watching online media and reflects the binge-watching culture of users.

The Company's technologic edge, customer centricity, unique value proposition of product and service offerings, continuous improvement of business process, optimization usage of resources and its lean towards digitisation and automation helped Company garner strong FTTH customers acquisition growth during the year. During the year under review, the Broadband business revenue stood at ₹ 567.7 crores and the subscribers stood at 0.97 Mn (Previous Years' Broadband business revenue stood at ₹ 527.6 crores and subscribers stood at 0.81 Mn).

b) Cable Television Business:

This has been a transformational year for Cable Television Business, post implementation of New Tariff Order (NTO) from 1st February, 2019. The purpose of the new tariff order was to bring transparency to end customers and provide them freedom to watch television of their choice and also to bring fairness in share allocation of subscription revenues within the stakeholders.

To meet the end objective of effective implementation of New Tariff order and establishing a sustainable renewed business model, the Company undertook series of transformational initiatives. These initiatives largely thrive on our technological supremacy over competition to provide best-in-class experience to our customers and many of these are industry first initiatives. Some of key initiatives are enumerated below:

- Enhanced our system and technical capabilities to meet customer wants to watch television of their choice.
- Enables access of Mobile Apps and Portals to our customers and LCOs
- Encouraging LCO's to empower their customers with online renewal facility
- Advanced technical capability to provide timely renewal notifications to customers coupled with SMS alerts

- Enhanced Customer order fulfillment - Instant Customer Activation
- Unique bouquet of customer offerings – Android Hybrid Cable & OTT STB
- Automated multi-lingual Call centre providing enhanced customer service experience

Your Company has successfully implemented recommended DPO packs for all regions. Packaging is based on the extensive consumer research and focused group interviews with the customers along with input from Local Cable Operators. In view of the NTO, the relationship between the stakeholders has improved, which helped us to drive our initiatives.

c) Financial Review:

| ₹ in Crs | FY20 | FY19 | Growth % |
|--|--------------|----------------|-------------|
| Standalone | | | |
| Gross Revenue | 818.0 | 582.5 | 40% |
| EBITDA | 382.0 | 246.0 | 55% |
| EBITDA Margin | 46.7% | 42.2% | 11% |
| Total Comprehensive Income / (Loss) (after Tax) | 16.7 | 211.5 | -92% |
| Consolidated | | | |
| Gross Revenue | 2,044.1 | 1,619.2 | 26% |
| EBITDA | 681.1 | 369.7 | 84% |
| EBITDA Margin | 33.3% | 22.8% | 46% |
| Total Comprehensive Income / (Loss) (after Tax) | 105.5 | (186.5) | 157% |

Standalone Revenue was at ₹ 818.0 crores. The steady growth was driven primarily by subscription, broadband, and other Non-operating revenues. Total Comprehensive Income stands at 16.7 Cr. Consolidated Revenue stand at ₹ 2044.1 and Total Comprehensive profit stand at 105.5 Cr.

Company has 371 (of 31st March 2019 it was 387) on roll employees as at 31st March 2020.

e) Disclosure of Internal Financial controls:

Hathway'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. Hathway has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Hathway uses a state-of-the-art enterprise resource planning (ERP) system to record data for accounting and management information purposes and connects to different

locations for efficient exchange of information. Entity Level Control framework document has been documented. The documentation of process maps and key controls has been completed during previous financial year for all material operating processes. It has continued its efforts to align all its processes and controls with global best practices.

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, Expenses & payables, Fixed Assets, Inventory, Compliance, Related Party, Borrowings, Consolidation, Contingent Liability, Loans and Advances, Cash management, Current investment, Forex exposure and hedging, Finalisation, Retirement benefits and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified.

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

d) **SWOT Analysis:**

| Strengths | Challenges |
|--|---|
| <p>Broadband:</p> <ul style="list-style-type: none"> • First MSO to Launch GPON with 300 Mbps speed • Average data consumption 188 Gb per subscriber per month • Partnering with various content providers, education portals and other lifestyle improvement players <p>Cable:</p> <ul style="list-style-type: none"> • 5.5. Million digital subscribers base; Offers its cable television services across 109+ cities and towns, operating in pan India regions • Implementation of Hathway connect, increase in transparency among the LCOs • Customers friendly DPO pack's which allows to meet their daily viewing requirement. • Negotiation Power with the Broadcaster • Enhanced our system and technical capabilities to meet customer wants to watch television of their choice. • Enables access of Mobile Apps and Portals to our customers and LCOs • Encouraging LCO's to empower their customers with online renewal facility | <p>Broadband:</p> <ul style="list-style-type: none"> • To retain Lower GB usage customers • ARPU Growth <p>Cable:</p> <ul style="list-style-type: none"> • Lower paying capacity and poor infrastructure in Phase 3 and 4 markets • Large number of subsidiaries to manage |
| Opportunities | Threats |
| <p>Broadband:</p> <ul style="list-style-type: none"> • 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. <p>Cable:</p> <ul style="list-style-type: none"> • Launch of Value Add Services • Geographical expansion • HD would continue to be opportunity by way of new channel launches and better regional content | <p>Broadband:</p> <ul style="list-style-type: none"> • Low end users may move to wireless service providers due to competitive pricing • Technology Changes will lead to upgradation <p>Cable:</p> <ul style="list-style-type: none"> • Free Dish can offer stiff competition in Phase 3 and 4 Markets |

f) **Risks and Concerns:**

| Product / Technology Risk | Competition |
|--|--|
| <p>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</p> <p>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</p> <p>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.</p> | <p>Consequence: Broadband and Cable business verticals where Hathway is present, has low entry barriers and multiple players across geographies.</p> <p>Risk Mitigation Strategy: To take early lead over 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 of the market.</p> |
| | Awareness Risk |
| | <p>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.</p> <p>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.</p> |

g) **Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation:**

| Ratio (Consolidated Basis) | Mar-20 | Mar-19 | % Changes FY20 | Remarks FY 20 |
|-----------------------------------|---------------|---------------|-----------------------|--|
| Debtor Turnover Ratio | 61.31 | 12.90 | 375% | Shift in O2C cycle post implementation of the new Regulatory Framework for Broadcasting & cable Services sector notified by TRAI |
| Inventory Turnover | NA | NA | 0% | |
| Interest Coverage Ratio | 1.92 | 1.40 | 38% | Increase in Earnings |
| Current Ratio | 1.37 | 2.84 | -52% | Increase in Borrowing |
| Debt Equity Ratio | 0.53 | 0.54 | -3% | |
| Operating Profit Margin | 24.2% | 19.8% | 22% | |
| Net profit Margin | 5% | -12% | -145% | Increase in Earnings |
| Return on Net Worth | 3% | -5% | -155% | Increase in Earnings |

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereto) (Listing Regulations), hereinafter referred to as SEBI (LODR), the Board of Directors of Hathway Cable and Datacom Limited (HCDL) have pleasure in presenting the Company's Report containing the details of governance systems and processes for the Financial Year 2019-20.

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 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 and in line with the same has adopted a Code of Conduct for its employees and Board of Directors.

APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various committees to discharge its responsibilities in an effective manner.

The Company has Chairman to guide the functioning of the Board. The Company also has Managing Director (MD), who in consultation with the Chairman and Board of Directors provides overall direction and guidance to the Company. In the operations and functioning of the Company, the MD is assisted by a core group of senior level executives. The MD is responsible for corporate strategy, brand equity, planning, external contacts and all management matters.

The Company Secretary assists the Chairman and MD in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The Chairman actively works with Nomination and Remuneration Committee to plan the Board and committees' composition,

induction of directors to the Board, plan for directors' succession and provide constructive feedback and advice on performance evaluation to directors.

ETHICS/GOVERNANCE POLICIES

At HCDL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Independent Director
- Code of Conduct for Board Members and Senior Management Personnel
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Succession Plan
- Archival Policy
- Nomination and Remuneration Committee Policy
- Prevention of Sexual Harassment Policy
- Policy on Preservation & Utilization of stationery
- Policy on determining material subsidiaries
- Preservation of Records Policy
- Policy for determination of Material Events
- Risk Management Policy
- Related Party Transactions Policy
- Vigil Mechanism Policy
- Audit Committee Charter
- Director & Designated Partner Nomination Policy
- Human Rights Policy Statement
- Employee Welfare Policy Statement
- Responsible Marketing Policy Statement
- EHS Policy Statement
- Code of Conduct for Business Associates
- Sustainable Development Policy

AUDITS AND INTERNAL CHECKS AND BALANCES

M/s. Nayan Parikh & Co, Chartered Accountants, are the Statutory Auditors of the Company. The Statutory Auditor along with the Internal Audit Function perform independent reviews of the ongoing effectiveness of Company's various components of the systems of internal control and present the same before the Audit Committee on quarterly basis for their review and necessary action.

RISK MANAGEMENT, INTERNAL CONTROLS AND COMPLIANCE

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 impact on the Company's businesses and had defined a structured approach to manage uncertainty and outcomes. Key business risks and their mitigation are considered as a part of the annual/strategic business plans and reviewed regularly by the Management.

The 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 unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. The Company has put in place a defined framework and state-of-the-art enterprise resource planning (ERP) system to record data for accounting and management information purposes and connects to different locations for efficient exchange of information.

BEST CORPORATE GOVERNANCE PRACTICES

HCDL strives for highest Corporate Governance standards and practices. It therefore, endeavours to continuously improve and adopt the best of Corporate Governance codes and practices. Some of the implemented best governance norms and practices include the following:

- All securities related filings with Stock Exchanges are reviewed every quarter by the Stakeholders' Relationship Committee and the Board of Directors.
- The Company has independent Board Committees covering matters related to Risk Management, Stakeholder Relationship, Business Responsibility, Directors Remuneration and the nomination of Board Members.
- The Company also has several other Executive Committees of Senior Management who review the ongoing effectiveness of operational and financial risk mitigations and governance practices.
- The Company annually undergoes Secretarial Compliance Certification from an Independent Company Secretary who is in whole-time practice.

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company to ensure compliance with applicable statutory requirements, to provide guidance to directors and to facilitate convening of meetings. The Company Secretary interfaces and act as link between the management and regulatory authorities for governance matters.

BOARD OF DIRECTORS

Board Leadership

At HCDL, the Board has strived hard to achieve long term vision of the Company. The Board's actions and decisions are aligned with the Company's best interests. The Board is committed to the goal of sustainably elevating the Company's value and brand creation. The Company has defined guidelines and an established framework for the meetings of the Board and Committee.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board inter alia includes strategic review from each of the Committees, a detailed analysis and review of annual operating plans, capital allocation and budgets. Additionally, the Board reviews risks and risk mitigation measures, financial reports and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

Board Composition and Category of Directors

As per the provisions of Regulation 17 of SEBI (LODR), the Board of Directors 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 3 (Three) are Independent Directors who are not liable to retire by rotation. The Chairman of the Company is Non-Executive, Independent Director and one third of the total number of directors are Independent Directors. Ms. Ameeta Parpia is the Woman Independent Director.

None of the directors of the Company holds directorship in more than 8 (Eight) Listed 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 31st March, 2020 are as under:

| Name of Director | Relationship With other Directors | Designation | Category of Directorship | No. of Directorship in listed entities including this listed entity | Names of other listed entities along with category of directorship | No. of memberships in Statutory Committees ¹ (As per Regulation 26 of SEBI (LODR)) | No. of post of Chairperson of Statutory Committees ¹ (As per Regulation 26 of SEBI (LODR)) |
|-----------------------|-----------------------------------|-------------------|--|---|--|---|---|
| Mr. Shridhar Gorthi | None | Chairman | Independent Director | 2 | 1. Glenmark Pharmaceuticals Limited - Independent Director | 2 | 1 |
| Mr. Sasha Mirchandani | None | Director | Independent Director | 1 | None | 1 | 0 |
| Ms. Ameeta Parpia | None | Director | Independent Director | 4 | 1. Supreme Petrochem Limited - Director 2. Prism Johnson Limited - Director 3. The Supreme Industries Limited - Independent Director | 8 | 4 |
| Mr. Akshay Raheja | Brother of Mr. Viren Raheja | Director | Non-Executive and Non-Independent Director | 2 | 1. EIH Associated Hotels Limited - Non-Executive & Non-Independent Director | 1 | 0 |
| Mr. Viren Raheja | Brother of Mr. Akshay Raheja | Director | Non-Executive and Non-Independent Director | 2 | 1. Sonata Software Limited - Promoter, Non-Executive Director | 3 | 0 |
| Mr. Saurabh Sancheti | None | Director | Non-Executive and Non-Independent Director | 2 | 1. Den Networks Limited - Non-Executive & Non-Independent Director | 1 | 0 |
| Ms. Geeta Fulwadaya | None | Director | Non-Executive and Non-Independent Director | 2 | 1. Den Networks Limited - Non-Executive & Non-Independent Director | 0 | 0 |
| Mr. Anuj Jain | None | Director | Non-Executive and Non-Independent Director | 2 | 1. Den Networks Limited - Non-Executive & Non-Independent Director | 0 | 0 |
| Mr. Rajan Gupta | None | Managing Director | Executive Director | 2 | 1. GTPL Hathway Limited - Chairman (Non-Executive Director) | 2 | 0 |

¹ 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.

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 |
| TOTAL | | 240,993,315 |

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

Familiarisation Programmes for Board Members

On appointment, the Directors are 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 Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes

interactive sessions with Executive Committee members, Business and Functional Heads.

The Board Members are provided with necessary documents / brochures, reports, programs and internal policies to enable them to familiarise and get acquainted with the Company's business, procedures and practices.

Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, business strategy and risks involved.

Monthly / Quarterly updates on relevant statutory and regulatory changes encompassing important laws are regularly circulated to the Directors.

The details of such familiarisation programmes for Independent Directors are put up on the Company's website.

Code of Conduct

The Company has in place a comprehensive Code of Conduct for Board Members, Independent Directors, Senior Management

and Employees. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code of Conduct has been put up on the Company's website.

The Company has obtained the confirmation of the compliance with the Code from all Board Members and Senior Management Personnel.

Succession Planning

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works along with the Human Resource team of the Company for a structured leadership succession plan.

Core Skills/Expertise/Competencies Available with the Board

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The matrix below highlights the skills and expertise required from individuals for the office of directors of the Company:

| Key Skill Area | Essential | Desirable | The Board of Directors of the Company having the requisite skills |
|--|--|--|---|
| Strategy and Planning | Ability to think strategically; identify and critically assess strategic opportunities and threats. | Develop effective strategies in context of the strategic objectives of the Company and formulate relevant policies and priorities. | Mr. Viren Raheja and Mr. Saurabh Sancheti |
| Financial Performance | Qualifications and experience in accounting and/or finance and analyze key financial statements and critically assess financial viability and performance. | A Chartered Accountant/ Cost Accountant with more than 10 years of experience having the ability to oversee budgets and the efficient use of resources; Oversee funding arrangements and accountability. | Mr. Viren Raheja, Mr. Sasha Mirchandani and Mr. Saurabh Sancheti |
| Legal | Qualification such as LLB or CS and experience in legal practice with emphasis on corporate law. | LLB /CS with more than 10 years of experience, relevant experience in the Industry; In-depth knowledge and practical exposure to regulations applicable to the Company. | Mr. Sridhar Gorthi, Ms. Ameeta Parpia and Ms. Geeta Fulwadaya |
| Commercial Experience | A broad range of commercial / business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement. | A person with a degree of Masters in Business Administration or a person with exposure of handling a business with more than 15 years of experience and understanding varied business environment. | Mr. Akshay Raheja, Mr. Viren Raheja and Mr. Rajan Gupta |
| Sales and Marketing in Service/ Commodity sector | Experience in developing strategies to grow sales and market share, understanding of the Market needs, development of Brand. | Having in-depth knowledge about the industry and having considerable experience in sales and marketing sector, ability to enhance enterprise reputation. | Mr. Rajan Gupta |
| Information Technology | Having basic understanding of technology used. | Knowledge of anticipating technological trends and helping in development of new business models with help of sound digital and technical understanding. | Mr. Anuj Jain |

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Director on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various Committees of other Companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' Independence. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence.

The Board of Directors further confirm that the Independent Directors on the Board of Directors of the Company fulfil the conditions specified in the SEBI (LODR) and are Independent of the management.

Separate Meeting of Independent Directors

Pursuant to 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 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.

Resignation by Independent Director

During the year, Mr. A. Siddharth, who was appointed as Additional Director designated as Independent Director w.e.f. 5th August, 2019 demitted his office as a Director of the Company effective from 03th September, 2019. While tendering his resignation, Mr. A. Siddharth submitted that he was associated as a partner with Deloitte, Haskins & Sells ("Deloitte"), who were also the statutory auditors of Reliance Industries Limited ("RIL") upto the financial year ended 31st March, 2017. He further stated that although the Company was not a subsidiary of RIL under the Companies

Act, 2013, the financials of the Company were consolidated with RIL in accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with applicable accounting standards. Though this fact did not impact his status of being an Independent Director on the Board of the Company, in his opinion, it was prudent for him to step down from his position of independent director keeping in view good corporate governance.

Mr. A. Siddharth further confirmed that there was no other material reason for demitting his office as an Independent Director of the Company.

BOARD MEETINGS, COMMITTEE MEETINGS AND PROCEDURES

Board Decision-Making Process

The Board of Directors is the apex body constituted by Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served.

The Board has constituted 9 (Nine) main Committees, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Administrative-Cum-Regulatory Committee, Investment & Loan Committee, Business Responsibility Committee and Finance Committee. The Board is authorised to constitute other functional Committees, from time to time, depending on business needs.

The Company's internal guidelines for Board / Committee meetings facilitate decision-making process at its meetings in an informed and efficient manner.

Number of Board Meetings

During the financial year 2019-20, 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. | 15 th April, 2019 |
| 2. | 07 th June, 2019 |
| 3. | 12 th July, 2019 |
| 4. | 04 th August, 2019 |
| 5. | 16 th October, 2019 |
| 6. | 16 th January, 2020 |
| 7. | 17 th February, 2020 |

The directors were given an option of attending the Board Meeting through electronic mode in terms of Rule 3(3) (b) of Companies (Meetings of Board and its Powers) Rules, 2014.

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 31 st July, 2019 |
|------------------------------------|--------------------------------|--|
| Mr. Sridhar Gorthi ² | 5 | Yes |
| Mr. Akshay Raheja | 5 | Yes |
| Mr. Viren Raheja | 7 | Yes |
| Mr. Sasha Mirchandani ³ | 3 | No |
| Ms. Ameeta Parpia ⁴ | 6 | No |
| Mr. Rajan Gupta | 7 | Yes |
| Ms. Geeta Fulwadaya | 5 | No |
| Mr. Saurabh Sancheti | 7 | No |
| Mr. Anuj Jain | 3 | No |
| Mr. A. Siddharth ⁵ | 0 | No |
| Mr. Devendra Shrotri ⁶ | 0 | No |

Procedure at Committee Meetings

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of proceedings of Committee Meetings are circulated to the respective Committee members and placed before Board meetings for noting. The composition and terms of reference of all the Committees are in compliance with the Companies Act, 2013 and SEBI(LODR), as applicable. The composition of the Committees is given in this Report.

COMMITTEES

Audit Committee

Constitution

The Committee comprises of 4 (Four) Non-Executive Directors out of which 3 (Three) 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, USA and MMDP program at IIM, Ahmedabad, has financial management expertise. The Chairman of the Audit Committee is an Independent Director.

Composition and Number of Meetings held and Attended by Members during the financial year 2019-20

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

| Committee Members attending the Meeting | Category | Designation | No. of Meetings Attended |
|---|---------------------------------|-------------|--------------------------|
| Mr. Sridhar Gorthi | Independent | Chairman | 5 |
| Mr. Viren Raheja | Non-Executive & Non-Independent | Member | 6 |
| Mr. Sasha Mirchandani | Independent | Member | 3 |
| Ms. Ameeta Parpia | Independent | Member | 5 |
| Mr. Devendra Shrotri ⁶ | Independent | Member | 0 |

² & ³ Appointed respectively as additional director designated as Independent Director on 5th August, 2019 and subsequently their appointment as Independent Director was approved by the Shareholders through postal ballot on 4th January 2020.

⁴ Re-appointed by Board of Directors of the Company on 16th January, 2020 for 2nd term of 5 consecutive years from 11th February, 2020 to 10th February, 2025 subject to approval of shareholders of the Company.

⁵ Appointed as additional director designated as Independent Director on 5th August, 2019 and resigned on 3rd September, 2019

⁶ His term as Independent Director came to an end on 4th August, 2019

During the financial year 2019-20, the Audit Committee have met 6 (Six) times and the gap between two meetings was not more than 120 days. The dates of meetings held during the financial year 2019-20 are as below:

| Sr. No. | Date of Meeting |
|---------|---------------------------------|
| 1. | 15 th April, 2019 |
| 2. | 07 th June, 2019 |
| 3. | 12 th July, 2019 |
| 4. | 16 th October, 2019 |
| 5. | 16 th January, 2020 |
| 6. | 17 th February, 2020 |

The members were given an option of attending the meeting through electronic mode in terms of Rule 3(3) (b) of Companies (Meetings of Board and its Powers) Rules, 2014.

The Internal Auditors report to the Audit Committee.

The Chairman of the Audit Committee attended the last AGM held on 31st July 2019.

Attendees

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

Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- 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;
- 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;
- Recommending to the Board, the appointment, remuneration and terms of 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;
- 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.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence, performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors on any significant findings and follow up there on;
- 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;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 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;
 - To review the functioning of the Whistle Blower mechanism;
 - Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Apart from the powers stated in the foregoing paragraph, the Committee further reviews the matters related to:
- management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by Management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses; and
 - the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
 - statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI(LODR) Regulation, 2015.
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI(LODR) Regulation, 2015.
 - The financial statements, in particular, the investments made by the unlisted subsidiary company.
 - The details of RPTs entered into by the company pursuant to each of the omnibus approval granted, if any on a quarterly basis.

Nomination and Remuneration Committee (“NRC”)

Constitution

The NRC comprises of 4 (Four) members. All the members of the Committee are Non-Executive Directors out of which 2 (Two) members are Independent Directors. The Chairman of the Committee is an Independent Director.

Composition and Number of Meetings held and attended by members during financial year 2019-20

The composition of the NRC 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. Sasha Mirchandani | Independent | Chairman | 2 |
| Mr. Viren Raheja | Non - Executive & Non-Independent | Member | 3 |
| Mr. Akshay Raheja | Non - Executive & Non-Independent | Member | 3 |
| Mr. Sridhar Gorthi | Independent | Member | 3 |
| Mr. Devendra Shrotri ⁷ | Independent | Member | 0 |

Mr. Sasha Mirchandani, being Chairman of NRC, had expressed his inability to be present at the last Annual General Meeting held on 31st July, 2019 and had therefore authorised Mr. Akshay Raheja to represent him and to answer the queries, if any.

⁷ His term as Independent Director came to an end on 4th August, 2019 and consequently his membership in Audit Committee also came to an end

During the Financial year 2019-20, the Nomination and Remuneration Committee have met 3 (Three) times and the dates are given below:

| Sr. No. | Date of Meeting |
|---------|--------------------------------|
| 1. | 4 th August, 2019 |
| 2. | 16 th October, 2019 |
| 3. | 16 th January, 2020 |

The members were given an option of attending the meeting through electronic mode in terms of Rule 3(3) (b) of Companies (Meetings of Board and its Powers) Rules, 2014.

Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- 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;

- 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;
- Support Board in performance evaluation of all the directors and annual self-assessment of the Board's overall performance;
- Conduct annual performance review of Managing Director and Senior Management Personnel;
- Administration of Employee Stock Option Scheme (ESOS);
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Stakeholders' Relationship Committee ("SRC")

Constitution

The SRC 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).

Composition and Number of Meetings held and attended by members during financial year 2019-20

The composition of the SRC and details of attendance of meetings by members is as under:

| Sr. No. | Name of the Member | Category | Designation | No. of meetings attended |
|---------|--------------------|------------------------|-------------|--------------------------|
| 1 | Ms. Ameeta Parpia | Independent Director | Chairperson | 3 |
| 2 | Mr. Viren Raheja | Non-Executive Director | Member | 4 |
| 3 | Mr. Rajan Gupta | Managing Director | Member | 4 |

During the financial year 2019-20, the Stakeholders Relationship Committee have met 4 (Four) times and the details are given below:

| Sr. No. | Date of Meeting |
|---------|--------------------------------|
| 1. | 15 th April, 2019 |
| 2. | 12 th July, 2019 |
| 3. | 16 th October, 2019 |
| 4. | 16 th January, 2020 |

The members were given an option of attending the meeting through electronic mode in terms of Rule 3(3) (b) of Companies (Meetings of Board and its Powers) Rules, 2014.

Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;

- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Name and designation of the Compliance Officer

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

Prevention of Insider Trading Code

The Company has adopted the revised Policy on Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Ajay Singh, Head Corporate Legal, Company Secretary and Chief Compliance Officer is responsible for setting forth procedures and implementation on Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Investor Grievance Redressal

During the financial year 2019-20, one complaint was received from investors and the same was resolved satisfactorily. Therefore, there were no complaints pending as at end of the financial year.

| Received from | Received During 2019-20 | Redressed during 2019-20 | Pending as on 31.03.2020 |
|-----------------------|-------------------------|--------------------------|--------------------------|
| SEBI | 0 | 0 | 0 |
| NSE | 0 | 0 | 0 |
| BSE | 1 | 1 | 0 |
| NSDL/CDSL | 0 | 0 | 0 |
| Direct from Investors | 0 | 0 | 0 |
| Total | 1 | 1 | 0 |

Risk Management Committee

Constitution

The Risk Management Committee comprises of 3 members, majority members consists of Board of Directors. The Chairperson is Independent Director.

Composition and Number of Meetings held and attended by members during financial year 2019-20

The composition of the Risk Management Committee and details of attendance of meetings by members is as under:

| Sr. No. | Name of the Member | Category | Designation | No. of meetings attended |
|---------|--------------------|----------------------|-------------|--------------------------|
| 1 | Ms. Ameeta Parpia | Independent Director | Chairperson | 1 |
| 2 | Mr. Rajan Gupta | Managing Director | Member | 1 |
| 3 | Mr. Ajay Singh | Member | Member | 1 |

During the financial year 2019-20, the Risk Management Committee has met once.

| Sr. No. | Date of Meeting |
|---------|--------------------------------|
| 1. | 16 th January, 2020 |

The members were given an option of attending the meeting through electronic mode in terms of Rule 3(3) (b) of Companies (Meetings of Board and its Powers) Rules, 2014.

Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- Review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- Review of operational risks;
- Review of financial and reporting risks;
- Review of compliance risks;

- Review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- Review the extent to which management has established effective enterprise risk management at the Company;
- Inquiring about existing risk management processes and review the effectiveness of those processes in identifying,

assessing and managing the Company's most significant enterprise-wide risk exposures;

- Review the Company's portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- Review periodically key risk indicators and management response thereto.

Corporate Social Responsibility ("CSR") Committee

Constitution

Pursuant to Section 135 of the Companies Act, 2013, the CSR Committee comprises of three Directors, out of which one is Independent Director.

Composition and Number of Meetings held and attended by members during financial year 2019-20

The composition of the CSR Committee and details of attendance of meetings by members is as under:

| Sr. No. | Name of the Member | Category | Designation |
|---------|--------------------|------------------------|-------------|
| 1 | Mr. Viren Raheja | Non-Executive Director | Chairman |
| 2 | Mr. Rajan Gupta | Managing Director | Member |
| 3 | Mr. Sridhar Gorthi | Independent Director | Member |

During the financial year 2019-20, the CSR Committee did not meet.

Terms of reference

Terms of Reference of the Committee inter alia include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Recommendation by any Committee of the Board of Directors of the Company

During financial year 2019-20, the Board of Directors of the Company has accepted all recommendations, received from its Committees.

Performance Evaluation Criteria for Directors

The Board has devised criteria for evaluation of the performance of the Directors including Independent Directors.

The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision, strategy etc., which is in compliance with applicable laws, regulations and guidelines.

DIRECTORS' REMUNERATION

Remuneration Policy

The Nomination and Remuneration Policy of the Company can be accessed on its website www.hathway.com.

The salient features of the said Policy are as under:

- 1) Policy for appointment and removal of Director, Key Managerial Personnel and Senior Management;
- 2) Policy for remuneration of Director, Key Managerial Personnel and Senior Management;
- 3) Policy for performance evaluation of Board of Directors of the Company;
- 4) Policy on Diversity of Board of Directors of the Company.

The Company's Remuneration Policy is directed towards rewarding performance based on review of achievements periodically. The Remuneration Policy is in consonance with industry practice.

I. Remuneration of 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. Remuneration of Directors**Independent and Non-Executive Directors**

Independent and Non-Executive Directors of the Company receive sitting fees for attending Board Meetings while no sitting fee is paid for attending Committee Meeting except Audit Committee. The sitting fees paid to Independent and Non-Executive Directors is within the limits prescribed under the Companies Act, 2013.

Details of the sitting fees paid during the financial year 2019-20 are as under:

| Sl. No. | Name of Director | Sitting Fees (in ₹) |
|---------|---------------------------------|---------------------|
| 1 | Mr. Akshay Raheja | 250,000 |
| 2 | Ms. Ameeta Parpia | 500,000 |
| 3 | Mr. Sasha Mirchandani | 270,000 |
| 4 | Mr. Sridhar Gorthi ⁸ | 450,000 |
| 5 | Mr. Viren Raheja | 590,000 |
| 6 | Ms. Geeta Fulwadaya | 250,000 |
| 7 | Mr. Saurabh Sancheti | 350,000 |
| 8 | Mr. Anuj Jain | 150,000 |
| | Grand Total | 2,810,000 |

Executive Director

As of 31st March, 2020, Mr. Rajan Gupta, Managing Director is the only Executive Director of the Company.

Details of remuneration paid to Mr. Rajan Gupta during the financial year ended 31st March, 2020 is given below:

| Name of the Executive Director | Designation | Salary & Perquisites (₹) | Incentive (₹) | Others (Provident Fund) | Total (₹) |
|--------------------------------|-------------------|--------------------------|---------------|-------------------------|------------|
| Rajan Gupta | Managing Director | 37,914,751 | 4,903,000 | 1,296,000 | 44,113,751 |

The remuneration of Mr. Rajan Gupta was revised during the year and was duly approved by the Shareholders through postal ballot as on 4th January 2020. His revised terms of remuneration are available on Company's website.

FRAMEWORK FOR MONITORING SUBSIDIARY COMPANIES

During the year under review, Hathway Digital Private Limited (HDPL) is a material subsidiary of the Company as per SEBI (LODR).

In terms of the provisions of Regulation 24(1) of SEBI (LODR), Ms. Ameeta Parpia is the Independent Director of the Company on the Board of HDPL. The Company is in compliance with Regulation 24A of SEBI (LODR). The Company's unlisted material subsidiary has undergone Secretarial Audit.

Copy of Secretarial Audit Report of HDPL is available on the website of the Company. The Secretarial Audit Report

of HDPL does not contain any qualification, reservation or adverse remark or disclaimer.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by Subsidiary Companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of Subsidiary Companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by Subsidiary Companies is placed before the Company's Board.
- Presentations are made to the Company's Board on business performance by the senior management on major Subsidiaries of the Company.

The Company's Policy for determining Material Subsidiaries is put up on the Company's website.

⁸ Payment made to Trilegal & Sunshine Foundation

GENERAL BODY MEETINGS**ANNUAL GENERAL MEETING****Location, time and date of holding of the last 3 (three) Annual General Meetings**

| Financial Year | Date of AGM | Venue | Time |
|----------------|-------------|--|---------|
| 2016-17 | 15.09.2017 | ISKCONs Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3:00 pm |
| 2017-18 | 11.09.2018 | ISKCONs Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3:00 pm |
| 2018-19 | 31.07.2019 | ISKCONs Auditorium, Hare Krishna Land, Next to Hare Krishna Temple, Juhu, Mumbai 400049 | 3:00 pm |

Special Resolutions passed during previous 3 (three) Annual General Meetings

| Date of AGM | Particulars of Special Resolutions Passed |
|-------------|--|
| 15.09.2017 | Nil |
| 11.09.2018 | Nil |
| 31.07.2019 | Alteration of the Articles of Association of the Company |

Location, time and date of holding of the Extra Ordinary General Meeting of the Company for the financial year 2019-20

| Date of EGM | Venue | Time |
|-------------|-------|------|
| NA | NA | NA |

POSTAL BALLOT

During the financial year 2019-20, the Company conducted a postal ballot exercise for seeking approval of members. Shareholders of the Company were provided e-voting facility for casting their votes electronically on the resolutions proposed through postal ballot process. The details of postal ballot exercise undertaken by the Company during the financial year 2019-20 are as under:

| Postal Ballot Notice dated | Resolutions proposed |
|---------------------------------|--|
| 29 th November, 2019 | <ol style="list-style-type: none"> 1. Special Resolution to approve the revision in the remuneration of Mr. Rajan Gupta as Managing Director of the Company for his present term 2. Special Resolution to approve the appointment of Mr. Sridhar Gorthi as an Independent Director of the Company 3. Special Resolution to approve the appointment of Mr. Sasha Mirchandani as an Independent Director of the Company |

Other details of Postal Ballot Process

| Postal Ballot Notice dated | Cut Off date | Date of dispatch of notice | Date of publication of dispatch of notice in newspapers | Commencement of E-voting | Last date of receiving of postal ballot / e-voting by Scrutinizer | Date of declaration of results |
|---------------------------------|---------------------------------|--------------------------------|---|--------------------------------|---|--------------------------------|
| 29 th November, 2019 | 29 th November, 2019 | 5 th December, 2019 | 6 th December, 2019 | 6 th December, 2019 | 4 th January, 2020 | 6 th January, 2020 |

Postal Ballot process

- i. Mr. Himanshu S. Kamdar, Practicing Company Secretary was appointed as the Scrutinizer for submitting report on voting pattern on the resolutions proposed to be passed through aforesaid postal ballot carried out.
- ii. The Directors and/or the Company Secretary of the Company were severally authorized to conduct the postal ballot process.
- iii. The Company had dispatched Postal Ballot Notice, together with the Explanatory Statement along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on cut-off date. The said Notice was dispatched through electronic mode in case of registered email ids available with the Registrar and Transfer Agents and in other cases through physical mode.
- iv. The voting (either physically or through electronic mode) under the postal ballot was kept open for a period of 30 days from the date of dispatch of postal ballot notice.
- v. Particulars of postal ballot forms received from the members using the electronic platform of Central Depository Services (India) Limited were entered in a register separately maintained for the purpose.
- vi. The postal ballot forms were kept under safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vii. All postal ballot forms received up to the closure of working hours of the last date and time fixed by the Company for receipt of the forms, was considered by the Scrutinizer and postal ballot forms received thereafter were not considered by the Scrutinizer.
- viii. **Details of voting pattern**
Below is the summary of the voting result on the special resolutions passed:

For Resolution No. 1:

| Sr. Particulars No. | Resolution 1 | |
|---|---|------------------------|
| | No. of Ballots/Remote E-Voting confirmations | No. of Shares voted |
| a. Votes casted through ballots | 63 | 22,585 |
| b. Remote e-voting Confirmations received | 86 | 1,700,157,711 |
| Total | 149 | 1,700,180,296 |
| c. Less: Invalid Ballots / Remote e-Voting confirmations | 13 | 6,914 |
| d. Net Valid Ballots / Remote e-Voting confirmations | 136 | 1,700,173,382 |
| (i) Physical Ballots / Remote e-voting confirmations with assent for the Resolution | 111 | 1,700,074,908 |
| % of Assent | 99.99 | |
| (ii) Physical Ballots / Remote e-voting confirmations with dissent for the Resolution | 25 | 98,474 |
| % of Dissent | *0.01 | |

*Rounded off to nearest number

For Resolution No. 2:

| Sr. Particulars No. | Resolution 2 | |
|---|---|------------------------|
| | No. of Ballots/Remote E-Voting confirmations | No. of Shares voted |
| a. Votes casted through ballots | 61 | 22,415 |
| b. Remote e-voting Confirmations received | 87 | 1,700,157,811 |
| Total | 148 | 1,700,180,226 |
| c. Less: Invalid Ballots / Remote e-Voting confirmations | 13 | 6,914 |
| d. Net Valid Ballots / Remote e-Voting confirmations | 135 | 1,700,173,312 |
| (i) Physical Ballots / Remote e-voting confirmations with assent for the Resolution | 121 | 1,700,062,757 |
| % of Assent | 99.99 | |
| (ii) Physical Ballots / Remote e-voting confirmations with dissent for the Resolution | 14 | 110,555 |
| % of Dissent | *0.01 | |

*Rounded off to nearest number

For Resolution No. 3:

| Sr. Particulars No. | Resolution 3 | |
|---|---|------------------------|
| | No. of Ballots/Remote E-Voting confirmations | No. of Shares voted |
| a. Votes casted through ballots | 61 | 22,415 |
| b. Remote e-voting Confirmations received | 87 | 1,700,157,811 |
| Total | 148 | 1,700,180,226 |
| c. Less: Invalid Ballots / Remote e-Voting confirmations | 13 | 6,914 |
| d. Net Valid Ballots / Remote e-Voting confirmations | 135 | 1,700,173,312 |
| (i) Physical Ballots / Remote e-voting confirmations with assent for the Resolution | 118 | 1,700,062,643 |
| % of Assent | 99.99 | |
| (ii) Physical Ballots / Remote e-voting confirmations with dissent for the Resolution | 17 | 110,555 |
| % of Dissent | *0.01 | |

*Rounded off to nearest number

DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE COMPANY'S INTERESTS AT LARGE

The Company's major related party transactions are generally with its Subsidiaries. The related party transactions are entered into based on considerations of various business exigencies, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries.

All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on Materiality of Related Party Transactions. The Company has made full disclosure of transactions with the related parties as set out in Note 4.13 of Standalone Financial Statements, which forms part of the Annual Report.

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 Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is put up on the Company's website.

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.

WHISTLE BLOWER POLICY

The Company promotes safe, ethical and compliant conduct of all its business activities and has put in place a mechanism

for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and framed a Whistle Blower Policy under which the employees are encouraged to Policy violations of applicable laws and regulations and the Code of Conduct - without fear of any retaliation. 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.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The Company has complied with the provision relating to the constitution of Internal Complaints Committee and during the year under review, the Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

| Number of Complaints filed during FY 2019-20 | Number of Complaints disposed of during FY 2019-20 | Number of Complaints pending as on FY 2019-20 |
|--|---|--|
| 0 | 0 | 0 |

ADOPTION OF MANDATORY AND DISCRETIONARY 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).

AUDIT QUALIFICATION

The Company is in the regime of unmodified opinions on financial statements.

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 in 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 enclosed and forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

Date, Time And Venue of Annual General Meeting of Shareholders

The Annual General Meeting of the Company would be held on Friday, September 25, 2020 at 12 pm I.S.T electronically and the registered office will be deemed to be the venue of the Annual General Meeting, subject to confirmation under present lockdown situation due to Covid-19 pandemic and relaxation as provided by MCA.

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).

Dividend Payment Date

The Board of Directors of the Company have not recommended any dividend for the financial year ended 31st March, 2020.

Listing Information

The Company's equity shares are listed on National Stock Exchange of India Limited and BSE Limited.

National Stock Exchange of India Limited
Address: Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East), Mumbai-400051
(Code: HATHWAY)

BSE Limited
Address: P.J. Towers, 1st Floor, Dalal Street, Mumbai-400001
(Code: 533162)

ISIN: INE982F01036

Address for Correspondence

For General Correspondence:

Mr. Ajay Singh-Head Corporate Legal, Company Secretary and Chief Compliance Officer

805/806, Windsor, Off C.S.T Road, Kalina, Santacruz (East), Mumbai-400098.

For matters related to Share transfers, Dematerialization etc.:

Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikroli West, Mumbai-400083
Tel: (022) 49186000
Fax : (022) 49186060

Registrar and Transfer Agents

Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikroli West, Mumbai-400083
Tel: (022) 49186000
Fax : (022) 49186060

Share Transfer System

SEBI has mandated that, effective 1st April, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

During the year, the Company had obtained, on half-yearly basis, a certificate, from a Company Secretary in Practice, certifying that all certificates have been issued within thirty days of the date of lodgement of the transfer (for cases lodged prior to 1st April, 2019), sub-division, consolidation and renewal as required under Regulation 40(9) of SEBI (LODR) and filed a copy of the said certificate with the Stock Exchanges. Trading in equity shares of the Company is permitted only in dematerialised form.

Plant Locations

The Company is not engaged in manufacturing activities.

Payment of Listing Fees

Annual listing fee for the financial year 2020-21 shall be paid by the Company to BSE Limited and National Stock Exchange of India Limited.

Payment of Depository Fees

Annual Custody / Issuer fee is being paid by the Company within the due date based on invoices received from the Depositories.

Fees Paid to Statutory Auditor

During the year, an amount of ₹ 98,55,100/- (Rupees Ninety Eight Lakhs Fifty Five Thousand and One Hundred only) was paid to M/s. Nayan Parikh & Co., the Statutory Auditors of the Company for all services rendered by it to the Company, its subsidiaries, and all entities in the network firm/network entity of which the statutory auditors is a part, on a consolidated basis.

Credit Rating

As per India Ratings & Research, the Company's current credit rating is as under:

- 1) IND AAA (Long term)/Stable
- 2) IND A1+ (Short term)

Details of Utilization of Funds Raised through Preferential Allotment

During the financial year 2018-19, the Company had raised funds through following 2 (two) preferential allotments:

| Sr. No. | Date of Allotment | Name of the Allottee | Number of Equity Shares | Amount (₹) |
|--------------|-------------------|--|-------------------------|-----------------------|
| 1. | 29/08/2018 | Hathway Investments Private Limited | 30,800,000 | 996,380,000 |
| 2. | 30/01/2019 | Jio Content Distribution Holdings Private Limited | 534,698,609 | 17,297,500,001 |
| 3. | 30/01/2019 | Jio Internet Distribution Holdings Private Limited | 214,296,755 | 6,932,500,024 |
| 4. | 30/01/2019 | Jio Cable and Broadband Holdings Private Limited | 159,814,636 | 5,170,003,475 |
| TOTAL | | | 939,610,000 | 30,396,383,500 |

The details of utilization of funds during the year are as follows:

| Sr. No. | Purpose | Amount Utilized (₹) |
|---------|---------------------------|---------------------|
| 1 | General Corporate Purpose | 996,380,000 |
| | Balance to be utilized | 29,400,003,500 |

STOCK MARKET PRICE DATA

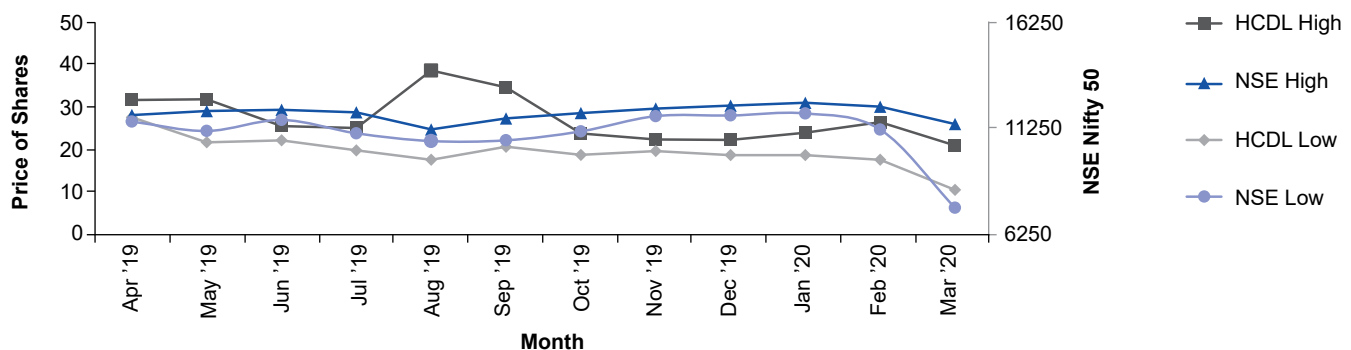
National Stock Exchange of India Limited

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, 2020 is given below:

Performance in comparison to NSE Nifty

| Month | NSE Nifty (High) | NSE Nifty (Low) | High Price | Low Price |
|----------|------------------|-----------------|------------|-----------|
| Apr 2019 | 11856.15 | 11549.1 | 31.55 | 27.5 |
| May 2019 | 12041.15 | 11108.3 | 31.7 | 21.65 |
| Jun 2019 | 12103.05 | 11625.1 | 25.45 | 22.1 |
| Jul 2019 | 11981.75 | 10999.4 | 25 | 19.75 |
| Aug 2019 | 11181.45 | 10637.15 | 38.45 | 17.55 |
| Sep 2019 | 11694.85 | 10670.25 | 34.5 | 20.6 |
| Oct 2019 | 11945 | 11090.15 | 23.7 | 18.7 |
| Nov 2019 | 12158.8 | 11802.65 | 22.3 | 19.6 |
| Dec 2019 | 12293.9 | 11832.3 | 22.2 | 18.65 |
| Jan 2020 | 12430.5 | 11929.6 | 23.9 | 18.65 |
| Feb 2020 | 12246.7 | 11175.05 | 26.35 | 17.55 |
| Mar 2020 | 11433 | 7511.1 | 20.9 | 10.5 |

Monthly High-Low Share Price / NSE NIFTY 50

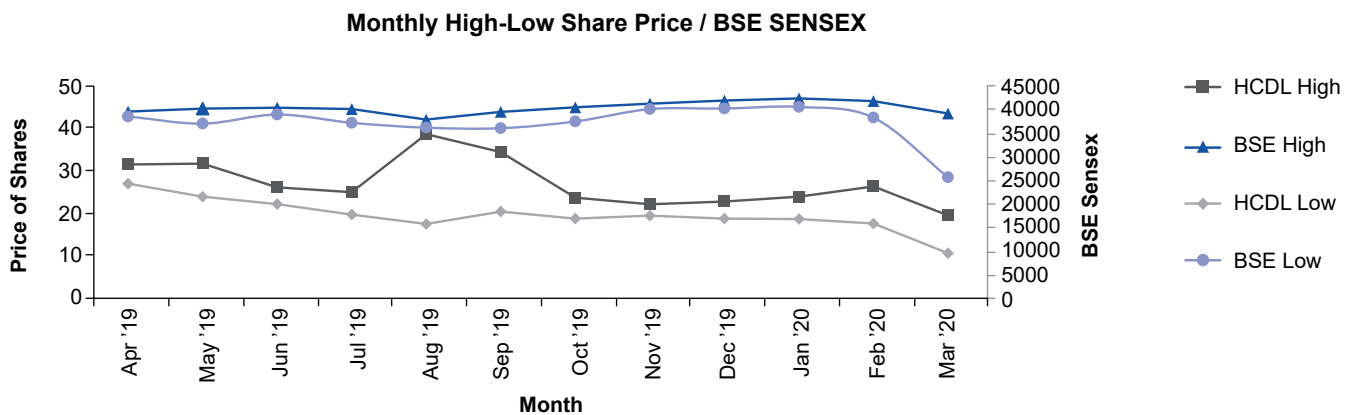


BSE Limited

Monthly High and Low of closing prices of the Company's Equity Shares traded at BSE Limited for the financial year ended 31st March, 2020 is given below:

Performance in comparison to BSE SENSEX

| Month | BSE SENSEX (High) | BSE SENSEX (Low) | High Price | Low Price |
|----------|-------------------|------------------|------------|-----------|
| Apr 2019 | 39487.45 | 38460.25 | 31.5 | 27 |
| May 2019 | 40124.96 | 36956.1 | 31.7 | 23.95 |
| Jun 2019 | 40312.07 | 38870.96 | 26.15 | 22.2 |
| Jul 2019 | 40032.41 | 37128.26 | 25 | 19.75 |
| Aug 2019 | 37807.55 | 36102.35 | 38.6 | 17.55 |
| Sep 2019 | 39441.12 | 35987.8 | 34.4 | 20.45 |
| Oct 2019 | 40392.22 | 37415.83 | 23.7 | 18.8 |
| Nov 2019 | 41163.79 | 40014.23 | 22.15 | 19.5 |
| Dec 2019 | 41809.96 | 40135.37 | 22.8 | 18.8 |
| Jan 2020 | 42273.87 | 40476.55 | 23.95 | 18.7 |
| Feb 2020 | 41709.3 | 38219.97 | 26.35 | 17.65 |
| Mar 2020 | 39083.17 | 25638.9 | 19.55 | 10.7 |



Distribution of Shareholding as on 31st March, 2020

| Range | No. of Shareholders | % of Total Share holders | Share Amount (₹) | % of Total Share Capital |
|---------------|---------------------|--------------------------|----------------------|--------------------------|
| 1 – 1000 | 28,347 | 79.4234 | 8,203,106 | 0.2317 |
| 1001 – 2000 | 3,548 | 9.9409 | 6,139,486 | 0.1734 |
| 2001 – 4000 | 1,810 | 5.0713 | 5,844,286 | 0.1651 |
| 4001—6000 | 633 | 1.7736 | 3,303,498 | 0.0933 |
| 6001 – 8000 | 303 | 0.8490 | 2,209,844 | 0.0624 |
| 8001 – 10000 | 313 | 0.8770 | 3,026,766 | 0.0855 |
| 10001--20000 | 382 | 1.0703 | 5,770,846 | 0.1630 |
| 20001 & above | 355 | 0.9946 | 3,505,711,168 | 99.0255 |
| Total | 35,691 | 100.00 | 3,540,209,000 | 100.00 |

Category wise Distribution Schedule as on 31st March, 2020

| Sr. No. | Category | No. of Shares held | % |
|---------|---|----------------------|---------------|
| 1. | Directors | 240,993,315 | 13.61 |
| 2. | Corporate Bodies (Promoter Companies) | 1,424,596,230 | 80.48 |
| 3. | Clearing Members | 1,227,646 | 0.07 |
| 4. | Other Bodies Corporate | 9,448,353 | 0.53 |
| 5. | Financial Institutions | 2,656,710 | 0.15 |
| 6. | Foreign Portfolio Investors (Corporate) | 45,299,315 | 2.55 |
| 7. | Mutual Funds | 1,484 | 0.00 |
| 8. | Financial Institutions | 536,982 | 0.03 |
| 9. | Non-Resident Indians | 11,909,990 | 0.66 |
| 10. | Public | 29,724,498 | 1.67 |
| 11. | Hindu Undivided Family | 1,123,686 | 0.05 |
| 12. | Insurance Companies | 2,118,220 | 0.12 |
| 13. | Nationalised Banks | 1,508 | 0.00 |
| 14. | Alternate Investment Funds | 3,123,273 | 0.17 |
| | Total | 1,770,104,500 | 100.00 |

Dematerialization 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, 2020, except 15 equity shares, all the shares are held in dematerialized form.

GDR's/ADR's/Warrants or any Convertible Instruments

The Company has not issued any 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.

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 1 st April, 2019 | | Details of Shareholders approached during FY 2019-20 for claiming of shares | | Details of Shareholders to whom the shares have been transferred during FY 2019-20 | | Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31 st March, 2020 | |
|---|---------------|---|---------------|--|---------------|--|---------------|
| No. of shareholders | No. of Shares | No. of shareholders | No. of Shares | No. of shareholders | No. of Shares | No. of shareholders | No. of Shares |
| 11 | 4,250 | - | - | - | - | 11 | 4,250 |

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

Employee Stock Options

During the year under review, no shares have been allotted under Employee Stock Options Scheme.

Disclosure of Commodity Price Risks and Commodity Hedging Activities

The Company does not deal in commodities.

Weblinks for the Matters Referred in this Report are as under

| Particulars | Website link |
|---|---|
| Composition of Board of Directors | https://www.hathway.com/About/AboutUs |
| Composition of various Committees of the Board and their terms of reference | https://www.hathway.com/About/ComplianceReport#/2019-2020 |
| Familiarization Programme for Independent Directors | https://www.hathway.com/assets/pdf/Compliance%20Report/2019-2020/Directory/Familiarization%20Programme_2019-20.pdf |
| Code of Conduct | https://www.hathway.com/About/Policies |
| Remuneration Policy for Directors, Key Managerial Personnel and other employees | https://www.hathway.com/About/Policies |
| Policy for selection of Directors and determining Directors' independence | https://www.hathway.com/About/Policies |
| Policy for determining Material Subsidiaries | https://www.hathway.com/About/Policies |
| Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions | https://www.hathway.com/About/Policies |
| Policy on Determination and Disclosure of Materiality of Events and Information and Web Archival Policy | https://www.hathway.com/About/Policies |
| Vigil Mechanism Policy | https://www.hathway.com/About/Policies |
| Quarterly, Half-yearly and Annual Financial Results | https://www.hathway.com/About/QuarterlyFinancialResults#/panel4/q4 |
| Presentation to Investor | https://www.hathway.com/About/CorporatePresentation |
| Annual Report | https://www.hathway.com/About/AnnualReport |

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).

| Sr. No. | Particulars | Regulation | Compliance Status Yes / No / N.A. | Key Compliance observed |
|---------|---------------------------------|------------|--------------------------------------|---|
| 1. | Board of Directors | 17 | Yes | <ul style="list-style-type: none"> • Composition and Appointment of Directors • Meetings and quorum • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to non-executive Directors • Minimum information to be placed before the Board • Compliance Certificate by CEO and CFO • Risk assessment and risk management plan • Performance evaluation of Independent Directors • Recommendation of Board for each item of special business |
| 2. | Maximum Number of Directorships | 17A | Yes | <ul style="list-style-type: none"> • Directorships in listed entities |
| 3. | Audit Committee | 18 | Yes | <ul style="list-style-type: none"> • Composition • Meetings and quorum • Chairperson present at Annual General Meeting • Role of the Committee |

| Sr. No. | Particulars | Regulation | Compliance Status Yes / No / N.A. | Key Compliance observed |
|---------|---|------------|--------------------------------------|--|
| 4. | Nomination and Remuneration Committee | 19 | Yes | <ul style="list-style-type: none"> • Composition • Chairperson present at Annual General Meeting • Meetings and quorum • Role of the Committee |
| 5. | Stakeholders' Relationship Committee | 20 | Yes | <ul style="list-style-type: none"> • Composition • Chairperson present at Annual General Meeting • Meetings • Role of the Committee |
| 6. | Risk Management Committee | 21 | Yes | <ul style="list-style-type: none"> • Composition • Meetings • Role of the Committee |
| 7. | Vigil Mechanism | 22 | Yes | <ul style="list-style-type: none"> • Vigil Mechanism for Directors and employees • Adequate safeguards against victimisation • Direct access to Chairperson of Audit Committee |
| 8. | Related Party Transactions | 23 | Yes | <ul style="list-style-type: none"> • Policy on Materiality of Related Party transactions and dealing with Related Party Transactions • Prior approval including omnibus approval of Audit Committee for Related Party Transactions • Periodical review of Related Party transactions • Disclosure on Related Party Transactions |
| 9. | Subsidiaries of the Company | 24 | Yes | <ul style="list-style-type: none"> • Appointment of Company's Independent Director on the Board of material subsidiary • Review of financial statements and investments of subsidiary by the Audit Committee • Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors |
| 10. | Secretarial Audit | 24A | Yes | <ul style="list-style-type: none"> • Annual Secretarial Audit Report and Annual Secretarial Compliance Report • Secretarial Audit Report of material unlisted subsidiary incorporated in India |
| 11. | Obligations with respect to Independent Directors | 25 | Yes | <ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors • Cessation and appointment of Independent Directors • Familiarisation of Independent Directors • Declaration from Independent Directors that he / she meets the criteria of independence • Directors and Officers insurance for all the Independent Directors |

| Sr. No. | Particulars | Regulation | Compliance Status Yes / No / N.A. | Key Compliance observed |
|---------|--|-----------------|--------------------------------------|---|
| 12. | Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters | 26 | Yes | <ul style="list-style-type: none"> Memberships / Chairmanships in Committees Affirmation on compliance of Code of Conduct by Directors and Senior Management Disclosure of shareholding by non-executive Directors Disclosures by Senior Management about potential conflicts of interest No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter |
| 13. | Other Corporate Governance requirements | 27 | Yes | <ul style="list-style-type: none"> Compliance with discretionary requirements Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance |
| 14 | Website | 46(2)(b) to (i) | Yes | <ul style="list-style-type: none"> Terms and conditions of appointment of Independent Directors Composition of various Committees of the Board of Directors Code of Conduct of Board of Directors and Senior Management Personnel Details of establishment of Vigil Mechanism / Whistle-blower policy Policy on dealing with Related Party Transactions Policy for determining material subsidiaries Details of familiarisation programmes imparted to Independent Directors |

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained a Certificate from M/s. Rathi and Associates, Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority, which forms part of this Report as **Annexure - A**.

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated 8th February, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Rathi & Associates, Practicing Company Secretary, confirming compliance of SEBI Regulations / Circulars/ Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

CEO/CFO CERTIFICATION

As required under Part B of Schedule II read with Regulation 17(8) of SEBI (LODR), the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding their 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, 2020.

CODE OF CONDUCT DECLARATION

Pursuant to the provisions of SEBI (LODR), the Board Members and Senior Management Personnel of the Company have confirmed that they have complied with the Code of Conduct of the Company for the financial year 2019-20.

Place: Mumbai
Date: 23rd April, 2020

sd/-
Rajan Gupta
Managing Director
DIN: 07603128

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** ("the Company") for the financial year ended 31st March, 2020, as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 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

Date: 23rd April, 2020
Place: Mumbai

Sd/-
Himanshu Kamdar
Partner
M. NO. FCS 5171
C.P. No. 3030

ANNEXURE - A

To,
The Board of Directors
Hathway Cable and Datacom Limited
Rahejas, 4th floor, Corner of Main Avenue,
V. P. Road Santacruz (W), Mumbai - 400 054

Dear Sirs,

Re: **Certificate pursuant to Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Hathway Cable and Datacom Limited (CIN: L64204MH1959PLC011421) ("the Company") is Public Limited Company incorporated under the provisions of the erstwhile Companies Act, 1956 and whose equity shares are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"), has approached us to issue certificate confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India (SEBI or Board)/Ministry of Corporate Affairs or any such statutory authority and based on the individual confirmations received from the Board of Directors of the Company who are in their respective office as on 31st March 2020 viz.

| Sr. No. | Name of the Director | DIN |
|---------|-------------------------------|----------|
| 1. | Mr. Sridhar Gorthi | 00035824 |
| 2. | Mr. Viren Rajan Raheja | 00037592 |
| 3. | Mr. Akshay Rajan Raheja | 00288397 |
| 4. | Mr. Sasha Gulu Mirchandani | 01179921 |
| 5. | Ms. Ameeta Aziz Parpia | 02654277 |
| 6. | Ms. Geeta Kalyandas Fulwadaya | 03341926 |
| 7. | Mr. Rajan Gupta | 07603128 |
| 8. | Mr. Saurabh Sancheti | 08349457 |
| 9. | Mr. Anuj Jain | 08351295 |

and we certify that:

None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board /Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued by us only for the purpose of disclosure to be furnished in the Corporate Governance Report of the Company for the financial year ended 31st March, 2020, pursuant to Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and should not be used for any other purpose.

For Rathi & Associates
Company Secretaries

Sd/-
Himanshu Kamdar
Partner

Date: 23rd April, 2020
Place: Mumbai

M. NO. FCS 5171
C.P. No. 3030

INDEPENDENT AUDITOR'S REPORT

To the Members of Hathway Cable and Datacom Limited

Report on Audit of the Standalone Financial Statements

Opinion

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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 4.18, in which it is stated that the Board of directors of the Company has approved a Composite Scheme of Amalgamation and Arrangement involving the Company, Den Networks Limited (Den), Network18 Media & Investments Limited (Network18), TV18 Broadcast Limited (TV18), Media18 Distribution Services Limited (Cable Co.), Web18 Digital Services Limited (ISP Co.) and Digital18 Media Limited (Digital Co.) and their respective shareholders and creditors ("Scheme"). The Scheme provides for amalgamation of the Company, Den and TV18 with Network 18 and subsequent consolidation of Cable, ISP and Digital businesses of the amalgamating companies by way of transfer of relevant undertakings to the respective companies. On amalgamation, the shareholders of the Company will be issued shares of Network 18. The appointed date of the Scheme is February 1, 2020, however, it will take effect upon receipt of requisite approvals and fulfilment of conditions stated in the Scheme. Pending the Scheme coming in to force, no effect of the same have been considered in this standalone financial statements of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No | Key Audit Matters | How our audit addressed the Key Audit Matters |
|--------|--|--|
| 1. | <p>Valuation and Disclosure of Deferred Tax Assets</p> <p>The Company has a significant amount of deferred tax assets, mainly resulting from unused tax losses and unabsorbed depreciation allowance. The accounting for deferred tax assets is significant to our audit since the Company makes judgments and estimates of forecasted taxable income in relation to the realization of deferred tax assets. As at March 31, 2020, the deferred tax assets are valued at ₹ 176.62 crores. Further reference is made to Note 2.06</p> | <p>Our procedures included, amongst others:</p> <p>We tested management's assumptions used to determine that there is a reasonable certainty that deferred tax assets recognized in the balance sheet will be realized. This is based upon forecasted taxable income and the periods when the deferred tax assets can be utilized. In this regards, we also considered recent changes in the Income tax laws and decisions taken by the management pursuant to such changes. The forecasts were evaluated by us considering especially the performance of the Company post capital infusion, related business plans approved by the management and regulatory changes. Such evaluation included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies. We have also tested the effectiveness of the Company's internal controls around the valuation of deferred tax assets. We also assessed the adequacy of the Company's disclosures included in Note 2.06</p> |
| 2. | <p>Impairment of Property, Plant and Equipment</p> <p>There is a risk of impairment on the Company's property, plant and equipment (PPE) due to the nature of its PPE and the business environment surrounding the PPE. As on March 31, 2020, the carrying amount of PPE was ₹ 771.56 crores which represent 13.99% of total assets.</p> <p>The management determines at the end of each reporting period the existence of any objective evidence that the Company's PPE may be impaired. If there are indicators of impairment, the deficit between the recoverable amount of the PPE and its carrying amount would be recognised as impairment loss in Statement of Profit and Loss.</p> <p>The process of identifying indicators of impairment and determining the recoverable amount of the PPE by management requires significant judgement and estimation. The determination of the recoverable amounts requires estimates of forecasted revenues, growth rates, profit margins, tax rates and discount rates.</p> <p>As determined by the management, the carrying amount of PPE was impaired by ₹ 42.80 crores in the current year, as disclosed in Note 3.06 to the standalone financial statements.</p> | <p>Our procedures included, amongst others:</p> <p>We assessed the determination of the recoverable amount of the PPE based on our understanding of the nature of the Company's business and the economic environment in which its PPE operate.</p> <p>We reviewed the Company's historical performances and held discussions with management to understand their assessment of the Company's future performance. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives. We assessed management's estimates applied in the value-in-use model based on our knowledge of the Company's operations and compared them against historical forecasts and performance and tested the mathematical accuracy of the value-in-use model. We evaluated the sensitivity of the outcomes by considering the downside scenarios against changes to the key assumptions. We also assessed the adequacy of the related disclosures in the notes to the standalone financial statements</p> |

| Sr. Key Audit Matters No | How our audit addressed the Key Audit Matters |
|---|--|
| <p>3. Impairment of carrying cost of investments and net receivables from subsidiaries, joint ventures and associates</p> <p>Refer to Notes 1.07, 1.11 and 1.12 for the relevant accounting policy and the critical judgements, assumptions and estimation uncertainties used in impairment assessment of cost of investments in subsidiaries, joint ventures and associates and net receivables due from such entities at the reporting year end. Refer to Note 2.03 and 4.13 for the investment in subsidiaries, joint ventures and associates and amount due from such entities respectively.</p> <p>Total carrying cost of investment in subsidiaries, joint ventures and associates amounted to ₹ 1,089.32 crores and amount due from subsidiaries, joint ventures and associates amounted to ₹ 81.45 crores. As these balances are significant, they are a key focus area for our audit.</p> <p>For the non-performing subsidiaries, joint ventures and associates or if they have significant negative equity balances, the Company will have exposure to loss on cost of investments and amount due from the subsidiaries, joint ventures and associates. Any impairment losses on the investments in subsidiaries, joint ventures and associates and the related receivables from these entities have to be recognised in the standalone financial statements.</p> <p>Management made a comparison of carrying values of the subsidiaries, joint ventures and associates with the Company's share of net assets or liabilities of the subsidiaries, joint ventures and associates to identify indications of impairment loss on these investments and receivables due from them. A total exposure of ₹ 1,170.77 crores was considered. This amount comprised ₹ 8.80 crores impairment of cost of investment in subsidiaries, joint ventures and associates and ₹ 59.50 crores impairment of net receivables from subsidiaries, joint ventures and associates. The total impairment loss allowance for the year was ₹ 68.30 crores</p> | <p>Our procedures included, amongst others:</p> <p>We have reviewed and considered management's assessment on the net assets or liabilities of these entities. We have also assessed management's basis to determine potential impairment in both financial and non-financial assets of these entities. We also had discussions with management on the prospects and future plans of these entities. We have reviewed the valuation reports of key components carried out by the independent valuers and considered the appropriateness of the key assumptions used in the valuation for impairment assessment of investments in key components.</p> <p>We have also assessed the adequacy of the disclosures made in the standalone financial statements.</p> |

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
 - e) On the basis of the written representations received from the directors as on March 31, 2020

taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 4.02(g) to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 4.02(f) to the standalone financial statements; and
 - iii. There has been no delay in transferring amounts which were 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
UDIN: 20060639AAAADE9418

Place : Mumbai
Date : April 23, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records of Property, Plant and Equipment showing particulars of assets including quantitative details and situation 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;
- (c) The Company does not hold any immovable properties which are freehold. In respect of immovable properties of land and building that have been taken on lease and classified as Right of Use Asset in the standalone financial statements, the lease agreements are in the name of the Company;
- (ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- (b) The discrepancies noticed on physical verification as compared to the book records were not material having regards to size and nature of operations and have been properly dealt with in the books of account;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), (b) and (c) of the Order are not applicable;
- (iv) Based on the audit procedures applied by us, the Company has complied with the terms of the provisions contained in the section 185 or section 186 of the Act in respect of investment made during the year under audit. The Company has not granted loans, guarantees and made securities, during the year under audit, 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 services rendered 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, 2020, 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 | Karnataka Value Added Tax Act, 2003 | Value Added tax | 0.57 | April 2012 - March 2013 | Deputy Commissioner of Commercial taxes, (Audit) |
| 2 | West Bengal Value Added Tax Act, 2003 | Entry tax | 0.03 | April 2015 - March 2016 | Senior Joint Commissioner of Sales Tax |
| 3 | West Bengal Value Added Tax Act, 2003 | Entry tax | 0.01 | April 2014 - March 2015 | Senior Joint Commissioner of Sales Tax |
| 4 | West Bengal Value Added Tax Act, 2003 | Entry tax | 0.05 | April 2016 - March 2017 | Senior Joint Commissioner of Sales Tax |
| 5 | West Bengal Value Added Tax Act, 2003 | Value Added Tax and Central Sales Tax | 0.01 | April 2016 - March 2017 | Senior Joint Commissioner of Sales Tax |
| 6 | Income tax Act, 1962 | Income Tax (Penalty) | 0.16 | April 2014 - March 2015 | Commissioner of Income Tax (Appeals) |
| 7 | The Telangana Value added Tax 2005 | Value Added Tax | 0.15 ¹ | April 2015 - March 2016 | Appellate Joint Commissioner (ST) |
| 8 | The Custom Act, 1962 | Custom duty | 17.90 ² (includes penalty ₹ 8.95) | April 2011 - March 2012 | Customs and Excise and Service Tax Appellate Tribunal (CESTAT) |

¹Amount paid ₹ 0.02 crores

²Amount paid ₹ 0.67 crores

- (viii) Based on our audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, banks, and government. The Company has not issued any debentures;
- (ix) In our opinion and according to the information and explanations given to us and based on overall examination of records, the 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 given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act;
- (xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us and based on our examination of records of the Company, the Company is in compliance with the provisions of section 177 and 188 of the Act, where applicable, for transactions with the related parties and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current financial year. However, during the previous financial year 2018-19, the Company had made preferential allotment of shares and the requirement of section 42 of the Act, as applicable, had been complied with. According to the information and explanations given by the management, out of the funds so raised, ₹ 99.64 crores have been utilized for the purposes for which those were raised and balance funds

to the extent of ₹ 2940 crores pending such utilization, have been temporarily invested in Fixed Deposits with Banks;

- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors or persons

connected with them covered under section 192 of the Act. 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.

Place : Mumbai
Date : April 23, 2020

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

K.Y. Narayana
Partner
Membership No. 060639
UDIN: 20060639AAAADE9418

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2020

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020 based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

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

Place : Mumbai
Date : April 23, 2020

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

K.Y. Narayana
Partner
Membership No. 060639
UDIN: 20060639AAAADE9418

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Note No. | As at | |
|--|----------|-----------------|-----------------|
| | | March 31, 2020 | March 31, 2019 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 2.01 | 771.56 | 751.75 |
| Capital work in progress | | 26.61 | 51.56 |
| Other Intangible assets | 2.02 | 74.16 | 51.98 |
| Financial Assets | | | |
| Investments | 2.03 | 1,083.74 | 1,083.73 |
| Loans | 2.04 | 7.69 | 23.91 |
| Other financial assets | 2.05 | 4.36 | 13.03 |
| Deferred tax assets (net) | 2.06 | 176.62 | 267.67 |
| Other Non-current assets | 2.07 | 46.91 | 43.95 |
| Total Non-current assets | | 2,191.65 | 2,287.58 |
| Current assets | | | |
| Inventories | 2.08 | 11.79 | 12.98 |
| Financial Assets | | | |
| Investments | 2.09 | 27.72 | 2,993.56 |
| Trade receivables | 2.10 | 0.21 | 6.50 |
| Cash and cash equivalents | 2.11 | 1,050.34 | 53.12 |
| Bank balances other than Cash and cash equivalents | 2.12 | 2,000.14 | 50.00 |
| Loans | 2.04 | 26.02 | 80.25 |
| Other financial assets | 2.05 | 132.19 | 1.98 |
| Current Tax Assets (Net) | 2.13 | 42.59 | 42.54 |
| Other current assets | 2.07 | 34.10 | 29.61 |
| Total Current assets | | 3,325.10 | 3,270.54 |
| Total Assets | | 5,516.75 | 5,558.12 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 2.14 | 354.02 | 354.02 |
| Other Equity | 2.15 | 3,964.70 | 3,948.03 |
| Total Equity | | 4,318.72 | 4,302.05 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 43.99 | 800.18 |
| Other financial liabilities | 2.17 | 12.05 | 9.63 |
| Provisions | 2.18 | 2.18 | 2.78 |
| Other Non-current liabilities | 2.19 | 2.12 | 3.38 |
| Total Non-current liabilities | | 60.34 | 815.97 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 908.58 | 2.40 |
| Trade payables | | | |
| Total outstanding dues of: | | | |
| - Micro & small enterprises | | - | - |
| - Other | | 44.28 | 44.40 |
| Other financial liabilities | | | |
| Total outstanding dues of: | | | |
| - Micro & small enterprises | 2.17 | 0.25 | - |
| - Other | 2.17 | 79.06 | 308.49 |
| Other current liabilities | 2.19 | 105.35 | 84.51 |
| Provisions | 2.18 | 0.17 | 0.30 |
| Total current liabilities | | 1,137.69 | 440.10 |
| Total Equity and Liabilities | | 5,516.75 | 5,558.12 |
| 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

(Saurabh Sancheti)
Director
DIN: 08349457

For and on behalf of the Board

(Rajan Gupta)
Managing Director
DIN: 07603128

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

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

(Sitendu Nagchaudhuri)
Chief Financial Officer

Place: Mumbai
Date: April 23, 2020

Place: Mumbai
Date: April 23, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|----------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from Operations | 3.01 | 567.69 | 527.63 |
| Other Income | 3.02 | 250.34 | 54.86 |
| | | 818.03 | 582.49 |
| EXPENDITURE | | | |
| Operational Expenses | 3.03 | 180.30 | 122.54 |
| Employee Benefits Expense | 3.04 | 56.81 | 49.84 |
| Finance Cost | 3.05 | 116.10 | 102.58 |
| Depreciation, Amortization and Impairment | 3.06 | 152.19 | 115.92 |
| Other Expenses | 3.07 | 198.93 | 164.14 |
| | | 704.33 | 555.02 |
| Profit before Exceptional items and Tax | | 113.70 | 27.47 |
| Exceptional Items | 3.08 | 6.01 | 84.54 |
| Profit / (Loss) before Tax | | 107.69 | (57.07) |
| Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | 2.06 | 91.05 | (267.67) |
| Profit for the Year (A) | | 16.64 | 210.60 |
| Other Comprehensive Income / (Loss) (Net of Taxes) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the post employment benefit obligations | | 0.04 | (0.22) |
| Net gain on financial assets measured at FVTOCI | | - | 1.07 |
| Other Comprehensive Income for the year (B) | | 0.04 | 0.85 |
| Total Comprehensive Income for the year (A+B) | | 16.68 | 211.45 |
| Earnings per equity share (Face value of ₹ 2/- each) (Refer Note 4.01): | | | |
| Basic and diluted (in ₹) | | 0.09 | 2.08 |
| 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

(Saurabh Sancheti)
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(Sitendu Nagchaudhuri)
 Chief Financial Officer

Place: Mumbai
 Date: April 23, 2020

Place: Mumbai
 Date: April 23, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

A. Equity Share Capital

| Particulars | Note No. | Amount |
|---|-------------|---------------|
| Balance at April 01, 2018 | 2.14 | 166.10 |
| Changes in Equity Share Capital during the year | | 187.92 |
| Balance at March 31, 2019 | 2.14 | 354.02 |
| Changes in Equity Share Capital during the year | | - |
| Balance at March 31, 2020 | 2.14 | 354.02 |

B. Other Equity

| Particulars | Reserves and Surplus | | Total |
|--|----------------------|-------------------|-----------------|
| | Securities Premium | Retained earnings | |
| Balance at April 01, 2018 | 1,877.01 | (989.21) | 887.80 |
| Profit for the year | - | 210.60 | 210.60 |
| Other Comprehensive Income for the year | - | 0.85 | 0.85 |
| Addition during the year (Net of Share Issue Expenses amounting to ₹ 2.94 adjusted against Securities Premium) | 2,848.78 | - | 2,848.78 |
| Balance at March 31, 2019 | 4,725.79 | (777.76) | 3,948.03 |
| Impact on account of adoption of Ind AS 116 (Refer Note no 1.19) | - | (0.01) | (0.01) |
| Profit for the year | - | 16.64 | 16.64 |
| Other Comprehensive Income for the year | - | 0.04 | 0.04 |
| Balance at March 31, 2020 | 4,725.79 | (761.09) | 3,964.70 |

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

(Saurabh Sancheti)
 Director
 DIN: 08349457

For and on behalf of the Board

(Rajan Gupta)
 Managing Director
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(K.Y.Narayana)
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 FCS - 5189

(Sitendu Nagchaudhuri)
 Chief Financial Officer

Place: Mumbai
 Date: April 23, 2020

Place: Mumbai
 Date: April 23, 2020

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Cash flow from operating activities | | |
| Profit / (Loss) before Tax | 107.69 | (57.07) |
| Depreciation, Amortization and Impairment | 152.19 | 115.92 |
| Amount no longer payable written back | (0.14) | (0.02) |
| Impairment of trade receivables | 3.03 | 2.40 |
| Impairment of Advance | 2.00 | 0.04 |
| Provision for leave encashment and gratuity | (1.39) | 0.71 |
| Share of loss from LLP | 0.14 | 0.20 |
| Net Sundry Advances Written Off | 0.09 | - |
| Foreign Exchange Fluctuation | 3.29 | (1.48) |
| MTM (gain) / loss on swap | - | 0.04 |
| Loss on disposal of Property, Plant and Equipment | 5.98 | 4.49 |
| Net gain on financial assets measured at fair value through profit and loss | (0.27) | (41.59) |
| (Gain) / Loss on sale of current investments | (50.40) | - |
| Unwinding of Interest & Financial Guarantees | - | (2.17) |
| Income from Fixed Deposit / Loans | (192.02) | (6.72) |
| Dividend Income from associate | (4.20) | (4.20) |
| Interest and finance charges | 116.10 | 102.58 |
| Exceptional Items (Refer Note 4.05) | 6.01 | 84.54 |
| | 148.10 | 197.67 |
| Change in operating assets and liabilities : | | |
| Decrease/(increase) in trade receivables | 2.57 | (2.90) |
| Decrease/(increase) in inventories | 1.20 | 2.66 |
| Increase/(decrease) in trade payables | (0.12) | (2.87) |
| Decrease/(increase) in other financial assets | 2.15 | 4.09 |
| Decrease/(increase) in other non-current assets | (5.58) | (4.77) |
| Decrease/(increase) in other current assets | (4.48) | 10.27 |
| Increase/(decrease) in provisions | (0.57) | 0.01 |
| Increase/(decrease) in other current liabilities | 20.84 | (4.26) |
| Increase/(decrease) in other financial liabilities | (7.47) | (8.13) |
| Cash generated from operations | 156.64 | 191.77 |
| Less/(Add): Income taxes paid (net of refunds) | 4.82 | 2.70 |
| Net cash flow from / (used in) operating activities (A) | 151.82 | 189.07 |
| Cash flow from investing activities | | |
| Payments for acquisition of Property, Plant and Equipment | (231.17) | (200.02) |
| Proceeds from sale of Property, Plant and Equipment | 0.36 | 0.18 |
| Loans & advances given to related parties & Others (Net) | 68.79 | (21.19) |
| Investment in related parties | (0.70) | 0.02 |
| Payment for purchase of investments-Mutual Funds | (741.92) | (7,640.41) |
| Proceeds from sale of investments-Mutual Funds/others | 3,758.43 | 4,688.44 |
| Invested in fixed deposits | (2,600.71) | (50.40) |
| Fixed Deposit redeemed during the year | 659.23 | 0.40 |
| Income from Fixed Deposit / Loans | 61.77 | 5.52 |
| Dividend from Associate received | 4.20 | 4.20 |
| Net cash flow from / (used in) investing activities (B) | 978.28 | (3,213.26) |
| Cash flows from financing activities | | |
| Proceeds from Issue of Equity Shares / share application money | - | 3,039.64 |
| Expenses relating to equity infusion | - | (25.87) |
| Share issue expenses paid | - | (2.94) |
| Proceeds from Non - current Borrowings | - | 528.58 |
| Repayments of Non - current Borrowings | (928.17) | (335.72) |

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Proceeds/(Repayments) from current borrowings (net) | 897.59 | (22.47) |
| Interest and finance charges | (110.89) | (102.81) |
| Net cash flow from / (used in) in financing activities (C) | (141.47) | 3,078.41 |
| Net Increase / (decrease) in cash and cash equivalents (A+B+C) | 988.63 | 54.22 |
| Cash and cash equivalents at the beginning of the year | 53.12 | 4.47 |
| Bank overdrafts at the beginning of the year | - | (5.57) |
| Cash and cash equivalents at the end of the year | 1,041.75 | 53.12 |
| Reconciliation of cash and cash equivalents as per the cash flow statement : | | |
| Cash and cash equivalents | | |
| Balances with banks: | | |
| On current accounts | 4.23 | 22.14 |
| Cheques/drafts on Hand | 0.12 | - |
| Deposits with banks with original maturity of 3 months or less | 1,045.78 | 30.11 |
| Cash on hand | 0.21 | 0.87 |
| Bank overdrafts | (8.59) | - |
| Balance as per the cash flow statement | 1,041.75 | 53.12 |

Note :

- Above statement has been prepared by using Indirect method as per Ind AS 7 on Statement of Cash flows.
- Changes in liabilities arising from financing activities :

| Particulars | As at March 31, 2019 | Net Cash Flows | Non cash changes | | As at March 31, 2020 |
|---|-------------------------|-------------------|--|-----------------------|-------------------------|
| | | | Foreign Exchange movement (Gain) / Loss | Fair value changes | |
| Non - current Borrowings (including current maturities of Non-current Borrowings) | 981.79 | (928.17) | - | 7.92 | 61.54 |
| Current Borrowings | 2.40 | 897.59 | - | - | 899.99 |
| Total liabilities from financing activities | 984.19 | (30.58) | - | 7.92 | 961.53 |

| Particulars | As at March 31, 2018 | Net Cash Flows | Non cash changes | | As at March 31, 2019 |
|---|-------------------------|-------------------|--|-----------------------|-------------------------|
| | | | Foreign Exchange movement (Gain) / Loss | Fair value changes | |
| Non - current Borrowings (including current maturities of Non-current Borrowings) | 789.01 | 192.86 | - | 0.08 | 981.79 |
| Current Borrowings | 24.87 | (22.47) | - | - | 2.40 |
| Total liabilities from financing activities | 813.88 | 170.39 | - | 0.08 | 984.19 |

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

(Saurabh Sancheti)
 Director
 DIN: 08349457

(Rajan Gupta)
 Managing Director
 DIN: 07603128

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

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

(Sitendu Nagchaudhuri)
 Chief Financial Officer

Place: Mumbai
 Date: April 23, 2020

Place: Mumbai
 Date: April 23, 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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) and Bombay Stock Exchange Limited (BSE) in India.

Authorisation of standalone financial statements

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of directors on April 23, 2020.

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
- Right of Use assets

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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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

All other liabilities are classified as non-current.

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

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

1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing standalone financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as 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 recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

Key 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) Evaluation of recoverability of deferred tax assets; (Refer note 2.06) and
- (v) 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 capitalized 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 capitalized as Property, Plant and Equipment.

Derecognition of Property, Plant and 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 and Equipment

- (vii) Depreciation on Property, Plant and 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 and 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, Customer Acquisition Cost and Softwares.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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

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:

- 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.
- Customer acquisition costs are amortised over the period of five years.

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

Deemed cost for Intangible assets

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

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

1.08 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

1.09 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 or net realizable value.

Stock-in-trade comprising of access devices are valued at cost on weighted average method or at net realizable 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 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

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 a 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 and Loss of the year in which the related services are rendered.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(iv) Bonus Plans

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

1.16 REVENUE RECOGNITION

(i) Income from rendering of services and sale of products

The Company derives revenues primarily from Broadband business comprising of Internet services and other allied services.

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

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

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

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

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

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

(ii) Other Operating Income

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognized upon satisfaction of performance obligation as per the terms of underlying agreements.

(iii) Interest Income

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

(iv) 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.

(v) 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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as on April 1, 2019. Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 "Lease". Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases. Refer Note 1 "Significant Accounting policies", in the Company's 2019 Annual Report for the policies in effect for Leases prior to April 1, 2019. The effect of transition on Ind AS 116 was insignificant.

As a lessee

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Company is a lessor are recognized on either a straight-line basis or another systematic basis. The Company shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Company present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

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 recognized in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

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

FOR THE YEAR ENDED MARCH 31, 2020

2.01 Property, Plant and Equipment:

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | Accumulated Depreciation / Impairment | | Net Carrying Amount | | | | | |
|-----------------------------|-----------------------|-------------------------|---------------------------------------|--------------------------|----------------------|----------------------|-------------|---------------|---------------|---------------|
| | As at April 1, 2019 | As at Addition Disposal | As at April 1, 2019 | For the Year on disposal | As at March 31, 2020 | As at March 31, 2019 | | | | |
| Own Assets: | | | | | | | | | | |
| Plant and Equipment | 993.83 | 156.76 | 14.57 | 1,136.02 | 258.44 | 130.81 | 9.63 | 379.62 | 756.40 | 735.39 |
| Air conditioners | 4.18 | 0.48 | 0.03 | 4.63 | 2.18 | 0.74 | 0.02 | 2.90 | 1.73 | 2.00 |
| Structural fittings | 2.72 | - | - | 2.72 | 0.97 | 0.27 | - | 1.24 | 1.48 | 1.75 |
| Furniture & Fixtures | 11.08 | 0.15 | - | 11.23 | 4.59 | 1.05 | - | 5.64 | 5.59 | 6.49 |
| Mobile & Telephone | 0.59 | 0.03 | - | 0.62 | 0.37 | 0.08 | - | 0.45 | 0.17 | 0.22 |
| Computers | 7.17 | 1.23 | 0.01 | 8.39 | 5.48 | 0.84 | 0.01 | 6.31 | 2.08 | 1.69 |
| Office Equipments | 2.57 | 0.32 | - | 2.89 | 1.79 | 0.39 | - | 2.18 | 0.71 | 0.78 |
| Electrical Fittings | 4.88 | 0.22 | - | 5.10 | 1.81 | 0.46 | - | 2.27 | 2.83 | 3.07 |
| Motor Vehicles | 0.63 | - | - | 0.63 | 0.27 | 0.06 | - | 0.33 | 0.30 | 0.36 |
| Total (A) | 1,027.65 | 159.19 | 14.61 | 1,172.23 | 275.90 | 134.70 | 9.66 | 400.94 | 771.29 | 751.75 |
| Right of Use assets: | | | | | | | | | | |
| Building | - | 0.65 | - | 0.65 | - | 0.38 | - | 0.38 | 0.27 | - |
| Total (B) | - | 0.65 | - | 0.65 | - | 0.38 | - | 0.38 | 0.27 | - |
| Total (A+B) | 1,027.65 | 159.84 | 14.61 | 1,172.88 | 275.90 | 135.08 | 9.66 | 401.32 | 771.56 | 751.75 |

| Particulars | Gross Carrying Amount | | Accumulated Amortisation / Impairment | | Net Carrying Amount | | | | | |
|----------------------|-----------------------|-------------------------|---------------------------------------|--------------------------|----------------------|----------------------|-------------|---------------|---------------|---------------|
| | As at April 1, 2018 | As at Addition Disposal | As at April 1, 2018 | For the Year on disposal | As at March 31, 2019 | As at March 31, 2018 | | | | |
| Own Assets: | | | | | | | | | | |
| Plant and Equipment | 883.84 | 125.23 | 15.24 | 993.83 | 161.97 | 102.03 | 5.56 | 258.44 | 735.39 | 721.87 |
| Air conditioners | 3.79 | 0.39 | * | 4.18 | 1.43 | 0.75 | * | 2.18 | 2.00 | 2.36 |
| Structural fittings | 2.48 | 0.24 | - | 2.72 | 0.63 | 0.34 | - | 0.97 | 1.75 | 1.85 |
| Furniture & Fixtures | 10.71 | 0.37 | - | 11.08 | 3.39 | 1.20 | - | 4.59 | 6.49 | 7.32 |
| Mobile & Telephone | 0.56 | 0.03 | - | 0.59 | 0.29 | 0.08 | - | 0.37 | 0.22 | 0.27 |
| Computers | 6.48 | 0.69 | * | 7.17 | 4.21 | 1.27 | * | 5.48 | 1.69 | 2.27 |
| Office Equipments | 2.40 | 0.17 | - | 2.57 | 1.28 | 0.51 | - | 1.79 | 0.78 | 1.12 |
| Electrical Fittings | 4.46 | 0.42 | * | 4.88 | 1.22 | 0.59 | * | 1.81 | 3.07 | 3.24 |
| Motor Vehicles | 0.63 | - | - | 0.63 | 0.19 | 0.08 | - | 0.27 | 0.36 | 0.43 |
| Total | 915.35 | 127.54 | 15.24 | 1,027.65 | 174.61 | 106.85 | 5.56 | 275.90 | 751.75 | 740.75 |

* Amount less than ₹ 50,000/-

Notes :

- Loss of ₹ Nil (March 31, 2019: ₹ 1.33) arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipment has been capitalised and included in "Additions". The Company has also capitalised Finance cost of ₹ Nil (March 31, 2019: ₹ 1.26)
- Depreciation charge for the year includes Impairment of Plant and Equipment ₹ 42.80 (March 31, 2019: ₹ 12.84).
- Refer note no 4.04 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

2.02 Intangible Assets : (₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | Accumulated Amortisation / Impairment | | Net Carrying Amount | |
|---------------------------|-----------------------|----------------------|---------------------------------------|--------------------------|----------------------|----------------------|
| | As at April 1, 2019 | As at March 31, 2020 | As at April 1, 2019 | For the Year on disposal | As at March 31, 2020 | As at March 31, 2019 |
| Goodwill | 0.11 | 0.11 | - | - | 0.11 | - |
| Network Franchisee | 6.05 | 6.05 | 0.65 | - | 2.80 | 3.25 |
| Softwares | 27.42 | 29.76 | 4.77 | - | 18.05 | 11.71 |
| Bandwidth Rights | 2.12 | 2.12 | 0.32 | - | 1.29 | 0.83 |
| Customer Acquisition Cost | 36.96 | 73.90 | 11.36 | - | 15.53 | 58.37 |
| Total | 72.66 | 111.94 | 17.10 | - | 37.78 | 74.16 |

* Amount less than ₹ 50,000/-

| Particulars | Gross Carrying Amount | | Accumulated Amortisation / Impairment | | Net Carrying Amount | |
|---------------------------|-----------------------|----------------------|---------------------------------------|--------------------------|----------------------|----------------------|
| | As at April 1, 2018 | As at March 31, 2019 | As at April 1, 2018 | For the Year on disposal | As at March 31, 2019 | As at March 31, 2018 |
| Goodwill | 0.11 | 0.11 | - | - | 0.11 | - |
| Network Franchisee | 6.05 | 6.05 | 0.43 | - | 2.15 | 3.90 |
| Softwares | 21.74 | 27.42 | 4.16 | - | 13.28 | 14.14 |
| Bandwidth Rights | 2.12 | 2.12 | 0.31 | - | 0.97 | 1.15 |
| Customer Acquisition Cost | - | 36.96 | 4.17 | - | 4.17 | 32.79 |
| Total | 30.02 | 42.64 | 9.08 | - | 20.68 | 51.98 |

Notes :

- Amortisation charge for the year includes Impairment of Network Franchisee ₹ 0.22 (March 31, 2019: ₹ Nil)
- Range of remaining period of amortisation as at March 31, 2020 of Intangible assets is as below :

| | 0 to 5 years | 6 to 10 years | 10 to 15 years | Total |
|---------------------------|--------------|---------------|----------------|--------------|
| Network Franchisee | 2.04 | 1.21 | * | 3.25 |
| Softwares | 11.71 | - | - | 11.71 |
| Customer Acquisition Cost | 58.37 | - | - | 58.37 |
| Bandwidth Rights | 0.74 | 0.07 | 0.02 | 0.83 |
| Total | 72.86 | 1.28 | 0.02 | 74.16 |

- Refer note no 2.16 (c) for information on Property, Plant and Equipment pledged as security of the group.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.03 Non-Current Investments

| Particulars | Face Value Per Share ₹ | March 31, 2020 | | March 31, 2019 | |
|--|------------------------|----------------|---------------|----------------|---------------|
| | | 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 | 568.55 | 41,972,694 | 568.55 |
| | | | 570.34 | | 570.34 |
| Unquoted (fully paid up) | | | | | |
| Investment in Equity Shares of Subsidiaries | | | | | |
| Hathway Digital Pvt. Ltd. | 10 | 355,734,833 | 432.67 | 355,734,833 | 432.67 |
| 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 Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| Hathway United Cables Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| ITV Interactive Media Pvt. Ltd. | 100 | 8,250 | - | 8,250 | - |
| Liberty Media Vision Pvt. Ltd. | 10 | 10,000 | - | 10,000 | - |
| | | | 485.16 | | 485.16 |
| Investment in Equity Shares of Joint Ventures | | | | | |
| Hathway Sai Star Cable & Datacom Pvt. Ltd. | 10 | 82,463 | 11.10 | 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 | 68,000 | 5.29 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Face Value Per Share ₹ | March 31, 2020 | | March 31, 2019 | |
|--|------------------------|----------------|-----------------|----------------|-----------------|
| | | Quantity | Amount | Quantity | Amount |
| Net 9 Online Hathway Pvt. Ltd. | 10 | 5,000 | 2.01 | 5,000 | 2.01 |
| 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 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 | | | 6.47 | | 5.78 |
| | | | 25.00 | | 24.99 |
| 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 |
| Less : Impairment in value of investment | | | 1.73 | | 1.73 |
| | | | - | | - |
| Investments measured at amortised cost | | | | | |
| Unquoted | | | | | |
| Investment in Preference Shares of Subsidiary (fully paid up)* | | | | | |
| Hathway Digital 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) | | | | | |
| Unquoted | | | | | |
| 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 | 3.08 | 71,175 | 3.08 |
| | | | 3.08 | | 3.08 |
| Total Non-current Investments | | | 1,083.74 | | 1,083.73 |
| Aggregate amount of quoted investments | | | 570.34 | | 570.34 |
| Market Value of quoted investments | | | 172.93 | | 288.71 |
| Aggregate amount of unquoted investments | | | 510.32 | | 510.31 |
| Aggregate fair value of investments designated at FVTOCI | | | 3.08 | | 3.08 |
| Aggregate amount of impairment in value of investments | | | 8.80 | | 8.11 |

*5% Non-Cumulative Redeemable Preference Shares of ₹ 10 each - The carrying value of the equity component included in investment in 5% Non-cumulative Redeemable Preference Shares issued by wholly owned subsidiary Hathway Digital Pvt. Ltd. is ₹ 0.02 (As at March 31, 2019 ₹ 0.02)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.04 Loans

| Particulars | Non-Current | | Current | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Security Deposits | | | | |
| Considered good - Unsecured | 6.58 | 8.46 | 2.69 | 2.93 |
| Security Deposits - credit impaired | 1.60 | - | - | - |
| Less: Allowance for bad & doubtful advances | 1.60 | - | - | - |
| (A) | 6.58 | 8.46 | 2.69 | 2.93 |
| Loans to Related Parties | | | | |
| Considered good - Unsecured | | | | |
| Loan to Subsidiaries, Joint Ventures and Associates | 1.06 | 15.41 | 23.33 | 77.32 |
| Investment in Preference Share Capital | 0.05 | 0.04 | - | - |
| Loan receivables - credit impaired | 76.66 | 79.18 | - | - |
| | 77.77 | 94.63 | 23.33 | 77.32 |
| Less : Provision for impairment | 76.66 | 79.18 | - | - |
| (B) | 1.11 | 15.45 | 23.33 | 77.32 |
| Other Loans | | | | |
| Loan receivables - credit impaired | 0.41 | 0.41 | - | - |
| | 0.41 | 0.41 | - | - |
| Less : Provision for impairment | 0.41 | 0.41 | - | - |
| (C) | - | - | - | - |
| Total (A+B+C) | 7.69 | 23.91 | 26.02 | 80.25 |

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.

2.05 Other Financial Assets

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Unsecured, considered good | | | | |
| Share Application Money. (Refer note 4.02 b) | 0.26 | 0.26 | - | - |
| Bank deposits with more than 12 months maturity | 4.10 | 12.77 | - | - |
| Accrued Interest | - | - | 131.33 | 1.44 |
| Accrued Interest on Loans Given | - | - | 0.36 | - |
| Unbilled Revenue * | - | - | 0.07 | 0.08 |
| Other Receivables | - | - | 0.43 | 0.46 |
| Total | 4.36 | 13.03 | 132.19 | 1.98 |

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.

* Classified as financial asset as right to consideration is unconditional upon passage of time.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.06 Deferred Tax Assets (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| The balance comprises of temporary differences attributable to - | | |
| Deferred tax assets in relation to:* | | |
| Unabsorbed depreciation | 184.91 | 283.44 |
| Others | 15.84 | 7.58 |
| | 200.75 | 291.02 |
| Deferred tax liabilities in relation to: | | |
| Property, Plant and Equipment | 24.13 | 23.35 |
| | 24.13 | 23.35 |
| Deferred Tax Assets (Net) | 176.62 | 267.67 |

Significant Estimates -

* The deferred tax assets recognised is mainly in respect of unabsorbed depreciation allowance and brought forward losses available for set off for an indefinite period in terms of applicable tax laws. Considering the revision in business plans and growth strategy of the Company, pursuant to fresh infusion of equity capital and implementation of New Tariff Order during the previous financial year, the Management is reasonably certain of future taxable income and hence recovery of such deferred tax assets.

The movement in deferred tax asset / liabilities during the Year ended March 31, 2020 and March 31, 2019:

| Particulars | As at March 31, 2019 | Recognised in Profit / (Loss) | As at March 31, 2020 |
|---|-------------------------|----------------------------------|-------------------------|
| Deferred Tax Assets in relation to: | | | |
| Unabsorbed depreciation | 283.44 | (98.52) | 184.92 |
| Others | 7.58 | 8.25 | 15.83 |
| | 291.02 | (90.27) | 200.75 |
| Deferred tax liabilities in relation to: | | | |
| Property, Plant and Equipment | 23.35 | (0.78) | 24.13 |
| | 23.35 | (0.78) | 24.13 |
| Total | 267.67 | (91.05) | 176.62 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.07 Other Assets

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Capital Advances | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Network Acquisitions | 0.03 | 0.03 | - | - |
| Advance to Suppliers | 3.00 | 3.21 | - | - |
| Doubtful | 0.30 | 0.30 | - | - |
| Less: Allowance for bad & doubtful advances | 0.30 | 0.30 | - | - |
| (A) | 3.03 | 3.24 | - | - |
| Advances Other Than Capital Advances | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Prepaid expenses | 0.13 | 1.53 | 2.19 | 3.45 |
| Staff Advances | - | - | 0.45 | 0.07 |
| Sundry Advances | - | 0.11 | 3.22 | 10.15 |
| Balance with Government authorities: | | | | |
| GST Recoverable | - | - | 28.08 | 15.77 |
| Balance with Statutory Authorities | 8.96 | 16.14 | 0.14 | 0.04 |
| Advance Income Tax (Net of Provision) | 27.43 | 22.65 | - | - |
| Deposits paid under Protest | 7.36 | 0.27 | - | - |
| Other Receivables | - | - | 0.02 | 0.12 |
| Doubtful | 15.19 | 8.61 | - | - |
| Less: Allowance for bad & doubtful advances | 15.19 | 8.61 | - | - |
| (B) | 43.88 | 40.71 | 34.10 | 29.61 |
| Total (A+B) | 46.91 | 43.95 | 34.10 | 29.61 |

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.

2.08 Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Stock of Spares and Maintenance Items | 11.79 | 12.98 |
| Total | 11.79 | 12.98 |

2.09 Current Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Unquoted | | |
| Investments measured at fair value through profit and loss account | | |
| Investment in Mutual Funds | 27.72 | 2,993.56 |
| Total | 27.72 | 2,993.56 |
| Aggregate amount of unquoted investments | 27.45 | 2,964.70 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.10 Trade Receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|-------------------------|-------------------------|
| Trade receivables - Unsecured | 53.21 | 56.80 |
| | 53.21 | 56.80 |
| Less: Provision for Impairment | 53.00 | 50.30 |
| Total | 0.21 | 6.50 |

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.

2.11 Cash and Cash Equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Balances with banks: | | |
| In Current Accounts | 4.23 | 22.14 |
| Deposits with banks with original maturity of 3 months or less | 1,045.78 | 30.11 |
| Cheques / drafts on Hand | 0.12 | - |
| Cash in hand | 0.21 | 0.87 |
| Total | 1,050.34 | 53.12 |

2.12 Bank Balances Other Than Cash And Cash Equivalents

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Margin money deposit* | 4.10 | 12.77 | 2,000.14 | - |
| Deposits with original maturity for more than 3 months but less than 12 months | - | - | - | 50.00 |
| | 4.10 | 12.77 | 2,000.14 | 50.00 |
| Less: Amount disclosed under other financial asset (Refer Note 2.05) | 4.10 | 12.77 | - | - |
| Total | - | - | 2,000.14 | 50.00 |

*Marked under lien in favour of Banks

2.13 Current Tax Assets (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Current tax assets | | |
| Advance Income Tax (Net of Provisions) | 42.59 | 42.54 |
| Total | 42.59 | 42.54 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.14 Equity Share Capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Authorised Capital | | |
| 1,999,000,000 (March 31, 2019:1,999,000,000) Equity Shares of ₹ 2 each | 399.80 | 399.80 |
| Total | 399.80 | 399.80 |
| Issued, Subscribed and Paid up Capital | | |
| 1,770,104,500 (March 31, 2019: 1,770,104,500) Equity Shares of ₹ 2 each fully paid-up | 354.02 | 354.02 |
| Total | 354.02 | 354.02 |

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|--------|----------------------|--------|
| | Number | Amount | Number | Amount |
| Equity Shares of ₹ 2 each | | | | |
| Shares Outstanding at the beginning of the year | 1,770,104,500 | 354.02 | 830,494,500 | 166.10 |
| Shares Issued during the year under Preferential allotment (Refer note (e) below) | - | - | 939,610,000 | 187.92 |
| Shares Outstanding at the end of the year | 1,770,104,500 | 354.02 | 1,770,104,500 | 354.02 |

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, 2019 : ₹ 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) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

| Name of the Shareholder | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| | No. of Shares held | No. of Shares held |
| Equity Shares of ₹ 2 each | | |
| Jio Content Distribution Holdings Private Limited § | 749,382,454 | 749,382,454 |
| Jio Internet Distribution Holdings Private Limited § | 300,337,845 | 300,337,845 |
| Jio Cable and Broadband Holdings Private Limited § | 223,980,916 | 223,980,916 |

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

d) Details of shareholders holding more than 5% shares in the Company:

| Name of the Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Equity Shares of ₹ 2 each | | | | |
| Mr. Akshay Raheja | 121,413,000 | 6.86 | 121,413,000 | 6.86 |
| Mr. Viren Raheja | 119,553,000 | 6.75 | 119,553,000 | 6.75 |
| Hathway Investments Private Limited | 112,645,015 | 6.36 | 112,645,015 | 6.36 |
| Jio Content Distribution Holdings Private Limited | 749,382,454 | 42.34 | 749,382,454 | 42.34 |
| Jio Internet Distribution Holdings Private Limited | 300,337,845 | 16.97 | 300,337,845 | 16.97 |
| Jio Cable And Broadband Holdings Private Limited | 223,980,916 | 12.65 | 223,980,916 | 12.65 |

- e) During previous financial year, the Company had allotted on preferential basis 3,08,00,000 equity shares of ₹ 2 each at a premium of ₹ 30.35 per share to Hathway Investments Private Limited. Further, during previous financial year, the Company had allotted on preferential basis 908,810,000 equity shares of ₹ 2 each at a premium of ₹ 30.35 per share to the following entities (the "Acquirers") aggregating to ₹ 2,940 representing 51.34% of post allotment equity share capital of the Company:

| Particulars | No. of shares | Amount |
|--|--------------------|-----------------|
| Jio Content Distribution Holdings Private Limited | 534,698,609 | 1,729.75 |
| Jio Internet Distribution Holdings Private Limited | 214,296,755 | 693.25 |
| Jio Cable and Broadband Holdings Private Limited | 159,814,636 | 517.00 |
| Total | 908,810,000 | 2,940.00 |

Pursuant to the aforesaid preferential allotment, the Acquirers have acquired sole control of the Company and the Acquirers and the Persons Acting in Concert (PAC) namely Reliance Industries Limited, Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'promoter and promoter group' of the Company.

During the previous financial year, on February 26, 2019 the Acquirers acquired an aggregate of 364,891,215 equity shares representing 20.61% of the total paid-up equity share capital of the Company pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Accordingly, as at March 31, 2019, the aggregate holding of the Acquirers in the Company stood at 1,273,701,215 equity shares of the Company representing 71.96% of the total paid-up equity share capital of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.15 Other Equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Retained earnings | (761.09) | (777.76) |
| Securities Premium | 4,725.79 | 4,725.79 |
| Total | 3,964.70 | 3,948.03 |

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 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

| Particulars | Non Current portion | | Current maturities of long term debts | |
|---|-------------------------|-------------------------|---------------------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Term Loans | | | | |
| Secured | | | | |
| From Banks | - | 405.16 | - | 88.70 |
| From Others | 43.99 | 295.02 | 17.55 | 92.91 |
| Inter Corporate Deposit | - | 100.00 | - | - |
| | 43.99 | 800.18 | 17.55 | 181.61 |
| Less: Amount disclosed under the head Other Financial Liabilities (Refer Note No. 2.17) | | | | |
| - Current maturities of Long-Term Debts | - | - | 17.55 | 181.61 |
| Net Amount | 43.99 | 800.18 | - | - |

Current Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Loans repayable on demand | | |
| Secured | | |
| Overdraft with bank | 908.58 | - |
| Unsecured | | |
| Loans from Related Parties | - | 2.40 |
| Total | 908.58 | 2.40 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

a) Nature of Security and terms of repayment for borrowings:

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------------|--|---|----------------------|---------------|----------------------|---------------|
| | | | Non-Current | Current | Non-Current | Current |
| Non-Current Borrowings | | | | | | |
| 1 | Term Loan from Others | | | | | |
| | Secured | | | | | |
| 1.01 | 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 | Seventeen equal quarterly installments starting after 1 year from the date of first drawdown of Loan. Applicable Rate of Interest is 6 months ICICI MCLR+ 1.65% | 44.12 | 17.65 | 61.76 | 13.24 |
| ii | Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| | Gross Borrowings | | 44.12 | 17.65 | 61.76 | 13.24 |
| | Add: | Loan fully repaid prior to the Balance sheet date | - | - | 743.87 | 171.07 |
| | Less: | Unamortised upfront fees on borrowing | 0.13 | 0.09 | 5.45 | 2.69 |
| | Total Long Term Borrowings | | 43.99 | 17.55 | 800.18 | 181.61 |
| Current Borrowings | | | | | | |
| 2.0 | Overdraft | | | | | |
| | Secured | | | | | |
| 2.01 | Axis Bank Ltd | | | | | |
| | Secured by Fixed Deposits of the Company of ₹ 930 | (Sanctioned Amount ₹ 930) | - | 908.58 | - | - |
| 3.0 | From Related Parties | | | | | |
| | Unsecured | | | | | |
| 3.01 | Hathway Broadband Private Limited | | - | - | - | 2.40 |
| | Total Short Term Borrowings | | - | 908.58 | - | 2.40 |

b) Details of Non - Current borrowings guaranteed by Hathway Digital Private Limited, a wholly owned subsidiary of the Company:

| Particulars | | As at March 31, 2020 | As at March 31, 2019 |
|-------------|-------------------------------------|----------------------|----------------------|
| 1. | Term loans from banks | - | 499.99 |
| 2. | Term Loan From others | 61.76 | 388.75 |
| | Total non current borrowings | 61.76 | 888.74 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

c) The carrying amount of assets pledged as security for borrowings are disclosed below:

| Sr. No. | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------|---|-------------------------|-------------------------|
| 1 | Current | | |
| i | Inventories | 11.79 | 12.98 |
| ii | Trade Receivables | 0.21 | 6.50 |
| iii | Cash and Cash Equivalents | 1,050.34 | 53.12 |
| iv | Bank balances other than Cash and Cash Equivalents* | 2,000.14 | 50.00 |
| v | Loans | 26.02 | 80.25 |
| vi | Other financial assets | 132.19 | 1.98 |
| vii | Other Current Assets | 3.81 | 10.25 |
| | | 3,224.50 | 215.08 |
| 2 | Non - current | | |
| i | Property, Plant and Equipment | 771.56 | 751.75 |
| ii | Capital Work In Progress | 26.61 | 51.56 |
| iii | Other Intangible Assets | 74.16 | 51.98 |
| iv | Loans | 7.69 | 23.91 |
| v | Other financial assets | 4.36 | 13.03 |
| vi | Other Non-Current Assets | 11.99 | 19.50 |
| | | 896.37 | 911.73 |
| | Total assets pledged as security | 4,120.87 | 1,126.81 |

* Margin money deposits of ₹ 930 pledged as security for Overdraft facility availed by the company and ₹ 1070 pledged for Overdraft facility availed by Hathway Digital Private Limited, 100% subsidiary of the company.

2.17 Other Financial Liabilities

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Current maturities of Long-Term Debts (Refer note no. 2.16) | - | - | 17.55 | 181.61 |
| Security Deposits | 12.05 | 9.63 | - | - |
| Interest accrued and not due | - | - | 0.93 | 3.64 |
| Salary and Employee benefits payable | - | - | 4.62 | 8.23 |
| Payables for acquisition of property, plant and equipment | | | | |
| - Micro enterprises and small enterprises | - | - | 0.25 | - |
| - Capital creditors | - | - | 31.89 | 86.34 |
| Lease Liability | - | - | 0.28 | - |
| Other Financial Liabilities | - | - | 23.79 | 28.67 |
| Total | 12.05 | 9.63 | 79.31 | 308.49 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.18 Provisions

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Employee Benefits | | | | |
| Provision for Leave Encashment | 2.18 | 2.21 | 0.17 | 0.30 |
| (A) | 2.18 | 2.21 | 0.17 | 0.30 |
| Others | | | | |
| Mark to Market Losses on Currency Swap | - | 0.57 | - | - |
| (B) | - | 0.57 | - | - |
| Total (A+B) | 2.18 | 2.78 | 0.17 | 0.30 |

2.19 Other Liabilities

| Particulars | Non-Current | | Current | |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Income received in advance | - | - | 76.01 | 72.42 |
| Statutory Payables | - | - | 20.32 | 5.50 |
| Gratuity (Funded) | 2.12 | 3.38 | - | - |
| Other Liabilities | - | - | 9.02 | 6.59 |
| Total | 2.12 | 3.38 | 105.35 | 84.51 |

3.01 Revenue from Operations

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------------|------------------------------|------------------------------|
| Revenue from operations | | |
| Sale of services | 567.60 | 527.08 |
| Sale of products | * | 0.30 |
| Other operating revenues | 0.09 | 0.25 |
| Total | 567.69 | 527.63 |

* Amount less than ₹ 50,000/-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

3.02 Other Income

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Interest income earned on financial assets measured at Amortised Cost: | | |
| Bank Deposits | 185.00 | 4.18 |
| Interest on Loans | 7.02 | 2.54 |
| Corporate guarantee/ unwinding interest | - | 2.17 |
| Dividend Income from associate | 4.20 | 4.20 |
| Other Non - operating income | | |
| Amount No Longer Payable Written Back | 0.14 | 0.02 |
| Interest on Income Tax Refund | 3.11 | - |
| Miscellaneous Income | 0.20 | 0.16 |
| Other gains and losses | | |
| Gain on disposal of Current Investments (Net) | 50.40 | - |
| Net Gain on financial assets measured at fair value through profit and loss | 0.27 | 41.59 |
| Total | 250.34 | 54.86 |

3.03 Other Operational Expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Commission | 52.22 | 39.16 |
| Bandwidth & Lease Line Cost | 53.73 | 40.75 |
| Licence Fees | 25.56 | 1.58 |
| Repairs and Maintenance (Plant and Machinery) | 6.50 | 3.40 |
| Rent | 15.27 | 15.77 |
| Consultancy and Technical Fees | 2.91 | 4.75 |
| Other Sundry Operational Cost | 15.90 | 13.50 |
| Software and Programming Cost | 2.53 | 2.33 |
| Freight & Octroi Charges | 0.87 | 0.02 |
| Hire Charges | 4.81 | 1.28 |
| Total | 180.30 | 122.54 |

3.04 Employee Benefits Expense

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Salaries & Bonus | 50.93 | 44.96 |
| Contribution to provident and other funds | 3.10 | 2.81 |
| Staff Welfare expenses | 2.78 | 2.07 |
| Total | 56.81 | 49.84 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

3.05 Finance Cost

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Interest and Finance charges on financial liabilities | 98.72 | 86.56 |
| Exchange differences regarded as an adjustment to borrowing cost | - | 6.04 |
| Other borrowing costs | 17.34 | 9.98 |
| Interest expenses on Leases Laibility | 0.04 | - |
| Total | 116.10 | 102.58 |

3.06 Depreciation, Amortisation And Impairment

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Depreciation of Property, Plant and Equipment | 91.90 | 94.01 |
| Amortisation of Intangible Assets | 16.89 | 9.07 |
| Depreciation on Right of Use Assets | 0.38 | - |
| Impairment of Property, Plant and Equipment | 42.80 | 12.84 |
| Impairment of Other Intangible Assets | 0.22 | - |
| Total | 152.19 | 115.92 |

3.07 Other Expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Service Charges | 120.65 | 89.95 |
| Bad Debts | - | 3.24 |
| Less: Transfer from impairment of trade receivables (Expected Credit Loss) | - | 3.24 |
| | - | - |
| Advances Written Off | 2.00 | - |
| Less: Transfer from provision for impairment | 2.00 | - |
| | - | - |
| Impairment of trade receivables (Expected credit loss) | 3.03 | 2.40 |
| Electricity Expenses | 16.22 | 15.55 |
| Advertisement & Promotion expenses | 15.58 | 12.65 |
| Legal & Professional Charges | 3.76 | 3.46 |
| Rent - Offices | 4.70 | 4.20 |
| Conveyance | 3.43 | 3.29 |
| Repairs & Maintenance (Others) | 3.31 | 1.96 |
| Office Expenses | 1.69 | 1.45 |
| Travelling | 2.18 | 2.55 |
| Communication Charges | 1.79 | 1.98 |
| Rates & taxes | 3.80 | 1.63 |
| Loss on disposal / shortage of Property, Plant and Equipment | 5.98 | 4.49 |
| Printing & Stationery | 0.99 | 0.66 |
| Insurance Charges | 1.35 | 1.77 |
| Business Promotion Expenses | 0.07 | 0.22 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Sundry Advances Written Off | 0.09 | * |
| Interest on Taxes | 1.62 | 2.39 |
| Share of Loss from LLP | 0.14 | 0.20 |
| Loss on Foreign Exchange Fluctuation (Net) | 2.47 | 11.58 |
| Impairment of advances | 2.00 | - |
| Sitting Fees | 0.28 | 0.35 |
| Miscellaneous Expenses | 2.97 | 0.67 |
| Auditor's Remuneration | | |
| - Statutory Audit Fees | 0.36 | 0.39 |
| - Limited Review, Consolidation and Certification Fees | 0.47 | 0.35 |
| Total | 198.93 | 164.14 |

*Amount less than ₹ 50,000

3.08 Exceptional Items*

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Impairment of trade receivables and exposure to certain entities including Joint Ventures | 6.01 | 49.74 |
| Expenses relating to equity infusion | - | 25.87 |
| Write down to Property, Plant and Equipments | - | 8.93 |
| Total | 6.01 | 84.54 |

*Refer Note 4.05

4.01 Earnings Per Share

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Basic earnings per share : (₹) | | |
| Attributable to equity holders of the Company | 0.09 | 2.08 |
| Diluted earnings per share : (₹) | | |
| Attributable to equity holders of the Company | 0.09 | 2.08 |
| 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 attributable to equity holders of the Company used in calculating basic earnings per share | 16.64 | 210.60* |
| Diluted earnings per share | | |
| Profit attributable to equity holders of the Company used in calculating diluted earnings per share | 16.64 | 210.60* |
| Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share | 1,770,104,500 | 1,000,520,281 |

*Net of share issue expenses debited to securities premium.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

4.02 Contingent Liabilities

- a) The Company had challenged computation of levy of license fees for pure Internet services before Telecom Disputes Settlement & Appellate Tribunal (TDSAT). The case has been disposed off by TDSAT during the financial year with a direction to Department of Telecommunication (DOT) that there should be a level playing field for all the Internet Service Providers (ISPs) and accordingly, DOT should raise its revised demands for the License Fee on the basis of same concept of Adjusted Gross Revenue (AGR) as is being done in the case of ISPs holding license under the old regime. TDSAT has further directed DOT to come up with a uniform policy in respect of License Fee for all the ISPs. DOT has not filed any appeal with High Court against said order, till date and is yet to issue uniform policy. The Company has continued to pay License Fee based on the concept of AGR for ISPs holding license under the old regime and the same has been charged to Statement of Profit and Loss.
- 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, 2019: ₹ 54.98) under various heads. The Company has refuted the claims and has made counter claim of ₹ 91.17 (March 31, 2019: ₹ 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.
- c) On conclusion of investigation by the Directorate of Revenue Intelligence (DRI) on alleged evasion of customs duty on import of software licence of viewing cards, the Commissioner of Customs (Import) has passed an order demanding Custom's Duty of ₹ 8.95 and penalty of ₹ 8.95. The Company has deposited ₹ 0.67 under protest and filed an appeal against the order before Customs and Excise and Service Tax Appellate Tribunal (CESTAT), Western Zonal Branch, Mumbai. Such appeal is pending before the CESTAT.
- d) In the matter relating to non-exclusion of certain allowances from the definition of "Basic Wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the decision of the Supreme Court in case of Vivekananda Vidyamandir, in the assessment of the management, the PF authority is not likely to raise any demand for the period prior to March 31, 2019 and accordingly, no provision has been made in these financial statements.
- e) **Claims against the Company, other than those stated above, not acknowledged as debts are as under:**

| Matters with | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|-------------------------|-------------------------|
| Operators & Others | 0.49 | 0.50 |
| Income Tax Matter under Appeal | 0.16 | - |
| Other Statutory Authorities | 0.40 | 0.35 |
| VAT Authorities | 0.75 | 2.19 |
| Service Tax Authorities | - | 3.74 |
| Total | 1.80 | 6.78 |

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

f) **Foreseeable losses**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/applicable accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

g) **Note on pending litigations**

The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

4.03 Financial Corporate Guarantee

The Company has given Corporate Guarantees of ₹ 1057.70 (March 31, 2019: ₹ 1,012.79) to Banks & ₹ 1.24 (March 31, 2019: ₹ 2.76) to Others towards various credit facilities extended by them to related parties.

The Company has given Letter of Comfort of ₹ 7.46 (March 31, 2019: ₹ 58.07) to Banks 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 ₹ 34.87 (March 31, 2019: ₹ 26.69).

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. 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

- (a) During the year, the Company has Impaired (i) Investments in Joint ventures; and (ii) advances and receivable from erstwhile joint venture, which is currently under litigation. This impairment having one-time, non-routine impact on financial statements, hence been disclosed as "Exceptional Item" in Financial Statements.
- (b) During the previous financial year, in view of the New Regulatory Framework for Broadcasting and Cable services sector notified by the Telecom Regulatory Authority of India (TRAI), which was effective from 1st February 2019, resulted into changes in pricing mechanism and arrangements involving joint ventures and considering equity infusion; the Management, based on a review, has provided for (i) impairment of trade receivables and exposure to certain entities including joint ventures; (ii) write down to the recoverable value of certain assets; (iii) expenses relating to equity infusion. These adjustments, having one-time, non-routine material impact on financial statements, hence been disclosed as "Exceptional Item" in Financial statements.

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 ₹ 0.20 (March 31, 2019: ₹ 0.20). 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 actuarial valuation being carried out at each Balance Sheet date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ 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 with LIC of India and Exide Life Insurance Corporation of India. |
| 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 | The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks. |
| Salary Risk | The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries being more than assumed. |

| Particulars | Gratuity | |
|---|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| 1 Expense recognized in the statement of Profit and Loss | | |
| Current Service Cost | 0.63 | 0.55 |
| Net Interest | 0.24 | 0.21 |
| Past Service Cost | - | - |
| Expense recognized in the statement of Profit and Loss | 0.87 | 0.76 |
| 2 Other Comprehensive Income (OCI): | | |
| Measurement of net defined benefit liability | | |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | 0.32 | (0.03) |
| Actuarial (gains)/ losses arising from changes in financial assumption | 0.21 | 0.06 |
| Actuarial (gains)/ losses arising from experience adjustments | (0.48) | 0.18 |
| Return on plan asset excluding net interest (gain)/(losses) | (0.08) | 0.01 |
| Total Actuarial (Gain)/loss recognised in OCI | (0.04) | 0.22 |
| 3 Change in benefit obligations: | | |
| Projected benefit obligations at beginning of the year | 4.52 | 3.80 |
| Current Service Cost | 0.63 | 0.55 |
| Interest Cost | 0.31 | 0.28 |
| Past Service Cost | - | - |
| Benefits Paid | (0.43) | (0.32) |
| Actuarial (Gain) / Loss | | |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | 0.32 | (0.03) |
| Actuarial (gains)/ losses arising from changes in financial assumption | 0.21 | 0.06 |
| Actuarial (gains)/ losses arising from experience adjustments | (0.48) | 0.18 |
| Projected benefit obligations at end of the year | 5.07 | 4.52 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| 4 Fair Value of Plan Assets | | |
| Opening Fair Value of Plan Asset | 1.13 | 0.94 |
| Return on Plan Assets excl. interest income (gain)/losses | 0.08 | (0.02) |
| Interest Income | 0.07 | 0.07 |
| Contributions by Employer | 0.13 | 0.46 |
| Assets acquired/ (settled)* | 1.97 | - |
| Benefits Paid | (0.43) | (0.32) |
| Fair Value of Plan Assets at end of the year | 2.95 | 1.13 |
| *On account of business combination / inter group transfer | | |
| 5 Net Liability | | |
| Projected benefit obligations at end of the year | 5.07 | 4.52 |
| Fair Value of Plan Asset at the end of the year | 2.95 | 1.13 |
| Net Liability | 2.12 | 3.38 |
| 6 The net liability disclosed above relates to funded plans are as follows | | |
| Projected benefit obligations at end of the year | 5.07 | 4.52 |
| Fair Value of Plan Asset at the end of the year | 2.95 | 1.13 |
| Deficit of gratuity plan | 2.12 | 3.38 |
| 7 Sensitivity Analysis | | |
| Present value of benefit obligation at the end of the year on | | |
| 0.5 % increase in discount rate | 4.91 | 4.37 |
| 0.5 % decrease in discount rate | 5.24 | 4.67 |
| 0.5 % increase in rate of salary increase | 5.24 | 4.65 |
| 0.5 % decrease in rate of salary increase | 4.90 | 4.38 |
| 1% increase in attrition rate | 5.10 | 4.55 |
| 1% decrease in attrition rate | 5.05 | 4.49 |
| 10% increase in mortality rate | 5.07 | 4.52 |
| 10% decrease in mortality rate | 5.07 | 4.52 |
| 8 Principal assumptions used for the purpose of actuarial valuation | | |
| Mortality | IALM (2012-14) Ult | IALM (2012-14) Ult |
| Interest /discount rate | 6.90% | 7.30% |
| Rate of increase in compensation | 5.00% | 5.00% |
| Expected average remaining service | 7.39 | 6.11 |
| Employee Attrition Rate (Past service(PS)) | 21-30 Year : 14.3% 31-40 Year : 16.9% 41-50 Year : 10.00% 51-57 Year : 0.00% | 21-30 Year : 14.3% 31-40 Year : 16.9% 41-50 Year : 10.00% 51-57 Year : 0.00% |
| 9 Investment Details | | |
| Insurer Managed Funds | 100.00% | 100.00% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

b) Defined Contribution Plans:

The Company contributes towards provident fund and other defined contribution benefit plans 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 Total expenses recognised in the statement of Profit and Loss is ₹ 2.23 (March 31, 2019: ₹ 2.16) 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 in terms of Ind AS 108 on Operating Segments, the financial statement are reflective of the information required by Ind AS 108.

4.08 Leases

(a) Lessee:

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application i.e. April 1, 2019 is 8.75%

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 4.08 of standalone financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Short term leases accounted in the statement of Profit and Loss for the Financial Year 2019-20 is ₹ 24.78.

The Company's significant leasing arrangements in terms of Ind AS 116 on lease are in respect of Leases for Premises and Equipments. Some of these lease arrangements have price escalation clauses. The period of these leasing arrangements, range between eleven months to nine years and are renewable by mutual consent.

(b) Lessor:

The right to use granted to subsidiaries in respect of Access devices are not classified as lease transactions as the same are not for an agreed period of time.

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

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Principal amount due and remaining unpaid | 0.25 | Nil |
| Interest due on above and the unpaid interest | Nil | Nil |
| Interest paid | Nil | Nil |
| Payment made beyond the appointed day during the year | Nil | Nil |
| Interest due and payable for the period of delay | Nil | Nil |
| Interest due and remaining unpaid | Nil | Nil |
| Interest accrued and remaining unpaid | Nil | Nil |
| Amount of further interest remaining due and payable in succeeding year | Nil | Nil |

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 funds raised through issue of equity during the previous financial year is kept in Fixed Deposits with scheduled bank. During the year, the company has availed overdraft facility against such Fixed Deposits for replacing high interest bearing borrowings availed

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

earlier. Other than this funding, 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.

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:

- 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.
- 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.
- 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.
- 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, 2020 | | As at March 31, 2019 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | 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 | 0.21 | 0.21 | 6.50 | 6.50 |
| Loans | 33.71 | 33.71 | 104.16 | 104.16 |
| Cash and Bank balances | 3,054.58 | 3,054.58 | 115.89 | 115.89 |
| Other financial assets | 132.45 | 132.45 | 2.24 | 2.24 |
| Total (A) | 3,221.09 | 3,221.09 | 228.93 | 228.93 |
| Measured at fair value through profit or loss | | | | |
| Investment in mutual funds | 27.72 | 27.72 | 2,993.56 | 2,993.56 |
| Total (B) | 27.72 | 27.72 | 2,993.56 | 2,993.56 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Carrying values | Fair value | Carrying values | Fair value |
| Measured at fair value through other comprehensive income | | | | |
| Investment in equity instruments of other companies | 3.08 | 3.08 | 3.08 | 3.08 |
| Total (C) | 3.08 | 3.08 | 3.08 | 3.08 |
| Total Financial assets (A+B+C) | 3,251.89 | 3,251.89 | 3,225.57 | 3,225.57 |
| Financial liabilities | | | | |
| Measured at amortised cost | | | | |
| Borrowings [#] | 970.12 | 970.12 | 984.19 | 984.19 |
| Trade payables | 44.28 | 44.28 | 44.40 | 44.40 |
| Other financial liabilities | 73.81 | 73.81 | 136.51 | 136.51 |
| Total financial liabilities (A) | 1,088.21 | 1,088.21 | 1,165.10 | 1,165.10 |
| Measured at fair value through profit or loss | | | | |
| Derivative Instruments | - | - | 0.57 | 0.57 |
| Total financial liabilities (B) | - | - | 0.57 | 0.57 |
| Total Financial liabilities (A+B) | 1,088.21 | 1,088.21 | 1,165.67 | 1,165.67 |

includes current maturities of long term debts

Level wise disclosure of financial instruments

| Particulars | As at March 31, 2020 | As at March 31, 2019 | Level | Valuation techniques and key inputs |
|---|----------------------|----------------------|-------|--|
| Investment in equity instruments of other companies | 3.08 | 3.08 | 3 | Price earning ratio method |
| Investment in Mutual funds | 27.72 | 2,993.56 | 1 | Closing Net Asset Value of Mutual Fund |
| Currency Swap contracts - Liability | - | 0.57 | 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 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, wherever considered appropriate, and follows policies set up by the Treasury function 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 company by failing to discharge its obligation as agreed. The exposure of the Company to credit risk arises mainly from the trade receivables, unbilled revenue, 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.

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(₹ in Crores unless otherwise stated)

The Company's major revenue streams arises from services provided to end use customers in the form of monthly subscription income, which predominantly follows a prepaid model. The trade receivables and unbilled revenue 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 Company follows a simplified approach (i.e based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables and unbilled revenue. For the purpose of measuring the lifetime ECL allowance for trade receivables and unbilled revenue, the Company uses a provision matrix which comprises a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. In addition, in case there are events or changes in circumstances indicating individual or class of trade receivables is required to be reviewed on qualitative aspects, necessary provisions are made.

Reconciliation of changes in the loss allowances measured using life-time expected credit loss model - Trade receivables

| Particulars | Amount |
|-----------------------------|--------------|
| As at April 01, 2018 | 26.96 |
| Provided during the year | 26.58 |
| Amounts written off | 3.24 |
| Reversals of Provision | - |
| As at March 31, 2019 | 50.30 |
| Provided during the year | 3.72 |
| Amounts written off | 1.02 |
| Reversals of Provision | - |
| As at March 31, 2020 | 53.00 |

2. 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, 2020 | less than 1 year | 1 to 5 year | Total |
|----------------------------------|------------------|--------------|-----------------|
| Non-Derivatives | | | |
| Trade payables | 44.28 | - | 44.28 |
| Borrowings * | 926.23 | 44.12 | 970.35 |
| Lease Liability | 0.28 | - | 0.28 |
| Other financial liabilities | 61.48 | 12.05 | 73.53 |
| Total | 1,032.27 | 56.17 | 1,088.45 |
| Derivatives (net settled) | | | |
| Currency Swap Contract | - | - | - |
| Total | - | - | - |

* Include ₹ 0.22 as Prepaid Finance Charges.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| As at March 31, 2019 | less than 1 year | 1 to 5 year | Total |
|----------------------------------|------------------|---------------|-----------------|
| Non-Derivatives | | | |
| Trade payables | 44.40 | - | 44.40 |
| Borrowings * | 186.71 | 805.63 | 992.34 |
| Other financial liabilities | 126.88 | 9.63 | 136.51 |
| Total | 357.99 | 815.26 | 1,173.25 |
| Derivatives (net settled) | | | |
| Currency Swap Contract | 0.57 | - | 0.57 |
| Total | 0.57 | - | 0.57 |

* Include ₹ 8.15 as Prepaid Finance Charges.

The Company from time to time in its usual course of business issues financial guarantees and letter of comfort to certain subsidiaries, associates and joint ventures. Company has issued corporate guarantee and letter of comfort for debt of ₹ 1,066.40 (March 31, 2019: ₹ 1,073.62). The outflow in respect of these guarantees and letter of comfort will arise only upon default of such subsidiaries, associates and joint ventures. ₹ 1,066.40 (March 31, 2019: ₹ 422.44) is due for repayment within 1 year and ₹ NIL (March 31, 2019: ₹ 651.18) 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 in 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.

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 Company is exposed in the ordinary course of business to following risks: (a) foreign exchange risk, (b) interest rate risk and (c) price risk.

(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.

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, wherever considered appropriate, 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

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

| Particulars | As at | As at |
|--------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| | USD | USD |
| Assets | | |
| Liabilities | | |
| Trade payables | 19.30 | 61.62 |
| Derivatives | | |
| Currency Swaps | - | 93.64 |

Details of Unhedged Foreign Currency Exposure is as under:-

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------------|---------------|----------------------------|---------------|
| | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| Derivatives Liabilities - Currency Swap | | | | |
| USD | - | - | 1.35 | 93.64 |
| Accounts Payables | | | | |
| USD | 0.25 | 19.30 | 0.89 | 61.62 |
| Other Firm Commitments | | | | |
| USD | 0.29 | 21.73 | 0.35 | 23.97 |

The Company has booked INR USD Cross Currency Swap Contracts of USD NIL (March 31, 2019 : USD 3.34) against the underlying INR borrowing of ₹ NIL (March 31, 2019 : ₹ 214.78). Outstanding at the year end for the same is ₹ NIL (March 31, 2019: ₹ 92.50) and Currency Swap Contract amount is USD NIL (March 31, 2019: USD 1.35). 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 ₹ (1.88) (March 31, 2019 : ₹ 1.80) are included under finance cost in note number 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 : Increase/(Decrease) | | | |
|-------------|--|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | 1 % Increase | 1 % Increase | 1 % Decrease | 1 % Decrease |
| USD | (0.19) | (1.55) | 0.19 | 1.55 |

| Particulars | Impact on other components of equity : Increase/(Decrease) | | | |
|-------------|--|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | 1 % Increase | 1 % Increase | 1 % Decrease | 1 % Decrease |
| USD | (0.19) | (1.55) | 0.19 | 1.55 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

(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. During the year the Company is less exposed to interest rate risk because the Company has borrowed funds substantially at Fixed interest rates. The interest rate risk is managed by the Company by the use of interest rate swap wherever relevant and by monitoring monthly cash flow which is reviewed by management to prevent loss of interest.

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------------------------------|----------------|----------------|
| Variable rate borrowings* | 61.76 | 751.19 |
| Fixed rate borrowings* | 908.58 | 241.15 |
| Derivatives | | |
| Foreign Currency Interest Rate Swaps | | |
| Currency Swaps | - | 92.50 |

* Include ₹ 0.22 (March 2019: ₹ 8.15) as Prepaid Financial Charges.

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.

| Particulars | Impact on Profit: Increase/(Decrease) | | Impact on equity Increase/(Decrease) | |
|--|--|----------------|---|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Interest rates - increase by 100 basis points* | (0.62) | (7.51) | (0.62) | (7.51) |
| Interest rates - decrease by 100 basis points* | 0.62 | 7.51 | 0.62 | 7.51 |

* 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 last year in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

(c) Market Risk - Price Risk:

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31 2020, the investments in mutual funds is ₹ 27.72 (March 31, 2019 : ₹ 2,993.56). These are exposed to price risk. In order to minimise price risk arising from investments in mutual funds, the Company predominately invests in those mutual funds which have higher exposure to high quality debt instruments with adequate liquidity and no demonstrated track record of price volatility.

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/(loss) before tax and on other components of equity

| Particulars | Impact on Profit: Increase/(Decrease) | | Impact on equity Increase/(Decrease) | |
|----------------------------|--|----------------|---|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Price - increase by 0.10%* | 0.03 | 2.99 | 0.03 | 2.99 |
| Price - decrease by 0.10%* | (0.03) | (2.99) | (0.03) | (2.99) |

* assuming all other variables as constant

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

4.13 Related Party Disclosures

A. Names of related parties and related party relationship

i) The company is controlled by the following entities:

| | |
|-------------------------------|---|
| Entities exercising control # | Reliance Industries Limited |
| | Reliance Industrial Investments and Holdings Limited* (Protector of Digital Media Distribution Trust) |
| | Digital Media Distribution Trust |
| | Jio Content Distribution Holdings Private Limited \$ |
| | Jio Internet Distribution Holdings Private Limited \$ |
| | Jio Cable and Broadband Holdings Private Limited \$ |

ii) Under Control of the Company

| | | |
|---|---------------------------|--|
| 1 | Wholly Owned Subsidiaries | Bee Network and Communications Private Limited |
| | | Binary Technology Transfers Private Limited |
| | | Hathway CNet 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 |
| | | Ideal Cables Private Limited |
| | | ITV Interactive Media Private Limited |
| | | Liberty Media Vision Private Limited |
| | | Vision India Network 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 |
| | | UTN Cable Communications Private Limited |
| | | Hathway Mysore Cable Network Private Limited |
| | | Hathway Krishna Cable Private Limited |
| | | Hathway Digital Private Limited |
| 2 | Other – Subsidiaries | Chennai Cable Vision Network Private Limited |
| | | Channels India Network Private Limited |
| | | Elite Cable Network Private Limited |
| | | Hathway Nashik Cable Network Private Limited |
| | | Hathway Bhawani Cabletel & Datacom Limited |
| | | Hathway Kokan Crystal Cable Network Private Limited |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

iii) Other Related parties :

| | | |
|---|---|--|
| 1 | Fellow Subsidiaries # | Reliance Corporate IT Park Limited^ Reliance Jio Infocomm Limited^ Reliance Retail Finance Limited^ |
| 2 | Joint Ventures | Hathway Digital Saharanpur Cable & Datacom Private Limited Hathway Sai Star Cable & Datacom Private Limited Hathway MCN Private Limited Hathway Channel 5 Cable & 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 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 |
| 3 | Joint ventures of Fellow Subsidiaries # | Ryohin-Keikaku Reliance India Private Limited Reliance-Vision Express Private Limited |
| 4 | Associate Companies | Pan Cable Services Private Limited Hathway VCN Cablenet Private Limited GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) |
| 5 | Trusts - Post Employment Benefit Trust | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme |
| 6 | Key Management Personnel | Executive Director:- Mr. Rajan Gupta - Managing Director Non Executive Directors :- Independent Directors Mr. Sridhar Gorthi Mr. Sasha Gulu Mirchandani Mr. Devendra Shrotri (upto August 4, 2019) Mr. A. Siddharth (w.e.f August 5, 2019 to September 3, 2019) Ms. Ameeta A Parpia Non Independent Directors Mr. Rajan R. Raheja (upto January 30, 2019) Mr. Viren R Raheja Mr. Akshay R Raheja Ms. Geeta Fulwadaya (w.e.f. January 30, 2019) Mr. Anuj Jain (w.e.f. March 29, 2019) Mr. Saurabh Sancheti (w.e.f. March 29, 2019) Mr. Vinayak P Aggarwal (upto January 30, 2019) |

w.e.f. January 30, 2019

* Reliance Industrial Investments and Holdings Limited - Protector of Digital Media Distribution Trust is wholly owned subsidiary of Reliance Industries Limited

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

^ Subsidiary of Reliance Industries Limited.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

B) Related Party Transactions

Compensation to Key Management Personnel:-

| Particulars | March 31, 2020 | March 31, 2019 |
|------------------------------------|----------------|----------------|
| (a) Short Term employee benefits * | 4.56 | 2.96 |
| (b) Post employment benefits | 0.13 | 0.08 |
| (c) Other long term benefits | - | - |
| Total Compensation | 4.69 | 3.04 |

* Short Term Employee Benefits include sitting fees paid to Directors

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 Management Personnel is not ascertainable and therefore not included above.

| Nature of Transactions | Name of the Party | Relationship | 2019-20 | 2018-19 |
|-----------------------------------|--|-------------------------------------|---------|---------|
| Income | | | | |
| Subscription Income | Net 9 Online Hathway Private Limited | Joint Venture | 0.64 | 0.47 |
| | Others | Fellow Subsidiaries | - | * |
| | Others | Joint ventures of Fellow Subsidiary | - | * |
| Consultancy Income | Net 9 Online Hathway Private Limited | Joint Venture | 0.29 | 0.63 |
| Interest on Loans | Hathway Digital Private Limited | Subsidiary | 6.14 | 1.53 |
| | Others | Subsidiary | 0.36 | 0.32 |
| | Others | Joint Venture | 0.16 | 0.18 |
| Sales of Parts and Accessories | Hathway Digital Private Limited | Subsidiary | * | 0.02 |
| Dividend Income | GTPL Hathway Limited | Associate | 4.20 | 4.20 |
| Expenses | | | | |
| Interest on Loans | Hathway Broadband Private Limited | Subsidiary | 0.12 | 0.24 |
| | Hathway Digital Private Limited | Subsidiary | - | 0.08 |
| Rent Offices | Akshay R Raheja | Key Management Personnel | 0.43 | 0.42 |
| | Viren R Raheja | Key Management Personnel | 0.43 | 0.42 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint Venture | - | 0.06 |
| Purchase of Parts and Accessories | Hathway Digital Private Limited | Subsidiary | - | 0.36 |
| Contribution to Gratuity Fund | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme | Trust | 0.13 | 0.46 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | 2019-20 | 2018-19 |
|--|--|-----------------------------|-----------------------------|---------|
| Exceptional Item | Hathway Cable MCN Nanded Private Limited | Joint Venture | - | 0.29 |
| | Hathway Dattatray Cable Network Private Limited | Joint Venture | - | 0.14 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 12.99 |
| | Hathway SS Cable & Datacom LLP | Joint Venture | - | 1.94 |
| | GTPL Hathway Limited | Associate | - | 2.50 |
| | Hathway Palampur Cable Network Private Limited | Joint Venture | 0.22 | - |
| | Business Support Expense | Reliance Industries Limited | Entities exercising control | 0.01 |
| Bandwidth and Lease Line Cost | Reliance Jio Infocomm Limited | Fellow Subsidiary | 33.10 | - |
| Advance written off | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 2.00 | - |
| Acquisition of Capital assets | Hathway Digital Private Limited | Subsidiary | 1.30 | - |
| Change in Assets / Liabilities during the year | | | | |
| Impairment in Value of Investments made during the year | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 5.30 |
| | Hathway SS Cable & Datacom LLP | Joint Venture | - | 1.73 |
| | Hathway Palampur City Cable Network Pvt Ltd | Joint Venture | 0.68 | - |
| Allowance for bad and doubtful loans made during the year | GTPL Hathway Limited | Associate | - | 2.50 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | (2.00) | 7.68 |
| | Hathway Media Vision Private Limited | Subsidiary | (0.31) | - |
| | Others | Subsidiary | (0.15) | - |
| Net Advances/Trade Receivables/ Trade Payables Made During the Year | Others | Joint Venture | - | 0.35 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | - | 0.21 |
| | Hathway Digital Private Limited | Subsidiary | - | 19.54 |
| | Hathway Mysore Cable Network Private Limited | Subsidiary | 0.04 | 0.12 |
| | Hathway Software Developers Private Limited | Subsidiary | 0.03 | 0.10 |
| | Hathway Krishna Cable Private Limited | Subsidiary | 0.10 | - |
| | Hathway Broadband Private Limited | Subsidiary | 0.43 | - |
| | Others | Joint Venture | 0.02 | 0.01 |
| | Others | Subsidiary | 0.04 | 1.27 |
| Others | Joint Venture of Fellow Subsidiary | 0.01 | - | |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | 2019-20 | 2018-19 |
|--|--|---------------------------------|----------------------|----------------------|
| Net Advances/Trade Receivables/ Trade Payables Recovered/ Paid During the Year | Reliance Jio Infocomm Limited | Fellow Subsidiary | 10.67 | - |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 2.00 | - |
| | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | 0.10 | 0.13 |
| | Hathway Latur MCN Cable & Datacom Private Limited | Joint Venture | - | 0.17 |
| | GTPL Hathway Limited | Associate | 6.50 | - |
| | Hathway SS Cable & Datacom LLP | Joint Venture | 0.14 | 0.20 |
| | Hathway Broadband Private Limited | Subsidiary | - | 0.22 |
| | Hathway Cable MCN Nanded Private Limited | Joint Venture | 0.02 | 0.29 |
| | Others | Subsidiary | 0.06 | - |
| | Others | Joint Venture | 1.27 | 0.02 |
| | Loan Received | Hathway Digital Private Limited | Subsidiary | - |
| Loan repaid | Hathway Digital Private Limited | Subsidiary | - | 20.00 |
| | Hathway Broadband Private Limited | Subsidiary | 2.40 | - |
| Receipt of repayment of Loan | Hathway Digital Private Limited | Subsidiary | 61.99 | - |
| Investment made during the year | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 0.70 | - |
| Equity shares issued during the year | Jio Content Distribution Holdings Private Limited | Entity exercising control | - | 1,729.75 |
| | Jio Internet Distribution Holdings Private Limited | Entity exercising control | - | 693.25 |
| | Jio Cable and Broadband Holdings Private Limited | Entity exercising control | - | 517.00 |
| Nature | Name of the Party | Relationship | As at March 31, 2020 | As at March 31, 2019 |
| Closing Balances | | | | |
| Equity Share Capital (incl. Securities Premium) | Jio Content Distribution Holdings Private Limited | Entity exercising control | 1,729.75 | 1,729.75 |
| | Jio Internet Distribution Holdings Private Limited | Entity exercising control | 693.25 | 693.25 |
| | Jio Cable and Broadband Holdings Private Limited | Entity exercising control | 517.00 | 517.00 |
| Investments | Hathway Digital Private Limited | Subsidiary | 493.97 | 493.97 |
| | GTPL Hathway Limited | Associate | 168.75 | 168.75 |
| | Others | Subsidiary | 82.31 | 82.31 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | 70.45 | 69.74 |
| Loans & advances | Hathway Digital Private Limited | Subsidiary | - | 61.99 |
| | Win Cable & Datacom Private Limited | Subsidiary | 20.22 | 20.22 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 13.48 | 15.48 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature | Name of the Party | Relationship | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|---|------------------------------------|----------------------------|----------------------------|
| | Hathway Nashik Cable Network Private Limited | Subsidiary | 10.39 | 10.39 |
| | Others | Subsidiary | 33.95 | 33.53 |
| | Others | Associate | 2.90 | 9.40 |
| | Others | Joint Venture | 2.69 | 3.70 |
| | 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 | 16.37 | 16.37 |
| | Others | Subsidiary | 11.10 | 11.10 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | 6.02 | 5.34 |
| Allowance for bad and doubtful loans | Hathway Nashik Cable Network Private Limited | Subsidiary | 10.39 | 10.39 |
| | Win Cable & Datacom Private Limited | Subsidiary | 20.22 | 20.37 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 13.45 | 15.45 |
| | Others | Subsidiary | 11.53 | 11.99 |
| | Others | Associate | 2.50 | 2.50 |
| | Others | Joint Venture | 1.42 | 1.42 |
| Other Financial Liabilities | Hathway SS Cable & Datacom LLP | Joint Venture | 2.94 | 2.80 |
| Trade Payables | Hathway Broadband Private Limited | Subsidiary | - | 0.43 |
| | Hathway Krishna Cable Private Limited | Subsidiary | - | 0.10 |
| | Reliance Jio Infocomm Limited | Fellow | 10.67 | - |
| | | Subsidiary | - | - |
| Unsecured loan | Hathway Broadband Private Limited | Subsidiary | - | 2.40 |
| Trade Receivables | Hathway Bhawani Cabletel & Datacom Limited | Subsidiary | 0.25 | 0.35 |
| | Hathway Mysore Cable Network Private Limited | Subsidiary | - | 0.23 |
| | Hathway Software Developers Private Limited | Subsidiary | - | 0.20 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | - | 0.30 |
| | Hathway Kokan Crystal Cable Network Private Limited | Subsidiary | 0.11 | - |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.28 | 0.27 |
| | Others | Subsidiary | 0.07 | 0.13 |
| | Others | Joint Venture | 0.04 | 0.02 |
| | Others | Fellow | - | * |
| | | Subsidiaries | - | - |
| | Others | Joint Venture of Fellow Subsidiary | - | 0.01 |

* Amount less than ₹ 50,000

The Company has extended aggregate loan of ₹ 101.10 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, 2019 : ₹ 0.05). The Company has given Corporate financial Guarantees of ₹ 20.00 (March 31, 2019 ₹ 39.69) on behalf of GTPL Hathway Limited, ₹ 1,038.94 (March 31, 2019: ₹ 975.86) on behalf of Hathway Digital Private Limited. The Company has given Letter of Comfort of ₹ 7.46 (March 31, 2019 ₹ 58.07) to Banks towards various credit facilities extended by them to GTPL Hathway Limited.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

4.14 Supplementary statutory information required to be given pursuant to Schedule V of regulation 34(3) and 53(f) 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, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|-------------------------------|--|----------------------|-------------------------------|--|
| | Subsidiaries | Associates and Joint Ventures | Maximum Amount Outstanding During the year | Subsidiaries | Associates and Joint Ventures | Maximum Amount Outstanding During the year |
| Hathway Mysore Cable Network Pvt. Ltd. | 4.53 | - | 4.53 | 4.30 | - | 4.30 |
| Hathway Software Developers Pvt. Ltd. | 3.08 | - | 3.08 | 2.88 | - | 2.88 |
| 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) | - | 2.90 | 9.40 | - | 9.40 | 10.32 |
| Net 9 Online Hathway Pvt. Ltd. | - | 0.20 | 0.20 | - | 0.20 | 0.20 |
| Hathway Sonali Om Crystal Cable Pvt. Ltd. | - | 13.48 | 15.48 | - | 15.48 | 15.48 |
| Hathway Gwalior Cable & Datacom Pvt. Ltd. | 0.51 | - | 0.51 | 0.51 | - | 0.51 |
| Hathway Enjoy Cable Network Pvt. Ltd. | * | - | * | * | - | * |
| Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd. | - | 1.04 | 1.04 | - | 1.04 | 1.04 |
| Hathway JMD Farukhabad Cable Network Pvt. Ltd. | * | - | * | * | - | * |
| Hathway Dattatray Cable Network Pvt. Ltd. | - | - | 0.14 | - | 0.14 | 0.14 |
| Hathway Mantra Cable & Datacom Pvt. Ltd. | 7.50 | - | 7.50 | 7.50 | - | 7.50 |
| Hathway Digital Pvt Ltd. | - | - | 61.99 | 61.99 | - | 61.99 |
| Hathway Prime Cable & Datacom Pvt. Ltd. | - | 0.02 | 0.02 | - | 0.02 | 0.02 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Name of Related Party | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------------------|-------------------------------|--|----------------------|-------------------------------|--|
| | Subsidiaries | Associates and Joint Ventures | Maximum Amount Outstanding During the year | Subsidiaries | Associates and Joint Ventures | Maximum Amount Outstanding During the year |
| Hathway Kokan Crystal Cable Network Pvt. Ltd. | 1.20 | - | 1.21 | 1.21 | - | 1.21 |
| Bee Network & Communications Pvt. Ltd. | 0.37 | - | 0.37 | 0.37 | - | 0.37 |
| Binary Technology Transfers Pvt. Ltd. | 1.63 | - | 1.63 | 1.63 | - | 1.63 |
| 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 | - | 1.63 | 1.63 | - | 1.63 |
| 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. | 0.41 | - | 0.41 | 0.41 | - | 0.41 |
| 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. | - | 0.54 | 1.40 | - | 1.40 | 1.40 |
| Hathway SS Cable & Datacom LLP | - | 0.21 | 0.21 | - | 0.21 | 0.21 |

* Amount less than ₹ 50,000

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.

- None of the loanee has made, per se, investment in the shares of the Company.
- Investment made by Hathway Media Vision Pvt. Ltd in Hathway Bhawani Cabletel & Datacom Ltd - 21,60,000 equity shares of ₹ 2.46 .

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

- (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

* Amount less than ₹ 50,000

4.15 The Operation of the Company are classified as 'infrastructure facilities' as defined under Schedule VI of the Act. Accordingly the disclosure requirements specified in sub section 4 of section 186 of the Act in respect of loan given or guarantee given or security provided and the related disclosure on purposes/ utilization by recipient companies, are not applicable to the Company except details of Investment made during the year 2019-20 as per section 186(4) of the Act.

The Company has made Investment in following body corporate during the year:

Hathway Sai Star Cable & Datacom Private Limited - 13,610 Equity Shares amounting to ₹ 0.70

During the financial year 2018-19, the Company had not made any investment in terms of Section 186 (4) of the Act. Accordingly, comparatives disclosure is not given.

4.16 Revenue from contracts with customers

Disaggregation Of Revenue

As the Company's business activity falls within a single business segment in terms of Ind AS 108 on Operating Segments, the financial statement are reflective of the information required by Ind AS 108. The nature, amount, timing and uncertainty of revenue and cash flows are similar across company's revenue from contracts with customers. Accordingly, there is no disaggregation of revenue disclosed.

Contract Balances

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

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

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

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Receivables, which are included in 'Trade and other receivables' | 0.21 | 6.50 |
| Contract assets (Unbilled Revenue) | - | - |
| Contract liabilities (Unearned Revenue) | 76.01 | 72.42 |

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

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

| Particulars | March 31, 2020 | | March 31, 2019 | |
|--|-----------------|----------------------|-----------------|----------------------|
| | Contract assets | Contract liabilities | Contract assets | Contract liabilities |
| Balance at the beginning of the year | - | 72.42 | - | 80.87 |
| Add: Advance Income received from the customer during the year | - | 76.01 | - | 72.42 |
| Less: Revenue recognised that is included in the contract liability balance at the beginning of the year | - | 72.42 | - | 80.87 |
| Balance at the end of the year | - | 76.01 | - | 72.42 |

Performance Obligations and Remaining Performance Obligations

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

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

Contract costs

The Company incurred cost of ₹ 36.94 (March 31, 2019 : ₹ 36.96) as a result of obtaining customers. The Company has therefore capitalised them as customer acquisition cost.

Customer acquisition cost are amortised over a period of five years.

- 4.17** Subsequent to the outbreak of Coronavirus (COVID -19) and consequential lock down across the country, the Company has continued to operate and provide internet services to its customers, which has been declared as an essential service, without any disruptions. However, disruptions to businesses worldwide and economic slowdown may have its eventual impact on the Company. A definitive assessment of the impact is not possible in view of the highly uncertain economic environment and the scenario is still evolving. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and have concluded that no material adjustments required at this stage in the standalone financial statements.
- 4.18** The Board of Directors of the Company at its meeting held on February 17, 2020, has approved a Composite Scheme of Amalgamation and Arrangement involving the Company (Hathway), Den Networks Limited (Den), Network18 Media & Investments Limited (Network18), TV18 Broadcast Limited (TV18), Media18 Distribution Services Limited (Cable Co.), Web18 Digital Services Limited (ISP Co.) and Digital18 Media Limited (Digital Co.) and their respective shareholders and creditors ("Scheme"). The Scheme provides for amalgamation of Hathway, Den and TV18 with Network 18 and subsequent consolidation of Cable, ISP and Digital businesses of the amalgamating companies by way of transfer of relevant

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

undertakings to the respective companies. On amalgamation, the shareholders of Hathway will be issued shares of Network 18. The appointed date of the Scheme is February 1, 2020, however, it will take effect upon receipt of requisite approvals and fulfilment of conditions stated in the Scheme. Pending the Scheme coming into force, no effect of the same have been considered in this standalone financial statements.

4.19 The Company has exposure by way of investments and receivables in case of certain subsidiaries and joint ventures aggregating to ₹ 68.01 (net of provision) as at March 31, 2020. The net worth of such subsidiaries and joint ventures have been fully / substantially eroded. However, most of these companies have demonstrated profitability in their operations for the year ended March 31, 2020. Based on the projections, management of the Company expects that these companies will continue to have positive cash flow to adequately sustain their operations in foreseeable future and therefore, no further provision for impairment in investment and receivable is considered necessary.

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: April 23, 2020

For and on behalf of the Board**(Saurabh Sancheti)**

Director

DIN: 08349457

(Ajay Singh)Head Corporate Legal, Company Secretary
& Chief Compliance Officer

FCS - 5189

(Rajan Gupta)

Managing Director

DIN: 07603128

(Sitendu Nagchaudhuri)

Chief Financial Officer

Place: Mumbai

Date: April 23, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Hathway Cable and Datacom Limited

Report on the audit of the Consolidated Financial Statements

Opinion

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 associates and its joint ventures comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on standalone / consolidated financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

ethical responsibilities in accordance with these requirements and Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note no 4.19, in which it is stated that the Board of directors of the Holding Company has approved a Composite Scheme of Amalgamation and Arrangement involving the Holding Company (Hathway), Den Networks Limited (Den), Network 18 Media & Investments Limited (Network18), TV18 Broadcast Limited (TV18), Media 18 Distribution Services Limited (Cable Co.), Web18 Digital Services Limited (ISP Co.) and Digital I8 Media Limited (Digital Co.) and their respective shareholders and creditors ("Scheme"). The Scheme provides for amalgamation of the Hathway, Den and TV 18 with Network 18 and subsequent consolidation of Cable, ISP and Digital businesses of the amalgamating companies by way of transfer of relevant undertakings to the respective companies. On amalgamation, the shareholders of Hathway will be issued shares of Network 18. The appointed date of the Scheme is February 01, 2020, however, it will take effect upon receipt of requisite approvals and fulfilment of conditions stated in the Scheme. Pending the Scheme coming in to force, no effect of the same have been considered in this consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on standalone financial statements/ consolidated financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No | Key Audit Matters | How our audit addressed the Key Audit Matters |
|--------|---|---|
| 1. | <p>Valuation and Disclosure of Deferred Tax Assets</p> <p>The Group has a significant amount of deferred tax assets, mainly resulting from unused tax losses and unabsorbed depreciation allowance. The accounting for deferred tax assets is significant to our audit since the Group makes judgements and estimates of forecasted taxable income in relation to the realization of deferred tax assets.</p> <p>As at March 31, 2020, the deferred tax assets are valued at ₹436.83 crores. Further reference is made to Note 2.06</p> | <p>Our procedures included, amongst others:</p> <p>We tested Group's assumptions used to determine that there is reasonable certainty that deferred tax assets recognized in the balance sheet will be realized. This is based upon forecasted taxable income and the periods when the deferred tax assets can be utilized. In this regards, we also considered recent changes in the Income tax laws and decisions taken by the management pursuant to such changes. The forecasts were evaluated by us considering especially the performance of the Group post capital infusion, related business plans approved by the Management and regulatory changes. Such evaluation included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies.</p> <p>Our audit procedure also included obtaining representation from the management and auditor of the material subsidiary with particular focus on those related to calculation and recognition of deferred tax asset.</p> <p>We also assessed the adequacy of the Group's disclosures included in Note 2.06</p> |
| 2. | <p>Impairment of Trade Receivables</p> <p>Refer to Note 2.10 on Trade receivables and Note 4.08 for disclosures on the trade receivables and the related risks such as credit risk.</p> <p>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 marketing and promotional income and incentives. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. In case of receivables from the marketing and promotional income and incentives, the management reviews the credit-worthiness of the broadcasters based on their financial position, past experience and other factors. Trade receivables amounted to ₹563.24 crores as at March 31, 2020.</p> <p>The collectability of trade receivables from subscribers and broadcasters is a key element of the Group's working capital management. The Group follows a simplified approach (i.e. based on lifetime Expected Credit Loss model (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. In addition, in case there are events or changes in circumstances indicating individual or class of trade receivables is required to be reviewed on qualitative aspects, necessary provisions are made.</p> | <p>Our procedures included, amongst others:</p> <p>We assessed the Group's processes and controls relating to the monitoring of trade receivables and considered ageing to identify collection risks. We obtained evidence of receipts subsequent to the year end from the customers. We assessed management's assumptions used to calculate the impairment loss on trade receivables, through analyses of ageing of receivables, assessment of significant overdue trade receivables. We assessed the overall reasonableness of the allowance for doubtful debts by comparing the actual loss trends across periods against the allowance rate applied.</p> <p>Our audit procedure also included obtaining representation from the management and auditor of the material subsidiary relating to their evaluation and assessment of the assumptions adopted in impairment of trade receivables.</p> <p>We assessed the adequacy of the disclosures on the trade receivables and the related risks such as credit risk in Note 4.08</p> |

| Sr. Key Audit Matters No | How our audit addressed the Key Audit Matters |
|---|--|
| <p>3. Impairment of Property, Plant and Equipment</p> <p>There is a risk of impairment on the Group's property, plant and equipment ("PPE") due to the nature of its PPE and the business environment surrounding the PPE. As on March 31, 2020, the carrying amount of PPE was ₹1,359.65 crores which represent 21.34% of total assets. The management determines at the end of each reporting period the existence of any objective evidence that the Group's property, plant and equipment may be impaired. If there are indicators of impairment, the deficit between the recoverable amount of the property, plant and equipment and its carrying amount would be recognised as impairment loss in Statement of Profit and Loss.</p> <p>The process of identifying indicators of impairment and determining the recoverable amount of the PPE by management requires significant judgement and estimation. The determination of the recoverable amounts requires estimates of forecasted revenues, growth rates, profit margins, tax rates and discount rates.</p> <p>As determined by the management, the carrying amount of PPE was impaired by ₹97.74 crores in the current year, as disclosed in Note 3.06 to the consolidated financial statements.</p> | <p>Our procedures included, amongst others:</p> <p>We assessed the determination of the recoverable amount of the PPE based on our understanding of the nature of the Group's business and the economic environment in which its PPE operate.</p> <p>We reviewed the Group's historical performances and held discussions with management to understand their assessment of the Group's future performance. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives. We assessed management's estimates applied in the value-in-use model based on our knowledge of the Group's operations, and compared them against historical forecasts and performance and tested the mathematical accuracy of the value-in-use model. We evaluated the sensitivity of the outcomes by considering the downside scenarios against changes to the key assumptions.</p> <p>Our audit procedure also included obtaining representation from the management and auditor of the material subsidiary relating to their evaluation and assessment of the assumptions adopted in impairment of PPE. We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.</p> |
| <p>4. Impairment of carrying cost of investments and net receivables from associates and joint ventures</p> <p>Refer to Notes 1.05, 1.08 and 1.12 for the relevant accounting policy and the critical judgements, assumptions and estimation uncertainties used in impairment assessment of cost of investments in joint ventures and associates and net receivables due from such entities at the reporting year end. Refer to Notes 4.10 and 4.09 for the investment in joint ventures and associates and amount due from such entities respectively.</p> <p>Total carrying cost of investment in joint ventures and associates amounted to ₹673.10 crores and amount due from joint ventures and associates amounted to ₹43.32 crores. As these balances are significant, they are a key focus area for our audit.</p> <p>For the non-performing joint ventures and associates or if they have significant negative equity balances, the Group will have exposure to loss on cost of investments in joint ventures and associates and amount due from such entities. Any impairment losses on the investments in joint ventures and associates and the related receivables from these entities have to be recognised in the Group's financial statements.</p> <p>Management made a comparison of carrying values of the joint ventures and associates with the Group's share of net assets or liabilities of the joint ventures and associates to identify indications of impairment loss on these investments and receivables due from them. A total exposure of ₹716.42 crores was considered. This amount comprised ₹7.26 crores impairment of investment in joint ventures and associates and ₹47.79 crores impairment of net receivables from joint ventures and associates. The total impairment loss allowance for the year was ₹55.05 crores.</p> | <p>Our procedures included, amongst others:</p> <p>We have reviewed and considered management's assessment on the net assets or liabilities of these entities. We have also assessed management's basis to determine potential impairment in both financial and non-financial assets of these entities. We also had discussions with management on the prospects and future plans of these entities. We have reviewed the valuation reports of key components carried out by the independent valuers and considered the appropriateness of the key assumptions used in the valuation for impairment assessment of investments in key components.</p> <p>Our audit procedure also included obtaining representation from the management and auditor of the material subsidiary relating to their evaluation and assessment on the net assets or liabilities of these entities, management's basis to determine potential impairment in both financial and non-financial assets of these entities and prospects and future plans of these entities.</p> <p>We have also assessed the adequacy of the disclosures made in the consolidated financial statements.</p> |

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with Ind AS and other accounting principles generally accepted in India. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of these consolidated financial statements. The respective Governing Bodies of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

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

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

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

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

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

We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

We communicate with those charged with governance of the Holding Company and such other entities included in

the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- We did not audit (a) the audited standalone financial statements of 27 subsidiaries, whose standalone financial statements reflect total assets of ₹43.37 crores as at March 31, 2020, total revenues of ₹64.75 crores, Group's share of total net loss after tax of ₹8.79 and net cash inflows amounting to ₹2.30 crores for the year ended on that date, as considered in the consolidated financial statements; (b) the audited consolidated financial statements of 1 subsidiary, whose consolidated financial statement reflects total assets of ₹1,267.99 crores as at March 31, 2020, total revenues of ₹1,180.85 crores, Group's share of total net profit after tax of ₹66.81 crores and net cash outflows amounting to ₹12.98 crores for the year ended on that date, as considered in the consolidated financial statements; (c) the audited consolidated financial statements of 1 associate, whose consolidated financial statements include the Group's share of net profit after tax of ₹28.75 crores for the year ended March 31, 2020; and (d) the audited standalone financial statements of 12 joint ventures and 2 associates, whose standalone financial statements include the Group's share of net profit of ₹1.30 crores for the year ended on March 31, 2020. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the reports of such other auditors.

- (ii) Apart from above, as stated in Note 4.18 of the consolidated financial statements, the consolidated financial statements also include Group's share of total net profit after tax of ₹1.10 crores for the year ended March 31, 2020 in respect of one joint venture. The standalone financial statements and financial information of the joint venture have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, so far as it relates to the amounts and disclosure included in respect of this joint venture is based solely on such unaudited standalone financial statements/ financial information. According to the information and explanations given to us by the Management of the Holding Company, such standalone financial statements of the joint venture is not material to the group.

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

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associates and joint ventures incorporated in India, none of the directors of the Group, its associates and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, associates and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors of subsidiaries, associates and joint ventures, 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 associates and joint ventures. Refer Note 4.03(n) and 4.10 to the consolidated financial statements;
 - ii. The Group, its associates and joint ventures have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.- Refer Note 4.03(o) to the consolidated financial statements ; and
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group, its associates and joint ventures.

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

K.Y. Narayana
Partner

Place : Mumbai
Date : April 23, 2020

Membership No. 060639
UDIN: 20060639AAAADF4420

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, 2020:

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2020, 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 associates and joint ventures, which are companies incorporated in India, as of that date.

In our opinion, the Holding Company, its subsidiaries, its associates and joint ventures, 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, 2020 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.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiaries, its associates and joint ventures, 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 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 statement of the Holding Company, its subsidiaries, associates and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates standalone financial statements of 27 subsidiaries, consolidated financial statements of 1 subsidiary, consolidated financial statements of 1 associate, standalone financial statements of 12 joint ventures and 2 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place : Mumbai
Date : April 23, 2020

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

K.Y. Narayana
Partner
Membership No. 060639
UDIN: 20060639AAAADF4420

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 2.01 | 1,359.65 | 1,440.65 |
| Capital work in progress | | 81.11 | 103.60 |
| Goodwill | 2.02 | 92.20 | 92.20 |
| Other Intangible assets | 2.02 | 119.29 | 99.12 |
| Investment accounted using equity method | 4.10 | 665.84 | 637.20 |
| Financial Assets | | | |
| Investments | 2.03 | 3.24 | 3.24 |
| Loans | 2.04 | 20.50 | 22.94 |
| Other financial assets | 2.05 | 4.55 | 27.81 |
| Deferred tax assets (net) | 2.06 | 436.83 | 440.82 |
| Other Non-current assets | 2.07 | 115.24 | 99.78 |
| Total Non-current assets | | 2,898.45 | 2,967.36 |
| Current assets | | | |
| Inventories | 2.08 | 13.98 | 14.97 |
| Financial Assets | | | |
| Investments | 2.09 | 34.10 | 2,995.66 |
| Trade receivables | 2.10 | 29.33 | 120.77 |
| Cash and cash equivalents | 2.11 | 1,080.00 | 81.91 |
| Bank balances other than Cash and cash equivalents | 2.12 | 2,009.50 | 71.09 |
| Loans | 2.04 | 12.52 | 19.24 |
| Other financial assets | 2.05 | 151.43 | 12.24 |
| Current Tax Assets (Net) | 2.13 | 45.03 | 44.73 |
| Other current assets | 2.07 | 97.11 | 95.87 |
| Total Current assets | | 3,473.00 | 3,456.48 |
| Total Assets | | 6,371.45 | 6,423.84 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 2.14 | 354.02 | 354.02 |
| Other Equity | 2.15 | 3,389.13 | 3,285.49 |
| Equity attributable to owners of the Company | | 3,743.15 | 3,639.51 |
| Non - controlling interests | | 0.90 | (0.84) |
| Total Equity | | 3,744.05 | 3,638.67 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 44.10 | 1,456.68 |
| Other financial liabilities | 2.17 | 14.73 | 14.76 |
| Provisions | 2.18 | 3.91 | 4.68 |
| Other Non-current liabilities | 2.19 | 38.25 | 89.93 |
| Total Non-current liabilities | | 100.99 | 1,566.05 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 1,911.82 | 77.81 |
| Trade payables | | | |
| Total outstanding dues: | | | |
| - Micro enterprises and small enterprises | | - | - |
| - Other | | 231.06 | 259.32 |
| Other financial liabilities | 2.17 | | |
| Total outstanding dues: | | | |
| - Micro enterprises and small enterprises | | 0.25 | - |
| - Other | | 164.96 | 685.50 |
| Other current liabilities | 2.19 | 217.96 | 195.89 |
| Provisions | 2.18 | 0.36 | 0.60 |
| Total current liabilities | | 2,526.41 | 1,219.12 |
| Total Equity and Liabilities | | 6,371.45 | 6,423.84 |
| 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

(Saurabh Sancheti)
Director
DIN: 08349457

For and on behalf of the Board

(Rajan Gupta)
Managing Director
DIN: 07603128

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

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

(Sitendu Nagchaudhuri)
Chief Financial Officer

Place: Mumbai
Date: April 23, 2020

Place: Mumbai
Date: April 23, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|----------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from Operations | 3.01 | 1,798.39 | 1,558.29 |
| Other Income | 3.02 | 245.75 | 60.91 |
| Total Income | | 2,044.14 | 1,619.20 |
| EXPENSES | | | |
| Pay channel cost | | 560.56 | 609.85 |
| Other operational expenses | 3.03 | 306.62 | 253.30 |
| Employee Benefits Expense | 3.04 | 94.79 | 82.86 |
| Finance Cost | 3.05 | 226.37 | 220.80 |
| Depreciation, Amortization and Impairment | 3.06 | 371.10 | 352.41 |
| Other Expenses | 3.07 | 401.09 | 303.50 |
| Total Expenses | | 1,960.53 | 1,822.72 |
| Profit / (loss) before share of profit/(loss) of associates / joint ventures and exceptional items | | 83.61 | (203.52) |
| Share of net profit of associates and joint ventures accounted for using the equity method | | 32.65 | 6.58 |
| Profit / (loss) before exceptional items and tax | | 116.26 | (196.94) |
| Exceptional Items | 3.08 | 6.69 | 429.62 |
| Profit / (Loss) before Tax | | 109.57 | (626.56) |
| Tax Expense: | 3.09 | | |
| Current Tax | | 0.12 | 0.06 |
| Deferred Tax | | 3.98 | (438.95) |
| | | (4.10) | 438.89 |
| Profit / (loss) for the Year | | 105.47 | (187.67) |
| Other comprehensive income / (loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Share of Other Comprehensive income / (loss) of associates and joint ventures accounted for using the equity method | | (0.34) | 0.16 |
| Net Gain arising on financial assets measured at FVTOCI | | - | 1.07 |
| Remeasurements of the post employment benefit obligations | | 0.26 | (0.05) |
| Income tax relating to these items | | 0.06 | (0.04) |
| Total other comprehensive Income / (losses) | | (0.02) | 1.14 |
| Total other comprehensive income / (loss) for the Year | | 105.45 | (186.53) |
| Profit/(Loss) for the Year attributable to: | | | |
| Owners of the Parent | | 103.73 | (187.57) |
| Non-controlling interests | | 1.74 | (0.10) |
| | | 105.47 | (187.67) |
| Other comprehensive income / (loss) for the Year attributable to: | | | |
| Owners of the Parent | | (0.01) | 1.13 |
| Non-controlling interests | | (0.01) | 0.01 |
| | | (0.02) | 1.14 |
| Total comprehensive income / (loss) for the Year attributable to: | | | |
| Owners of the Parent | | 103.72 | (186.44) |
| Non-controlling interests | | 1.73 | (0.09) |
| | | 105.45 | (186.53) |
| Earnings / (Loss) per equity share (Face value of ₹ 2/- each) (Refer Note 4.01): | | | |
| Basic and diluted (in ₹) | | 0.59 | (1.90) |
| 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

(Saurabh Sancheti)
 Director
 DIN: 08349457

(Rajan Gupta)
 Managing Director
 DIN: 07603128

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

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

(Sitendu Nagchaudhuri)
 Chief Financial Officer

Place: Mumbai
 Date: April 23, 2020

Place: Mumbai
 Date: April 23, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

A. Equity Share Capital

| Particulars | Note No. | Amount |
|---|-------------|---------------|
| Balance at April 01, 2018 | 2.14 | 166.10 |
| Changes in Equity Share Capital during the year | | 187.92 |
| Balance at March 31, 2019 | 2.14 | 354.02 |
| Changes in Equity Share Capital during the year | | - |
| Balance at March 31, 2020 | 2.14 | 354.02 |

B. Other Equity

| Particulars | Reserves and Surplus | | | Amount attributable to Owners of the parent | Non controlling interests (NCI) | Total |
|---|----------------------|----------------------------|-------------------|---|---------------------------------|-----------------|
| | Capital Reserve | Securities Premium Account | Retained earnings | | | |
| Balance at April 01, 2018 | 0.10 | 1,877.01 | (1,250.82) | 626.29 | (3.88) | 622.39 |
| Profit/ (Loss) for the year | - | - | (187.57) | (187.57) | (0.10) | (187.67) |
| Other comprehensive income | | | | | | |
| Remeasurements of the defined benefit plans | - | - | (0.07) | (0.07) | 0.01 | (0.06) |
| Income tax relating to items that will not be reclassified to profit or (loss) | - | - | (0.04) | (0.04) | - | (0.04) |
| Share of other comprehensive income/(loss) of Joint ventures and Associates | - | - | 0.16 | 0.16 | - | 0.16 |
| Net Gain arising on financial assets measured at FVTOCI | | | 1.07 | 1.07 | | 1.07 |
| Others | | | (3.13) | (3.13) | 3.13 | - |
| Total comprehensive income for the year | - | - | (189.58) | (189.58) | 3.04 | (186.54) |
| Additions during the year (net of share issue expenses amounting to ₹ 2.94 adjusted against securities premium) | - | 2,848.78 | - | 2,848.78 | - | 2,848.78 |
| Balance at March 31, 2019 | 0.10 | 4,725.79 | (1,440.40) | 3,285.49 | (0.84) | 3,284.65 |
| Profit/ (Loss) for the year | - | - | 103.73 | 103.73 | 1.74 | 105.47 |
| Other comprehensive income | | | | | | |
| Remeasurements of the defined benefit plans | - | - | 0.26 | 0.26 | (0.01) | 0.25 |
| Income tax relating to items that will not be reclassified to profit or (loss) | - | - | 0.06 | 0.06 | - | 0.06 |
| Share of other comprehensive income/(loss) of Joint ventures and Associates | - | - | (0.34) | (0.34) | - | (0.34) |
| Impact on account of adoption of Ind AS 116 | - | - | (0.07) | (0.07) | | (0.07) |
| Total comprehensive income for the year | - | - | 103.64 | 103.64 | 1.73 | 105.38 |
| Balance at March 31, 2020 | 0.10 | 4,725.79 | (1,336.76) | 3,389.13 | 0.90 | 3,390.03 |

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

(Saurabh Sancheti)
 Director
 DIN: 08349457

For and on behalf of the Board

(Rajan Gupta)
 Managing Director
 DIN: 07603128

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

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

(Sitendu Nagchaudhuri)
 Chief Financial Officer

Place: Mumbai
 Date: April 23, 2020

Place: Mumbai
 Date: April 23, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Cash flow from operating activities | | |
| Profit / (Loss) before Tax | 109.57 | (626.56) |
| Depreciation, amortization and impairment | 371.10 | 352.41 |
| Impairment of trade/loan receivables | 91.33 | 21.03 |
| Share of net profit of associates and joint ventures accounted for using the equity method | (32.65) | (6.58) |
| Amount no longer payable written back | (0.74) | (6.05) |
| Excess provision reversed for leave encashment and gratuity | - | 1.57 |
| Unrealised foreign exchange loss / (gain) | 5.52 | (3.03) |
| Unwinding of interest | (0.48) | (1.77) |
| Net Loss on disposal of property, plant and equipment | 8.35 | 6.24 |
| Net gain on financial assets measured at fair value through profit or loss | (53.76) | (44.40) |
| MTM (Gain)/Losses on Swap | (0.57) | (1.92) |
| Income from Investments | (186.27) | (7.06) |
| Interest and finance charges | 226.37 | 222.72 |
| Exceptional Items (Refer Note no 3.08) | 6.69 | 429.62 |
| | 544.47 | 336.22 |
| Change in operating assets and liabilities : | | |
| Decrease/(increase) in trade receivables | 1.69 | (23.28) |
| Decrease/(increase) in inventories | 0.99 | 2.69 |
| Increase/(decrease) in trade payables | (27.52) | 76.14 |
| Decrease/(increase) in other financial assets | (9.94) | 5.04 |
| Decrease/(increase) in other non-current assets | (2.32) | (9.53) |
| Decrease/(increase) in other current assets | (0.80) | (14.31) |
| Increase/(decrease) in provisions | (0.44) | (4.28) |
| Increase/(decrease) in other liabilities | (29.61) | (68.48) |
| Increase/(decrease) in other financial liabilities | (19.10) | (38.82) |
| Cash generated from operations | 457.41 | 261.39 |
| Income taxes paid | (25.07) | (15.15) |
| Net cash flow from / (used in) operating activities (A) | 432.34 | 246.24 |
| Cash flow from investing activities | | |
| Payments for acquisition of property, plant and equipment | (369.37) | (281.58) |
| Proceeds from sale of property, plant and equipment | 1.29 | 2.71 |
| Payments for purchase of investments | (1,334.29) | (7,944.36) |
| Proceeds from sale of investments | 4,353.80 | 4,997.37 |
| Investment in Joint Venture | (0.70) | - |
| Fixed Deposit made during the year | (2,603.69) | (71.75) |
| Fixed Deposit redeemed during the year | 688.59 | 1.41 |
| Loans & Advances (Net) | 7.58 | 1.20 |
| Income from investments | 56.83 | 5.55 |
| Net cash flow from / (used in) investing activities (B) | 800.03 | (3,289.45) |
| Cash flows from financing activities | | |
| Proceeds from issuance of Equity Shares | - | 3,039.64 |
| Expenses relating to equity infusion | - | (25.87) |
| Share issue expense paid | - | (2.94) |
| Proceeds from Non current borrowings | - | 1,144.69 |
| Repayments of Non current borrowings | (1,857.35) | (760.14) |
| Net Proceeds/(Repayments) of current borrowings | 1,824.46 | (77.67) |
| Payment of lease liabilities | (2.73) | - |
| Interest and finance charges | (208.15) | (220.15) |
| Net cash flow from / (used in) in financing activities (C) | (243.77) | 3,097.56 |

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Net Increase / (decrease) in cash and cash equivalents (A+B+C) | 988.59 | 54.35 |
| Cash and cash equivalents at the beginning of the year | 81.93 | 30.87 |
| Bank overdrafts at the beginning of the year | (2.28) | (5.57) |
| Cash and cash equivalents at the end of the year | 1,068.24 | 79.65 |
| Reconciliation of cash and cash equivalents as per the cash flow statement : | | |
| Cash and cash equivalents | | |
| Balances with banks: | | |
| On current accounts | 31.84 | 38.05 |
| Deposits with banks with original maturity of 3 months or less | 1,046.37 | 40.34 |
| Cheques/drafts on Hand | 0.13 | - |
| Cash on hand | 1.73 | 3.54 |
| Bank overdrafts | (11.83) | (2.28) |
| Balance as per the cash flow statement | 1,068.24 | 79.65 |

Note :

- Above statement has been prepared by using Indirect method as per Ind AS 7 on Statement of Cash flows.
- Changes in liabilities arising from financing activities :

| Particulars | As at March 31, 2019 | Net Cash Flows | Non cash changes | | As at March 31, 2020 |
|---|-------------------------|-------------------|--|-----------------------|-------------------------|
| | | | Foreign Exchange movement (Gain) / Loss | Fair value changes | |
| Non - current Borrowings (including current maturities of Non-current Borrowings) | 1,895.25 | (1,857.35) | - | 25.04 | 62.94 |
| Current Borrowings | 75.53 | 1,824.46 | - | - | 1,899.99 |
| Total liabilities from financing activities | 1,970.78 | (32.89) | - | 25.04 | 1,962.93 |

| Particulars | As at March 31, 2018 | Net Cash Flows | Non cash changes | | As at March 31, 2019 |
|---|-------------------------|-------------------|--|-----------------------|-------------------------|
| | | | Foreign Exchange movement (Gain) / Loss | Fair value changes | |
| Non - current Borrowings (including current maturities of Non-current Borrowings) | 1,508.13 | 384.55 | - | 2.57 | 1,895.25 |
| Current Borrowings | 153.19 | (77.66) | - | - | 75.53 |
| Total liabilities from financing activities | 1,661.32 | 306.89 | - | 2.57 | 1,970.78 |

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

(Saurabh Sancheti)
 Director
 DIN: 08349457

For and on behalf of the Board

(Rajan Gupta)
 Managing Director
 DIN: 07603128

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

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

(Sitendu Nagchaudhuri)
 Chief Financial Officer

Place: Mumbai
 Date: April 23, 2020

Place: Mumbai
 Date: April 23, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 authorized for issue in accordance with a resolution of the Board of directors on April 23, 2020.

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.
- Right of Use assets.

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:

- it is expected to be realised or intended to sold or consumed in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the reporting period; or
- 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:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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

Key assumptions

- (i) Financial instruments; (Refer Note 4.07)
- (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 4.02)
- (iv) Evaluation of recoverability of deferred tax assets; (Refer Note 2.06) and
- (v) Contingencies (Refer Note 4.03)

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 4.10)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- (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 capitalized 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 and Spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as Property, Plant and Equipment.

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 and 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 and Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the cost of STBs and 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.

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.

1.07 INTANGIBLE ASSETS

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

Intangible Assets acquired separately

Intangible assets comprises of Cable Television Franchise, Movie and Serial Rights, Bandwidth Rights, Goodwill, Softwares, Network Franchise, Customer acquisition cost and Channel Design. Cable Television Franchise represents purchase consideration of a network that is mainly attributable to acquisition of subscribers and other rights, permission etc. attached to a network.

Intangible assets with finite useful lives that are acquired are recognized only if they are separately identifiable and the 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 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 amortized over the license period and in absence of such tenor, over five years.
- Movie and Serial Rights are amortized on exploitation over the balance license period in equal installments.
- Channel Design are amortised over the period of five years.
- Network Franchisee are amortized over the period of five to twenty years.
- Customer acquisition costs are amortized over the period of five years.
- Bandwidth Rights are amortized over the period of the underlying agreements.
- Cable television Franchise are amortized over the period of five to twenty years.

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

Deemed cost for Intangible assets

The 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 realizable value.

Stock-in-trade comprising of access devices are valued at cost on weighted average method or at net realizable 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 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.

1.12 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 and 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.

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

(i) Income from Rendering of services and Sale of goods

The Group derives revenues primarily from Broadband business comprising of Internet services and MSO business comprising of Cable Television Services including Placement Income for placing channels of various Broadcasters on MSOs Platform and other allied services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

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

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

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

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

The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

(ii) Other Operating Income

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognized upon satisfaction of performance obligations as per the terms of underlying agreements.

(iii) Interest Income

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

(iv) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

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

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as on April 1, 2019. Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 "Lease". Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases. Refer Note 1 "Significant Accounting policies", in the Group's 2019 Annual Report for the policies in effect for Leases prior to April 1, 2019. The effect of transition on Ind AS 116 was insignificant.

As a lessee

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Group is a lessor are recognized on either a straight-line basis or another systematic basis. The Group shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

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.

- 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, 2020

2.01 Property, Plant and Equipment:

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | Accumulated Depreciation / Impairment | | Net Carrying Amount | |
|-----------------------------|----------------------------|--|---------------------------------------|--|-----------------------------|-----------------------------|
| | As at April 1, 2019 | As at Addition # Disposal | As at April 1, 2019 | For the Year ** on disposal | As at March 31, 2020 | As at March 31, 2019 |
| Own Assets: | | | | | | |
| Plant and Equipment | 2,245.07 | 247.70 | 831.45 | 322.87 | 1,126.68 | 1,413.62 |
| Furniture & Fixtures | 20.58 | 0.30 | 8.63 | 2.00 | 10.63 | 11.95 |
| Motor Vehicles | 2.53 | 0.01 | 1.31 | 0.35 | 1.66 | 1.22 |
| Office Equipments | 4.85 | 0.46 | 3.30 | 0.88 | 3.98 | 1.55 |
| Computers | 10.83 | 2.10 | 8.47 | 1.20 | 9.67 | 2.36 |
| Air conditioners | 6.83 | 0.67 | 3.96 | 1.06 | 5.02 | 2.87 |
| Structural fittings | 3.51 | 0.08 | 1.42 | 0.34 | 1.76 | 2.09 |
| Electrical Fittings | 7.68 | 0.26 | 3.10 | 0.75 | 3.85 | 4.58 |
| Mobile & Telephone | 1.27 | 0.26 | 0.86 | 0.21 | 1.07 | 0.41 |
| Movie Master Tapes | 0.01 | - | 0.01 | - | - | 0.01 |
| Total (A) | 2,303.16 | 251.84 | 862.50 | 329.45 | 1,164.32 | 1,357.81 |
| Right of Use assets: | | | | | | |
| Building | - | 4.54 | - | 2.70 | 2.70 | - |
| Total (B) | - | 4.54 | - | 2.70 | 2.70 | - |
| Total (A+B) | 2,303.16 | 256.38 | 862.50 | 332.15 | 1,167.02 | 1,440.65 |
| Particulars | As at April 1, 2018 | Gross Carrying Amount As at Addition # Disposal | As at April 1, 2018 | Accumulated Depreciation / Impairment For the Year ** on disposal | As at March 31, 2019 | As at March 31, 2018 |
| Own Assets: | | | | | | |
| Plant and Equipment | 2,241.31 | 188.78 | 631.23 | 313.91 | 831.45 | 1,610.07 |
| Furniture & Fixtures | 19.77 | 0.81 | 6.28 | 2.35 | 8.63 | 13.49 |
| Motor Vehicles | 2.53 | - | 0.94 | 0.37 | 1.31 | 1.59 |
| Office Equipments | 4.45 | 0.40 | 2.39 | 0.91 | 3.30 | 2.06 |
| Computers | 10.02 | 0.81 | 6.71 | 1.76 | 8.47 | 3.31 |
| Air conditioners | 6.30 | 0.53 | 2.80 | 1.16 | 3.96 | 3.50 |
| Structural fittings | 3.06 | 0.45 | 0.89 | 0.53 | 1.42 | 2.17 |
| Electrical Fittings | 6.96 | 0.72 | 2.05 | 1.05 | 3.10 | 4.91 |
| Mobile & Telephone | 1.22 | 0.05 | 0.70 | 0.16 | 0.86 | 0.52 |
| Movie Master Tapes | 0.01 | - | - | - | - | 0.01 |
| Total | 2,295.63 | 192.55 | 654.00 | 322.20 | 862.50 | 1,641.63 |

* Amount Less than ₹ 50,000/-

** Depreciation for the Year includes Impairment of Plant and Machinery ₹ 97.74 (March 31, 2019 : ₹ 50.67)

Loss of ₹ Nil (March 31, 2019: ₹ 1.33) arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipment has been capitalised and included in "Additions". The Company has also capitalised Finance cost of ₹ Nil (March 31, 2019: ₹ 1.26)

Refer note no 4.04 for disclosure of contractual commitments for acquisition of Property, Plant and Equipments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

2.02 Intangible Assets :

(₹ in Crores unless otherwise stated)

| Particulars | Gross Carrying Amount | | Accumulated Amortisation / Impairment | | Net Carrying Amount | |
|--------------------------------|-----------------------|--|---------------------------------------|--|----------------------|----------------------|
| | As at April 1, 2019 | As at Addition Disposal March 31, 2020 | As at April 1, 2019 | For the Elimination on disposal Year *** | As at March 31, 2020 | As at March 31, 2019 |
| Goodwill (acquired separately) | 9.93 | - | 2.12 | - | 2.12 | 7.81 |
| Goodwill on Consolidation | 84.39 | - | - | - | - | 84.39 |
| Customer Acquisition Cost | 36.94 | 36.94 | 4.17 | 11.37 | 15.54 | 58.36 |
| Softwares | 102.34 | 17.08 | 79.07 | 12.67 | 91.74 | 23.27 |
| Bandwidth Rights | 21.56 | 0.21 | 6.01 | 1.85 | 7.86 | 15.55 |
| Movie & Serial Rights | 27.71 | 4.89 | 22.83 | 9.00 | 31.83 | 4.89 |
| Network Franchise | 6.05 | - | 2.14 | 0.65 | 2.79 | 3.91 |
| Cable Television Franchise | 35.09 | - | 16.90 | 3.16 | 20.06 | 18.19 |
| Channel Design | 1.21 | - | 0.68 | 0.24 | 0.92 | 0.52 |
| Total | 325.24 | 59.12 | 133.92 | 38.95 | 172.87 | 191.32 |

* Amount less than ₹ 50,000/-

| Particulars | Gross Carrying Amount | | Accumulated Amortisation / Impairment | | Net Carrying Amount | |
|--------------------------------|-----------------------|--|---------------------------------------|--|----------------------|----------------------|
| | As at April 1, 2018 | As at Addition Disposal March 31, 2019 | As at April 1, 2018 | For the Elimination on disposal Year *** | As at March 31, 2019 | As at March 31, 2018 |
| Goodwill (acquired separately) | 9.93 | - | 2.12 | - | 2.12 | 7.81 |
| Goodwill on Consolidation | 84.39 | - | - | - | - | 84.39 |
| Customer Acquisition Cost | - | 36.96 | - | 4.17 | 4.17 | 32.79 |
| Softwares | 93.73 | 8.61 | 65.80 | 13.27 | 79.07 | 27.93 |
| Bandwidth Rights | 21.55 | 0.01 | 4.29 | 1.72 | 6.01 | 17.26 |
| Movie & Serial Rights | 22.10 | 5.61 | 16.00 | 6.83 | 22.83 | 6.10 |
| Network Franchise | 6.05 | - | 1.72 | 0.42 | 2.14 | 4.33 |
| Cable Television Franchise | 35.06 | 0.03 | 13.31 | 3.59 | 16.90 | 21.75 |
| Brand Value | 1.21 | - | 0.44 | 0.24 | 0.68 | 0.77 |
| Total | 274.02 | 51.22 | 103.68 | 30.24 | 133.92 | 170.34 |

*** Amortisation during the Year includes Impairment of Intangible assets ₹ 0.49 (March 31, 2019 : ₹ 0.44)

1. Range of remaining Year of amortisation as at March 31, 2020 of other Intangible assets is as below :

| Assets | 0 - 5 years | 6 - 10 years | More than 10 Years | Total |
|----------------------------|---------------|--------------|--------------------|---------------|
| Softwares | 27.68 | - | - | 27.68 |
| Customer acquisition cost | 58.36 | - | - | 58.36 |
| Bandwidth Rights | 8.01 | 5.44 | 0.46 | 13.91 |
| Movie & Serial Rights | 0.77 | - | - | 0.77 |
| Cable Television Franchise | 9.93 | 4.74 | 0.36 | 15.03 |
| Network Franchise | 2.05 | 1.21 | 0.00 | 3.26 |
| Channel Design | 0.28 | - | - | 0.28 |
| Total | 107.08 | 11.40 | 0.81 | 119.29 |

2. Refer note no 2.16 (b) for information on Property, Plant and Equipment pledged as security of the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.03 Investments

| Particulars | Face Value Per Share ₹ | As at March 31, 2020 | | As at March 31, 2019 | |
|---|------------------------|----------------------|-------------|----------------------|-------------|
| | | No. of shares | Amount | No. of shares | Amount |
| Non-Current | | | | | |
| Investments in equity instrument designated at fair value through other comprehensive income - Unquoted (fully paid) | | | | | |
| Hathway Patiala Cable Pvt Ltd (formerly known as Hathway Sukhamrit cable & Datacom Pvt Ltd) | 10 | 71,175 | 3.08 | 71,175 | 3.08 |
| Investments in Government securities measured at amortised cost - Unquoted | | | | | |
| National Savings Certificates | | | 0.16 | | 0.16 |
| | | | 3.24 | | 3.24 |
| Aggregate amount of unquoted investments | | | 0.16 | | 0.16 |
| Aggregate value of investments designated at FVTOCI | | | 3.08 | | 3.08 |

2.04 Loans

| Particulars | Non-Current | | Current | |
|---|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Security Deposits | | | | |
| Considered good - unsecured | 20.28 | 22.74 | 10.48 | 9.69 |
| Loan receivables - credit impaired | 1.93 | 0.33 | - | - |
| Less : Provision for impairment | 1.93 | 0.33 | - | - |
| (A) | 20.28 | 22.74 | 10.48 | 9.69 |
| Loans to Related Parties | | | | |
| Considered good - unsecured | | | | |
| Loans to Joint Ventures | 0.22 | 0.20 | 1.71 | 9.22 |
| Loans to Firm in which Subsidiaries are partner | 0.00 | 0.00 | - | - |
| Investment in Preference share capital | 0.00 | 0.00 | - | - |
| Loan receivables - credit impaired | 42.03 | 44.08 | - | - |
| | 42.24 | 44.28 | 1.71 | 9.22 |
| Less : Provision for impairment | 42.03 | 44.08 | - | - |
| (B) | 0.22 | 0.20 | 1.71 | 9.22 |
| Other Loans | | | | |
| Considered good - unsecured | - | - | 0.33 | 0.33 |
| Loan receivables - credit impaired | 0.62 | 0.62 | - | - |
| | 0.62 | 0.62 | 0.33 | 0.33 |
| Less : Provision for impairment | 0.62 | 0.62 | - | - |
| (C) | - | - | 0.33 | 0.33 |
| Total | (A+B+C) 20.50 | 22.94 | 12.52 | 19.24 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.05 Other Financial Assets

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Share application money (Refer Note no. 4.03(c)) | 0.26 | 0.26 | - | - |
| Accrued interest | 0.01 | 0.01 | 131.63 | 2.38 |
| Unbilled Revenue# | - | - | 19.36 | 9.26 |
| Bank deposits with more than 12 months maturity ^ | 4.28 | 27.54 | - | - |
| Other Receivables | - | - | 0.44 | 0.60 |
| Total | 4.55 | 27.81 | 151.43 | 12.24 |

#Classified as financial asset as right to consideration is unconditional upon passage of time.

^Marked under lien in favour of banks

2.06 Deferred Tax Assets (Net)*

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| The balance comprises of temporary differences attributable to - | | |
| Deferred tax assets in relation to: | | |
| Property, Plant & Equipment | 54.78 | 53.53 |
| Unabsorbed Depreciation / Business Loss | 260.87 | 380.59 |
| Others | 146.65 | 31.57 |
| | 462.29 | 465.69 |
| Deferred tax liabilities in relation to: | | |
| Property, Plant and Equipment | 25.46 | 24.87 |
| | 25.46 | 24.87 |
| Net Deferred Tax Assets | 436.83 | 440.82 |

Significant Estimates -

*The deferred tax assets recognised is mainly in respect of unabsorbed depreciation allowance and brought forward losses available for set off for an indefinite period in terms of applicable tax laws. Considering the revision in business plans and growth strategy of the Group, pursuant to fresh infusion of equity capital and implementation of New Tariff Order during the previous financial year, the Management is reasonably certain of future taxable income and hence recovery of such deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

The movement in deferred tax asset / liabilities during the Year ended March 31, 2020 and March 31, 2019:

| Particulars | As at March 31, 2019 | Recognised in Profit / (Loss) | As at March 31, 2020 |
|---|-------------------------|----------------------------------|-------------------------|
| Deferred Tax Assets in relation to: | | | |
| Property, Plant & Equipment | 53.53 | 1.25 | 54.78 |
| Unabsorbed Depreciation / Business Loss | 380.59 | (119.72) | 260.87 |
| Others | 31.57 | 115.08 | 146.65 |
| | 465.69 | (3.40) | 462.29 |
| Deferred Tax Liabilities in relation to: | | | |
| Property, Plant and Equipment | 24.87 | 0.59 | 25.46 |
| | 24.87 | 0.59 | 25.46 |
| Total | 440.82 | (3.98) | 436.83 |

2.07 Other Assets

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Capital Advances | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Network Acquisitions | 0.03 | 0.19 | - | - |
| Advance to Suppliers | 6.48 | 11.26 | - | - |
| Doubtful | 2.22 | 2.22 | - | - |
| | 8.73 | 13.67 | | |
| Less: Allowance for bad & doubtful advances | 2.22 | 2.22 | - | - |
| | (A) 6.51 | 11.45 | - | - |
| Advances Other Than Capital Advances | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Balance with Government authorities: | | | | |
| GST Claimable | 2.14 | 4.07 | 76.10 | 41.02 |
| Advance Income Tax (Net of provision) | 71.90 | 47.24 | - | - |
| Deposit paid under protest | 23.90 | 23.81 | - | - |
| Prepaid expenses | 0.66 | 2.83 | 5.75 | 8.33 |
| Staff Advances | - | - | 0.76 | 0.35 |
| Sundry Advances | 0.20 | 1.30 | 14.35 | 45.61 |
| Deposit with statutory authorities | 9.93 | 9.08 | 0.14 | 0.47 |
| Others | - | * | 0.01 | 0.09 |
| Doubtful | 16.81 | 10.23 | - | - |
| | 125.54 | 98.56 | 97.11 | 95.87 |
| Less : Allowance for doubtful advances | 16.81 | 10.23 | - | - |
| | (B) 108.73 | 88.33 | 97.11 | 95.87 |
| Total | (A+B) 115.24 | 99.78 | 97.11 | 95.87 |

* Amount less than ₹ 50,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.08 Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Stock of Spares & Maintenance Items | 13.98 | 14.97 |
| Total | 13.98 | 14.97 |

2.09 Current Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Investments measured at fair value through profit or loss - Unquoted | | |
| Investment in Liquid - Mutual Funds | 34.10 | 2,995.66 |
| Total | 34.10 | 2,995.66 |
| Aggregate amount of unquoted investments | 33.80 | 2,966.74 |

2.10 Trade Receivables

| Particulars | Current | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Trade receivables - Unsecured | 563.24 | 568.93 |
| | 563.24 | 568.93 |
| Less: Provision for Impairment | 533.91 | 448.16 |
| Total | 29.33 | 120.77 |

2.11 Cash and Cash Equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Balances with banks: | | |
| In Current Accounts | 31.77 | 38.03 |
| Deposits with banks with original maturity of 3 months or less | 1,046.37 | 40.34 |
| Cheques / drafts on Hand | 0.13 | - |
| Cash in hand | 1.73 | 3.54 |
| Total | 1,080.00 | 81.91 |

2.12 Bank Balances Other Than Cash And Cash Equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Margin money deposit* | 2,000.14 | - |
| In Current Accounts | 0.06 | 0.02 |
| Deposits with original maturity for more than 3 months but less than 12 months | 9.30 | 71.07 |
| Total | 2,009.50 | 71.09 |

*Marked under lien in favour of Banks

2.13 Current Tax Assets (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Advance Income Tax (net of provision) | 45.03 | 44.73 |
| Total | 45.03 | 44.73 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.14 Equity Share Capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Paid up Share Capital comprises : | | |
| 1,770,104,500 (March 31, 2019: 1,770,104,500) Equity Shares of ₹ 2/- each fully paid up | 354.02 | 354.02 |
| Total | 354.02 | 354.02 |

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity Shares of ₹ 2 each | | | | |
| Shares Outstanding at the beginning of the Year | 1,770,104,500 | 354.02 | 830,494,500 | 166.10 |
| Shares Issued during the year under Preferential allotment (refer note (e) below) | - | - | 939,610,000 | 187.92 |
| Shares Outstanding at the end of the year | 1,770,104,500 | 354.02 | 1,770,104,500 | 354.02 |

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, 2019 : ₹ 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) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

| Name of the Shareholder | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| | No. of shares held | No. of shares held |
| Equity Shares of ₹ 2 each | | |
| Jio Content Distribution Holdings Private Limited § | 749,382,454 | 749,382,454 |
| Jio Internet Distribution Holdings Private Limited § | 300,337,845 | 300,337,845 |
| Jio Cable and Broadband Holdings Private Limited § | 223,980,916 | 223,980,916 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

d) Details of shareholders holding more than 5% shares in the Company:

| Name of the Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | 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 | 6.86 | 121,413,000 | 6.86 |
| Mr. Viren Raheja | 119,553,000 | 6.75 | 119,553,000 | 6.75 |
| Hathway Investments Private Limited | 112,645,015 | 6.36 | 112,645,015 | 6.36 |
| Jio Content Distribution Holdings Private Limited | 749,382,454 | 42.34 | 749,382,454 | 42.34 |
| Jio Internet Distribution Holdings Private Limited | 300,337,845 | 16.97 | 300,337,845 | 16.97 |
| Jio Cable and Broadband Holdings Private Limited | 223,980,916 | 12.65 | 223,980,916 | 12.65 |

e) During previous financial year, the Company had allotted on preferential basis 30,800,000 equity shares of ₹ 2 each at a premium of ₹ 30.35 per share to Hathway Investments Private Limited.

Further, during previous financial year, the Company had allotted on preferential basis 908,810,000 equity shares of ₹ 2 each at a premium of ₹ 30.35 per share to the following entities (the 'Acquirers') aggregating to ₹ 2,940 representing 51.34% of post allotment equity share capital of the Company:

| Name of the Acquirer | No. of equity shares | Amount |
|--|----------------------|-----------------|
| Jio Content Distribution Holdings Private Limited | 534,698,609 | 1,729.75 |
| Jio Internet Distribution Holdings Private Limited | 214,296,755 | 693.25 |
| Jio Cable and Broadband Holdings Private Limited | 159,814,636 | 517.00 |
| Total | 908,810,000 | 2,940.00 |

Pursuant to the aforesaid preferential allotment, the Acquirers have acquired sole control of the Company and the Acquirers and the Persons Acting in Concert (PAC) namely Reliance Industries Limited, Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'promoter and promoter group' of the Company.

During the previous financial year, on February 26, 2019 the Acquirers acquired an aggregate of 364,891,215 equity shares representing 20.61% of the total paid-up equity share capital of the Company pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, as at March 31, 2019, the aggregate holding of the Acquirers in the Company stood at 1,273,701,215 equity shares of the Company representing 71.96% of the total paid-up equity share capital of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.15 Other Equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Retained earnings | (1,336.76) | (1,440.40) |
| Capital reserve | 0.10 | 0.10 |
| Securities premium | 4,725.79 | 4,725.79 |
| Total | 3,389.13 | 3,285.49 |

Description of the nature and purpose of each reserve within equity is as follows:

(a) **Retained earnings:**

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

(b) **Securities premium:**

Securities premium 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

| Particulars | Non Current portion | | Current maturities of long term debts | |
|---|-------------------------|-------------------------|---------------------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Term Loans | | | | |
| Secured | | | | |
| From Banks | - | 973.00 | - | 319.91 |
| From Others | 43.99 | 382.18 | 17.55 | 116.97 |
| Unsecured | | | | |
| From Others | - | 1.24 | 1.24 | 1.52 |
| Vehicle loan from Banks | | | | |
| Secured | 0.11 | 0.26 | 0.05 | 0.17 |
| Intercorporate deposit | | | | |
| Unsecured | - | 100.00 | - | - |
| Total | 44.10 | 1,456.68 | 18.84 | 438.57 |
| Amount disclosed under the head 'Other financial liabilities' (Note 2.17) | | | | |
| Less : Current maturities of long-term debt (included in Note 2.17) | - | - | 18.84 | 438.57 |
| Net Amount | 44.10 | 1,456.68 | - | - |

Current Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Loans repayable on demand | | |
| Secured | | |
| Working Capital Loans repayable on demand from a bank | - | 15.00 |
| Cash Credit with banks | - | 41.78 |
| Overdraft with bank | 1,911.82 | 2.28 |
| Unsecured | | |
| From Banks | - | 18.75 |
| Total | 1,911.82 | 77.81 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

a) Nature of Security and terms of repayment for borrowings:

| Sr. No. | Nature of Security | Terms of Repayment | As at March 31, 2020 | | As at March 31, 2019 | |
|--|--|---|----------------------|-----------------|----------------------|---------------|
| | | | Non Current | Current | Non Current | Current |
| Non-Current Borrowings | | | | | | |
| 1 | Term Loan from Others Secured | | | | | |
| 1.01 | 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 | Seventeen equal quarterly installments starting after 1 year from the date of first drawdown of Loan. Applicable Rate of Interest is 6 months ICICI MCLR+ 1.65% | 44.12 | 17.65 | 61.76 | 13.24 |
| ii | Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL | | | | | |
| 2 | Term Loan From Others Unsecured | | | | | |
| 2.01 | Cisco System Capital India Private Limited | 12 Equal Quarterly Installments starting from 30th January 2018. | - | 1.24 | 1.24 | 1.52 |
| 3 | Vehicle Loans from Banks Secured | | | | | |
| 3.01 | Toyota Financial Services India Ltd | | | | | |
| | Secured by Hypothecation of Vehicle | Equated Monthly Installment starting from March 2018 to February 2023. | 0.11 | 0.05 | 0.16 | 0.05 |
| Gross Non-Current Borrowings | | | 44.23 | 18.94 | 63.16 | 14.80 |
| Add: Loan fully repaid prior to the Balance sheet date | | | - | - | 1,411.17 | 431.28 |
| Less: Unamortised upfront fees on borrowing | | | 0.13 | 0.09 | 17.74 | 7.51 |
| Net Non- Current Borrowings | | | 44.10 | 18.84 | 1,456.58 | 438.57 |
| Current Borrowings | | | | | | |
| 4 | Overdraft Secured | | | | | |
| | Axis Bank Ltd | | | | | |
| | Secured by Fixed Deposits of the Company of ₹ 2000 (Sanctioned amount ₹ 2000) | | - | 1,911.82 | - | - |
| Gross Current Borrowings | | | - | 1,911.82 | - | - |
| Add: Loan fully repaid prior to the Balance sheet date | | | - | - | - | 77.81 |
| Less: Unamortised upfront fees on borrowing | | | - | - | - | - |
| Total Current Borrowings | | | - | 1,911.82 | - | 77.81 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ 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, 2020 | As at March 31, 2019 |
|----------|--|----------------------|----------------------|
| 1 | Current | | |
| | Inventories | 13.98 | 14.97 |
| | Trade Receivables | 75.82 | 166.68 |
| | Cash and Cash Equivalents | 1,072.92 | 74.87 |
| | Bank balances other than Cash and Cash Equivalents * | 2,006.33 | 70.00 |
| | Loans | 72.53 | 121.82 |
| | Other financial assets | 157.18 | 15.36 |
| | Other Current Assets | 12.04 | 45.61 |
| | | 3,410.80 | 509.31 |
| 2 | Non - current | | |
| | Property, Plant and Equipment | 1,353.75 | 1,434.39 |
| | Capital Work In Progress | 81.60 | 103.99 |
| | Goodwill | 2.99 | 2.99 |
| | Other Intangible Assets | 118.06 | 97.52 |
| | Loans | 21.14 | 37.92 |
| | Other financial assets | 4.36 | 27.65 |
| | Other Non-Current Assets | 15.98 | 21.73 |
| | | 1,597.87 | 1,726.19 |
| | Total assets pledged as security | 5,008.67 | 2,235.50 |

* Margin money deposits of ₹ 2,000 pledged as security for Overdraft facility availed by the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

2.17 Other Financial Liabilities

| Particulars | Non-Current | | Current | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Current maturities of long-term debt (Refer Note no. 2.16) | - | - | 18.84 | 438.57 |
| Interest accrued and not due | - | - | 0.98 | 8.09 |
| Security deposits | 14.73 | 14.75 | 0.03 | 0.46 |
| Employee benefits payable | - | - | 7.23 | 7.82 |
| Capital Creditors | | | | |
| - Micro enterprises and small enterprises | - | - | 0.25 | - |
| - Others | - | - | 75.80 | 156.38 |
| Liability for expenses | - | - | 0.12 | 0.21 |
| Proportionate share in Joint venture losses | - | - | 7.79 | 7.90 |
| Lease liability | * | - | 1.92 | - |
| Other financial liabilities | | | | |
| - Micro enterprises and small enterprises | - | - | - | - |
| - Others | - | 0.01 | 52.25 | 66.07 |
| Total | 14.73 | 14.76 | 165.21 | 685.50 |

* Amount less than ₹ 50,000

2.18 Provisions

| Particulars | Non-Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Employee Benefits | | | | |
| Provision for Bonus | - | - | 0.05 | 0.05 |
| Provision for Leave Encashment | 3.51 | 3.57 | 0.27 | 0.52 |
| Provision for Gratuity (non funded) | 0.40 | 0.54 | 0.04 | 0.03 |
| (A) | 3.91 | 4.11 | 0.36 | 0.60 |
| Others | | | | |
| Mark to market losses on currency swap | - | 0.57 | - | - |
| (B) | - | 0.57 | - | - |
| Total (A+B) | 3.91 | 4.68 | 0.36 | 0.60 |

2.19 Other Liabilities

| Particulars | Non-Current | | Current | |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Income received in advance | - | - | 83.29 | 87.76 |
| Gratuity payables (Funded) | 4.87 | 3.91 | - | - |
| Statutory Payables | * | * | 62.94 | 32.73 |
| Others | 33.38 | 86.02 | 71.73 | 75.40 |
| Total | 38.25 | 89.93 | 217.96 | 195.89 |

* Amount less than ₹ 50,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

3.01 Revenue from Operations

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------|------------------------------|------------------------------|
| Sale of services | 1,795.01 | 1,556.22 |
| Sale of products | 1.11 | 0.08 |
| Other operating revenues | 2.27 | 1.99 |
| Total | 1,798.39 | 1,558.29 |

* Amount less than ₹ 50,000/-

3.02 Other Income

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Interest income earned on financial assets measured at Amortised Cost: | | |
| Bank Deposits | 185.94 | 6.33 |
| Interest on Loans | 0.33 | 0.74 |
| Corporate guarantee / Unwinding Interest | 0.48 | 1.77 |
| Other Non - Operating Income | | |
| Interest on Income Tax Refund | 3.20 | 0.55 |
| Miscellaneous Income | 0.61 | 1.07 |
| Amount no longer payable written back | 0.74 | 6.05 |
| Other Gains and Losses | | |
| Net gain on financial assets measured at fair value through profit or loss | 53.76 | 44.40 |
| Gain on disposal of property, plant and equipment | 0.69 | - |
| Total | 245.75 | 60.91 |

3.03 Other Operational Expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Commission | 93.21 | 81.01 |
| Bandwidth & Lease Line Cost | 63.94 | 47.36 |
| License Fees | 25.56 | 1.58 |
| Other Sundry Operational Cost | 27.40 | 16.63 |
| Repairs & Maintenance (Plant & Equipment) | 31.57 | 27.61 |
| Rent | 25.91 | 28.94 |
| Consultancy & Technical Fees | 19.61 | 25.99 |
| Feed charges | 1.48 | 13.19 |
| Software & Programming Cost | 9.75 | 7.72 |
| Freight & Octroi Charges | 1.93 | 0.82 |
| Hire Charges | 6.26 | 2.45 |
| Total | 306.62 | 253.30 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

3.04 Employee Benefit Expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Salaries & bonus | 85.09 | 74.44 |
| Contribution to provident and other funds | 4.96 | 4.47 |
| Staff welfare expenses | 4.74 | 3.95 |
| Total | 94.79 | 82.86 |

3.05 Finance Costs

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Interest expenses on financial liabilities | 183.55 | 195.69 |
| Exchange differences regarded as an adjustment to borrowing cost | - | 14.91 |
| Other borrowing costs | 42.82 | 10.20 |
| Total | 226.37 | 220.80 |

3.06 Depreciation, Amortisation & Impairment

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Depreciation of Property, Plant and Equipment | 234.41 | 271.53 |
| Amortization of intangible assets | 38.46 | 29.77 |
| Impairment on Property, Plant & Equipment | 97.74 | 50.67 |
| Impairment on Other Intangible assets | 0.49 | 0.44 |
| Total | 371.10 | 352.41 |

3.07 Other Expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Service Charges | 177.33 | 142.41 |
| Bad Debts | 3.93 | 5.36 |
| Less: Transfer from impairment of trade receivables (Expected credit loss) | 3.93 | 5.36 |
| | - | - |
| Electricity Expenses | 29.99 | 28.74 |
| Impairment of trade receivables (Expected credit loss) | 89.29 | 21.03 |
| Impairment of Advances | 2.04 | - |
| Advertisement & Promotion expenses | 18.96 | 20.69 |
| Rent - Offices | 13.60 | 12.31 |
| Loss on disposal / shortage of Property, Plant and Equipment | 9.04 | 6.24 |
| Loss on Foreign Exchange Fluctuation (Net) | 5.52 | 22.57 |
| Rates and taxes | 4.64 | 3.17 |
| Office Expenses | 7.40 | 6.42 |
| Legal and Professional Charges | 9.73 | 8.98 |
| Auditor Remuneration | 0.87 | 0.77 |
| Conveyance | 6.29 | 5.93 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-----------------------------------|------------------------------|------------------------------|
| Repairs and Maintenance (Others) | 7.92 | 6.17 |
| Communication Charges | 2.48 | 3.05 |
| Travelling | 3.72 | 3.60 |
| Printing and Stationery | 2.87 | 1.61 |
| Business Promotion Expenses | 0.92 | 1.15 |
| Insurance Charges | 2.00 | 2.46 |
| Interest on Taxes | 2.35 | 3.84 |
| Sitting Fees | 0.31 | 0.38 |
| Miscellaneous Expenses | 3.83 | 1.98 |
| Total | 401.09 | 303.50 |

*Amount less than ₹ 50,000

3.08 Exceptional Items*

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Impairment of Trade Receivables, advances & exposure to certain entities including Joint Ventures | 6.69 | 333.92 |
| Write down to Property Plant and Equipments | - | 69.83 |
| Expenses relating to equity infusion | - | 25.87 |
| Total | 6.69 | 429.62 |

*Refer Note 4.11

3.09 Tax Expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| (a) Income tax expenses : | | |
| Current tax | | |
| In respect of the current Year | 0.12 | 0.06 |
| | 0.12 | 0.06 |
| Deferred tax | | |
| In respect of the current Year | 3.98 | (438.95) |
| | 3.98 | (438.95) |
| Total income tax expense/ (benefit) recognised in the Year | 4.10 | (438.89) |
| (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate : | | |
| Profit / (Loss) Before tax | 109.57 | (626.56) |
| Enacted tax rate in India | 25.17% | 34.94% |
| Expected Income tax expenses / (benefit) at statutory tax rate | 27.58 | (218.92) |
| Entities with no tax | (19.24) | 221.29 |
| Share of net profit of Joint venture and Associate not taxable | (8.22) | (2.30) |
| Difference in tax rates of certain entities of the Group | - | (0.02) |
| Current tax | (A) 0.12 | 0.06 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Incremental Deferred tax asset on deductible taxable differences | (115.08) | (36.93) |
| Incremental Deferred tax asset on temporary differences of Tangible and Intangible Assets | (0.66) | (58.40) |
| Incremental Deferred tax asset on account of Unabsorbed depreciation and carried forward losses | 119.72 | (343.62) |
| Deferred tax | (B) | (438.95) |
| Total | (A+B) | (438.89) |

4.01 Earnings Per Share

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Basic earnings per share : (Amount in ₹) | | |
| Attributable to equity holders of the Group | 0.59 | (1.90) |
| Diluted earnings per share : (Amount in ₹) | | |
| Attributable to equity holders of the Group | 0.59 | (1.90) |
| Nominal value of Ordinary shares (Amount in ₹): | 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 group used in calculating basic earnings per share | 103.73 | (190.51) * |
| Diluted earnings per share | | |
| Profit / (Loss) attributable to equity holders of the group used in calculating diluted earnings per share | 103.73 | (190.51) * |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 1,770,104,500 | 1,000,520,281 |

* net of share issue expenses debited to securities premium.

4.02 Employee Benefits

a) Defined Benefit Plans:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Gratuity | |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| 1 Expense recognized in the consolidated Statement of Profit and Loss | | |
| Current Service Cost | 1.10 | 1.02 |
| Net Interest | 0.32 | 0.27 |
| Past Service Cost | - | - |
| Expense recognized in the consolidated Statement of Profit and loss | 1.42 | 1.29 |
| 2 Other Comprehensive Income (OCI): | | |
| Measurement of net defined benefit liability | | |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | 0.47 | (0.03) |
| Actuarial (gains)/ losses arising from changes in financial assumption | 0.19 | (0.14) |
| Actuarial (gains)/ losses arising from experience adjustments | (0.88) | 0.21 |
| Return on plan asset excluding net interest | (0.04) | 0.01 |
| Total Actuarial (Gain)/Loss recognised in OCI | (0.26) | 0.05 |
| 3 Change in benefit obligations: | | |
| Projected benefit obligations at beginning of the year | 7.83 | 6.71 |
| Current Service Cost | 1.10 | 1.02 |
| Interest Cost | 0.54 | 0.46 |
| Past Service Cost | - | - |
| Benefits Paid | (0.55) | (0.40) |
| Actuarial (Gain) / Loss | | |
| Actuarial (gains)/ losses arising from changes in demographic assumptions | 0.47 | (0.03) |
| Actuarial (gains)/ losses arising from changes in financial assumption | 0.19 | (0.14) |
| Actuarial (gains)/ losses arising from experience adjustments | (0.88) | 0.21 |
| Projected benefit obligations at end of the year | 8.70 | 7.83 |
| 4 Fair Value of Plan Assets | | |
| Opening Fair Value of Plan Asset | 3.35 | 2.89 |
| Return on Plan Assets excl. interest income | 0.04 | (0.01) |
| Interest Income | 0.22 | 0.18 |
| Contributions by Employer | 0.29 | 0.68 |
| Benefits Paid | (0.51) | (0.40) |
| Fair Value of Plan Assets at end of the year | 3.39 | 3.34 |
| 5 Net Liability | | |
| Projected benefit obligations at end of the year | 8.70 | 7.83 |
| Fair Value of Plan Asset at the end of the year | 3.39 | 3.34 |
| Net Liability | 5.30 | 4.49 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Particulars | Gratuity | |
|--|----------------------------------|---------------------------------|
| | March 31, 2020 | March 31, 2019 |
| 6 The net liability disclosed above relates to funded and unfunded plans are as follows | | |
| Projected benefit obligations at end of the year | 8.25 | 7.26 |
| Fair Value of Plan Asset at the end of the year | 3.39 | 3.34 |
| Deficit of funded plan | 4.86 | 3.92 |
| Unfunded Plan | 0.44 | 0.57 |
| Deficit of gratuity plan | 5.30 | 4.49 |
| 7 Sensitivity Analysis | | |
| Present value of benefit obligation at the end of the year on | | |
| 0.50 % to 1.00 % increase in discount rate | 8.37 | 7.54 |
| 0.50 % to 1.00 % decrease in discount rate | 9.18 | 8.14 |
| 0.50 % to 1.00 % increase in rate of salary rate | 9.18 | 8.12 |
| 0.50 % to 1.00 % decrease in rate of salary rate | 8.37 | 7.56 |
| 1.00 % increase in attrition rate | 8.30 | 7.30 |
| 1.00% point decrease in attrition rate | 8.22 | 7.22 |
| 10% increase in mortality rate | 8.26 | 7.26 |
| 10% decrease in mortality rate | 8.26 | 7.26 |
| 8 Principal assumptions used for the purpose of actuarial valuation | | |
| Mortality | IALM (2012-2014) Ult | IALM (2012-2014) Ult |
| Interest /discount rate | 6.60%-6.90% | 7.30% |
| Rate of increase in compensation | 5.00% | 5% - 10% |
| Expected average remaining service | 7.39 - 12.26 | 6.03-12.18 |
| Employee Attrition Rate (Past service(PS)) | 21-30 years : 10.00% - 21.70% | 21-30 years - 5.00% - 21.70% |
| | 31-40 years : 5.00% - 16.90% | 31-40 years - 5.00% - 16.90% |
| | 41-50 years : 3.00% - 10.00% | 41-50 years - 3.00% - 10.00% |
| | 51-59 years : 0.00% - 11.11% | 51-59 years - 0.00% - 11.11% |
| 9 Investment Details | | |
| Insurer managed funds (LIC of India and Exide Life Insurance Company Limited) | 100.00% | 100.00% |

Above data pertains to Hathway Cable and Datacom Limited (Holding Company), Hathway Digital Private Limited (Wholly-owned subsidiary), Hathway Kokan Crystal Cable Network Private Limited (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

(b) Defined Contribution Plans:

The Group contributes towards provident fund, Employee Pension Scheme, ESIC and Employees' Deposit Linked Insurance Scheme to a defined contribution plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the defined contribution plan to fund the benefits.

The Group operated defined contribution retirement benefit plans for all qualifying employees.

The total expenses recognised in the statement of Profit and Loss is ₹ 3.66 (March 31, 2019 : ₹ 3.39) represents contribution payable to these plans by the Group at the rates specified in the rules of plan.

4.03 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, 2019 : ₹ 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, 2019 : ₹ 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, 2019: ₹ 54.98) under various heads. The Company has refuted the claims and has made counter claim of ₹ 91.17 (March 31, 2019: ₹ 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, 2019: ₹ 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 realized as activation charges is sale of STBs and liable to VAT. The total tax liability is determined at ₹ 10.28 (March 31, 2019 : ₹ 10.28). The honorable High Court has admitted the writ petition and has granted an order of stay over recovery of taxes.
- f) The Holding Company had challenged computation of levy of license fees for pure Internet services before Telecom Disputes Settlement & Appellate Tribunal (TDSAT). The case has been disposed off by TDSAT during the financial year with a direction to Department of Telecommunication (DOT) that there should be a level playing field for all the Internet Service Providers (ISPs) and accordingly, DOT should raise its revised demands for the License Fee on the basis of same concept of Adjusted Gross Revenue (AGR) as is being done in the case of ISPs holding license under the old regime. TDSAT has further directed DOT to come up with a uniform policy in respect of License Fee for all the ISPs. DOT has not filed any appeal with High Court against said order, till date and is yet to issue uniform policy. The Company has continued to pay License Fee based on the concept of AGR for ISPs holding license under the old regime and the same has been charged to Statement of Profit and Loss.
- 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 and ₹ 4.85 by way of bank guarantee given based on the interim

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

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. Out of the total amount deposited ₹ 5.85, the company has expensed out ₹ 1.73.

- 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.
- i) On conclusion of investigation by the Directorate of Revenue Intelligence (DRI) on alleged evasion of customs duty on software licence on import of viewing cards, the Commissioner of Customs (Import) has passed an order demanding Custom Duty of ₹ 8.95 and penalty of ₹ 8.95. The Holding Company has deposited ₹ 0.67 under protest and filed an appeal against the order before Customs and Excise and Service Tax Appellate Tribunal (CESTAT), Western Zonal Branch, Mumbai. Such appeal is pending before the CESTAT.
- j) In the matter relating to non-exclusion of certain allowances from the definition of "Basic Wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the decision of the Supreme Court in case of Vivekananda Vidyamandir, in the assessment of the management, the PF authority is not likely to raise any demand for the period prior to March 31, 2019 and accordingly, no provision has been made in these financial statements.
- k) During the current financial year, Hathway Bhawani Cabletel & Datacom Limited (HBCDL), one of our Subsidiary has received Show Cause cum Demand notices ("SCNs") from the Department of Telecommunications ("DOT"), Government of India on provisional assessment of due license fees for the financial years 2007-08 and 2009-10 aggregating to ₹ 7.87 including penalty and interest thereon (March 31, 2019: ₹ Nil). The Company has responded to DOT contesting the basis of their demand, the outcome of which is pending. Based on legal opinion and Managements own assessment of the matter, HBCDL is of the view that it has more than reasonable chance of success and hence, no provision is necessary.

l) **Income Tax Matters**

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Income Tax matter under appeal (Of the above an amounts of ₹ 0.59 (March 31, 2019: ₹ 0.21) has already been deposited with Income Tax Department) | 0.39 | 0.44 |

- m) Claims against the Company, other than those stated above, not acknowledged as debts are as under:

| Matters with | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Operators & Others | 6.37 | 6.57 |
| Entertainment Tax Department in the city of Thane, Aurangabad, Agra, Ghaziabad, Hyderabad, Gwalior and Delhi | 10.83 | 10.38 |
| Other Statutory Departments | 1.73 | 1.08 |
| VAT department in the State of Maharashtra, Madhya Pradesh, Telangana and Karnataka | 8.27 | 11.09 |
| Service Tax department | 0.54 | 5.54 |
| Total | 27.74 | 34.66 |

n) **Note on pending litigations**

The Group has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

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o) **Foreseeable losses**

The Group has a process whereby periodically all long term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ applicable accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the books of account.

4.04 Capital And Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) aggregate to ₹ 49.12 (March 31, 2019: ₹131.83)

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.

4.05 Financial Corporate Guarantee

The Company has given Corporate Guarantees of ₹ 20.00 (March 31, 2019 : ₹ 39.69) to Banks towards various credit facilities extended by such banks to the Associates.

The Company has given Letter of Comfort of ₹ 7.46 (March 31, 2019: ₹58.07) to Banks towards various credit facilities extended by them to related parties.

4.06 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 funds raised through issue of equity during the previous financial year is kept in Fixed Deposits with scheduled banks. During the year, the Group has availed overdraft facility against such Fixed Deposits from bank for replacing high interest rate borrowings availed earlier. Other than this funding, 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.

4.07 Financial Instruments

(i) **Methods and assumptions used to estimate the fair values**

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

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.

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- 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, 2020 | | As at March 31, 2019 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | 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 | 29.33 | 29.33 | 120.77 | 120.77 |
| Loans and Advances | 33.02 | 33.02 | 42.18 | 42.18 |
| Cash and Bank balances | 3,093.78 | 3,093.78 | 180.54 | 180.54 |
| Other financial assets | 151.70 | 151.70 | 12.51 | 12.51 |
| Total (A) | 3,307.99 | 3,307.99 | 356.16 | 356.16 |
| Measured at fair value through profit or loss | | | | |
| Investment in mutual fund | 34.10 | 34.10 | 2,995.66 | 2,995.66 |
| Total (B) | 34.10 | 34.10 | 2,995.66 | 2,995.66 |
| Measured at fair value through other comprehensive income | | | | |
| Investment in equity shares of other companies | 3.08 | 3.08 | 3.08 | 3.08 |
| Total (C) | 3.08 | 3.08 | 3.08 | 3.08 |
| Total Financial assets (A+B+C) | 3,345.17 | 3,345.17 | 3,354.90 | 3,354.90 |
| Financial liabilities | | | | |
| Measured at amortised cost | | | | |
| Borrowings [#] | 1,974.76 | 1,974.76 | 1,973.06 | 1,973.06 |
| Trade payables | 231.06 | 231.06 | 259.32 | 259.32 |
| Other financial liabilities | 161.10 | 161.10 | 261.67 | 261.67 |
| Total (A) | 2,366.92 | 2,366.92 | 2,494.05 | 2,494.05 |
| Measured at fair value through profit or loss | | | | |
| Derivative Instruments | - | - | 0.57 | 0.57 |
| Total (B) | - | - | 0.57 | 0.57 |
| Total Financial liabilities (A+B) | 2,366.92 | 2,366.92 | 2,494.62 | 2,494.62 |

[#] includes current maturities of long term debts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(iii) Level wise disclosure of financial instruments

| Particulars | As at March 31, 2020 | As at March 31, 2019 | Level | Valuation techniques and key inputs |
|---|-------------------------|-------------------------|-------|---|
| Investment in equity instruments of other companies | 3.08 | 3.08 | 3 | Price earning ratio method |
| Investment in mutual funds | 34.10 | 2,995.66 | 1 | Closing Net Asset Value of Mutual funds |
| Currency Swap contracts - Liability | - | 0.57 | 2 | Quotes from banks |

4.08 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, unbilled revenue, 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.

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 marketing and promotional income and incentives. The trade receivables and unbilled revenue 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 and unbilled revenue from the marketing and promotional income and incentives, 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 Group follows a simplified approach (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables and unbilled revenue. For the purpose of measuring the lifetime ECL allowance for trade receivables and unbilled revenue, the Group uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. In addition, in case there are events or changes in circumstances indicating individual or class of trade receivables is required to be reviewed on qualitative aspects, necessary provisions are made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(₹ in Crores unless otherwise stated)

Reconciliation of changes in the loss allowances measured using life time expected credit loss model-Trade receivables

| Particulars | Amount |
|-----------------------------|---------------|
| As at April 01, 2018 | 167.13 |
| Provided during the year | 286.39 |
| Amounts written off | (5.36) |
| As at March 31, 2019 | 448.16 |
| Provided during the year | 90.76 |
| Amounts written off | (5.01) |
| Provision reversed | - |
| As at March 31, 2020 | 533.91 |

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 Group 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.

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, 2020 | Less Than 1 Year | 1 to 5 year | Total |
|----------------------------------|------------------|--------------|-----------------|
| Non-Derivatives | | | |
| Trade payables | 231.06 | - | 231.06 |
| Borrowings * | 1,930.75 | 44.23 | 1,974.98 |
| Lease Liability | 1.92 | - | 1.92 |
| Other financial liabilities | 144.45 | 14.73 | 159.18 |
| Total | 2,308.18 | 58.96 | 2,367.14 |
| Derivatives (net settled) | | | |
| Currency Swap Contract | - | - | - |
| Total | - | - | - |

* Include ₹ 0.22 as Prepaid Finance Charges.

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| As at March 31, 2019 | Less Than 1 Year | 1 to 5 year | Total |
|----------------------------------|------------------|-----------------|-----------------|
| Non-Derivatives | | | |
| Trade payables | 259.32 | - | 259.32 |
| Borrowings * | 523.89 | 1,474.43 | 1,998.32 |
| Other financial liabilities | 246.92 | 14.76 | 261.67 |
| Total | 1,030.13 | 1,489.19 | 2,519.32 |
| Derivatives (net settled) | | | |
| Currency Swap Contract | 0.57 | - | 0.57 |
| Total | 0.57 | - | 0.57 |

* Include ₹ 25.27 as Prepaid Finance Charges.

The Group from time to time in its usual course of business has issued financial guarantees and letter of comfort to certain Joint Ventures and Associate. Accordingly, Group has issued corporate guarantee and letter of comfort for debt of ₹ 27.46 as on March 31, 2020 (March 31, 2019: ₹ 97.76). The outflow in respect of these guarantees and letter of comfort will arise only upon default of the such joint ventures and associate. An amount of ₹ 27.46 (March 2019 : ₹ 86.82) is due for repayment within 1 year and ₹ Nil (March 2019 : ₹ 10.94) 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 following risks: (a) Foreign Exchange Risk, (b) Interest Rate Risk and (c) Price Risk.

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.

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, wherever considered appropriate, 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

| Particulars | As at | As at |
|--------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| | USD | USD |
| Liabilities | | |
| Trade payables | 52.16 | 121.18 |
| Currency Swaps | - | 93.64 |

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(₹ in Crores unless otherwise stated)

Unhedged Foreign Currency Exposure:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------------|---------------|----------------------------|---------------|
| | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| Derivatives Liabilities - Currency Swap | | | | |
| USD | - | - | 1.35 | 93.64 |
| Accounts Payables | | | | |
| USD | 0.69 | 52.16 | 1.75 | 121.18 |
| Other Firm Commitments | | | | |
| USD | 0.32 | 24.24 | 1.86 | 128.62 |

The Group has booked INR USD Cross Currency Swap Contracts of USD NIL (March 31, 2019:USD 3.34) against the underlying INR borrowing of ₹ Nil (March 31, 2019 : ₹ 214.78). The outstanding at the year end for the same is INR ₹ Nil (March 31, 2019: ₹ 92.50) and currency swap contract amount is USD Nil (March 31, 2019: USD 1.35). The actual interest earned on notional INR deposit, interest paid on notional USD borrowing, exchange fluctuation on payment/ settlement of principal amount and marked to market loss on USD exposure aggregating net gain /(loss) of ₹ (1.88) (March 31, 2019 : ₹ 0.21) are included under finance cost in note number 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 or loss before tax and on other components of equity

| Particulars | Impact on Profit or Loss before tax: Increase / (Decrease) | | | |
|-------------|--|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | 1% increase | 1% increase | 1 % decrease | 1 % decrease |
| USD | (0.52) | 2.15 | 0.52 | (2.15) |

| Particulars | Impact on other components of equity: Increase / (Decrease) | | | |
|-------------|---|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | 1% increase | 1% increase | 1 % decrease | 1 % decrease |
| USD | (0.52) | (2.15) | 0.52 | 2.15 |

(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. During the year the Group is less exposed to interest rate risk because the Group has borrowed funds substantially at fixed 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, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Variable rate borrowings* | 61.76 | 1,737.64 |
| Fixed rate borrowings* | 1,913.22 | 260.69 |
| Currency Swap (Notional Principal Amount) | - | 92.50 |

* Include ₹ 0.22 (March 31, 2019: ₹ 25.27) as Prepaid Finance Charges.

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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.

| Particulars | Impact on Profit: Increase/(Decrease) | | Impact on equity Increase/(Decrease) | |
|---|--|-------------------|---|-------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Interest rates - increase by 100 basis points * | (0.62) | 17.38 | (0.62) | (17.38) |
| Interest rates - decrease by 100 basis points * | 0.62 | (17.38) | 0.62 | 17.38 |

* 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 and USD (being the significant currencies last year in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

(c) Market Risk - Price Risk:

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31 2020, the investments in mutual funds is ₹ 34.10 (March 31, 2019 : ₹ 2,995.66). These are exposed to price risk. In order to minimise price risk arising from investments in mutual funds, the Group predominately invests in those mutual funds which have higher exposure to high quality debt instruments with adequate liquidity and no demonstrated track record of price volatility.

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/ (loss) before tax and on other components of equity.

| Particulars | Impact on Profit: Increase/(Decrease) | | Impact on equity Increase/(Decrease) | |
|----------------------------|--|-------------------|---|-------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Price - increase by 0.10%* | 0.03 | (3.00) | 0.03 | 3.00 |
| Price - decrease by 0.10%* | (0.03) | 3.00 | (0.03) | (3.00) |

* assuming all other variables as constant

4.09 Related Party Disclosures

A. Name of Related Parties and Related Party Relationships:

i) The Group is controlled by the following entities:

| | |
|-------------------------------|--|
| Entities exercising control # | Reliance Industries Limited |
| | Reliance Industrial Investments and Holdings Limited * |
| | (Protector of Digital Media Distribution Trust) |
| | Digital Media Distribution Trust |
| | Jio Content Distribution Holdings Private Limited \$ |
| | Jio Internet Distribution Holdings Private Limited \$ |
| | Jio Cable and Broadband Holdings Private Limited \$ |

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(₹ in Crores unless otherwise stated)

ii) Other Related parties :

| | | |
|--|--|--|
| 1 | Fellow Subsidiaries | Reliance Corporate IT Park Limited ^ |
| | | Reliance Jio Infocomm Limited ^ |
| | | Reliance Retail Finance Limited ^ |
| | | TV18 Broadcast Limited ^ |
| | | IndiaCast Media Distribution Private Limited ^ |
| 2 | Joint Ventures | Hathway Digital Saharanpur Cable & Datacom Private Limited |
| | | Hathway Sai Star Cable & Datacom Private Limited |
| | | Hathway MCN Private Limited |
| | | Hathway Channel 5 Cable & Datacom Private Limited |
| | | Net 9 Online Hathway Private Ltd |
| | | Hathway Cable MCN Nanded Private Limited |
| | | Hathway Latur MCN Cable & Datacom Private Limited |
| | | Hathway Palampur Cable Network Private Limited |
| | | 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 | | |
| 3 | Joint ventures of Fellow Subsidiaries | Reliance-Vision Express Private Limited |
| | | Ryohin-Keikaku Reliance India Private Limited |
| 4 | 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 |
| 5 | Associate of Fellow Subsidiaries | Eenadu Television Private Limited |
| | | Shop CJ Network Private Limited (upto June 6, 2019) |
| | | TV 18 Home Shopping Network Limited (upto June 6, 2019) |
| 6 | Associate Companies | Pan Cable Services Private Limited |
| | | Hathway VCN Cablenet Private Limited |
| | | GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) |
| 7 | Trusts - Post Employment Benefit Trust | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme |
| | | Hathway Digital Private Limited Employees Group Gratuity Trust |
| 8 | Key Management Personnel | Executive Directors :- |
| | | Mr. Rajan Gupta - Managing Director |
| | | Non Executive Directors :- |
| | | Independent Director |
| | | Mr. Sridhar Gorthi |
| | | Mr. Sasha Gulu Mirchandani |
| | | Mr. Devendra Shrotri (upto August 4, 2019) |
| Mr. A. Siddharth (w.e.f August 5, 2019 to September 3, 2019) | | |
| Ms. Ameeta A Parpia | | |

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Non Independent Directors

Mr. Rajan R. Raheja (upto January 30, 2019)

Mr. Viren R Raheja

Mr. Akshay R Raheja

Ms. Geeta Fulwadaya (w.e.f. January 30, 2019)

Mr. Anuj Jain (w.e.f. March 29, 2019)

Mr. Saurabh Sancheti (w.e.f. March 29, 2019)

Mr. Vinayak P Aggarwal (upto January 30, 2019)

w.e.f. January 30, 2019

* Reliance Industrial Investments and Holdings Limited - Protector of Digital Media Distribution Trust is wholly owned subsidiary of Reliance Industries Limited

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

^ Subsidiaries of Reliance Industries Limited.

B) Related Party Transactions

Compensation to Key Management Personnel:-

| Particulars | March 31, 2020 | March 31, 2019 |
|-----------------------------------|----------------|----------------|
| (a) Short Term employee benefits* | 4.56 | 2.96 |
| (b) Post employment benefits | 0.13 | 0.08 |
| (c) Other long term benefits | - | - |
| Total Compensation | 4.69 | 3.04 |

* Short term employee benefits include sitting fees paid to directors

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 Management Personnel is not ascertainable and therefore not included above.

| Nature of Transactions | Name of the Party | Relationship | F.Y. 2019-20 | F.Y. 2018-19 |
|------------------------|--|---------------------------------------|-----------------|-----------------|
| Subscription Income | Hathway MCN Private Limited | Joint venture | 7.39 | 12.69 |
| | Net 9 Online Hathway Private Limited | Joint Venture | 0.64 | 0.47 |
| | Eenadu Television Private Limited | Associate of Fellow Subsidiary | 4.22 | 0.15 |
| | TV18 Home Shopping Network Limited | Associate of Fellow Subsidiary | 0.33 | 0.49 |
| | IndiaCast Media Distribution Private Limited | Fellow Subsidiary | 49.29 | 2.88 |
| | TV18 Broadcast Limited | Fellow Subsidiary | 7.42 | 2.12 |
| | Others | Joint venture | 7.92 | 12.99 |
| | Others | Joint Ventures of Subsidiaries | - | 2.00 |
| | Others | Joint Venture of Fellow Subsidiary | 0.40 | * |

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(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | F.Y. | F.Y. |
|---|--|--|---------------|---------|
| | | | 2019-20 | 2018-19 |
| Service Charges | Hathway Cable MCN Nanded Private Limited | Joint Venture | - | 0.20 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint venture | * | - |
| Consultancy Income | Hathway Latur MCN Cable & Datacom Private Limited | Joint venture | 0.95 | 0.36 |
| | Hathway Cable MCN Nanded Private Limited | Joint venture | 0.64 | 0.35 |
| | Hathway MCN Private Limited | Joint venture | 1.30 | 1.02 |
| | Net 9 Online Hathway Private Limited | Joint venture | 0.29 | 0.63 |
| | Others | Joint Ventures of Subsidiaries | 0.11 | 0.23 |
| | Interest on Loans | Hathway Sai Star Cable & Datacom Private Limited | Joint venture | 0.16 |
| | Others | Joint ventures | - | 0.01 |
| Activation Income | Hathway MCN Private Limited | Joint venture | - | 0.01 |
| | Hathway Latur MCN Cable & Datacom Private Limited | Joint venture | - | 0.08 |
| | Hathway Bhawani NDS Network Private Limited | Joint Venture of Subsidiary | - | 0.04 |
| Sales of Access Devices / Parts and Accessories | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | - | 0.43 |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | - | 0.60 |
| | Hathway CBN Multinet Private Limited | Joint Venture of Subsidiary | - | 1.24 |
| | Hathway MCN Private Limited | Joint Venture of Subsidiary | 0.91 | - |
| | Others | Joint venture | 0.19 | - |
| Dividend Income | GTPL Hathway Limited | Associate | 4.20 | 4.20 |
| Sales - Capital Assets | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | 0.17 | - |
| | Others | Joint Venture of Subsidiary | * | - |
| EXPENSES | | | | |
| Feed charges | Hathway MCN Private Limited | Joint venture | 2.96 | 7.77 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint venture | 2.23 | 0.39 |
| | Others | Associate | 0.08 | - |
| | Others | Joint ventures | 2.74 | 0.89 |
| | Others | Joint Ventures of Subsidiaries | 0.06 | 2.47 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | F.Y. | F.Y. |
|---|--|--------------------------------|---------|---------|
| | | | 2019-20 | 2018-19 |
| Rent Offices | Mr. Akshay R Raheja | Key Management Personnel | 2.17 | 2.12 |
| | Mr. Viren R Raheja | Key Management Personnel | 2.17 | 2.12 |
| | Hathway Sai Star Cable And Datacom Private Limited | Joint venture | - | 0.06 |
| Pay Channel Cost | TV18 Broadcast Limited | Fellow Subsidiary | 77.89 | 11.32 |
| | Eenadu Television Private Limited | Associate of Fellow Subsidiary | 13.82 | 0.25 |
| Consultancy Charges | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | 0.09 | - |
| Bad Debts written off | Hathway Dattatray Cable Network Private Limited | Joint venture | 2.00 | 2.00 |
| | GTPL Hathway Limited | Associate | 3.69 | - |
| Impairment of Doubtful Advances / Receivables | Hathway Dattatray Cable Network Private Limited | Joint venture | 0.55 | - |
| | Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme | Trust | 0.13 | 0.46 |
| Contribution to Gratuity Fund | Hathway Digital Private Limited Employees Group Gratuity Trust | Trust | 0.18 | 0.21 |
| | Reliance Industries Limited | Entity exercising control | 0.01 | - |
| Business Support Expense | Reliance Jio Infocomm Limited | Fellow Subsidiary | 35.53 | - |
| Bandwidth and Lease Line Cost | Reliance Jio Infocomm Limited | Fellow Subsidiary | 0.03 | - |
| Purchase - STB / Parts and Accessories | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 2.00 | - |
| Advance Written off | Hathway Dattatray Cable Network Private Limited | Joint Venture | - | 8.52 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 14.05 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | - | 5.79 |
| | GTPL Hathway Limited | Associate | - | 2.50 |
| | Hathway Palampur Cable Network Private Limited | Joint Venture | 0.12 | - |
| | Hathway Digital Saharanpur Cable & Datacom Private Limited | Joint Venture | 0.42 | - |
| | Others | Joint Ventures | - | 0.50 |
| | Others | Joint Ventures of Subsidiaries | - | 7.34 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | F.Y. | F.Y. |
|--|---|------------------------------------|---------|---------|
| | | | 2019-20 | 2018-19 |
| Change in Assets/Liabilities during the year | | | | |
| Impairment in value of Investments made during the year | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | - | 4.09 |
| | Hathway Palampur Cable Network Private Limited | Joint Venture | 0.12 | - |
| | Hathway Bhaskar CCN Multi Entertainment Private Limited | Joint Venture of Subsidiary | - | 2.58 |
| Allowance for Bad Debts (Adjusted) | Hathway Dattatray Cable Network Private Limited | Joint Venture | 1.45 | - |
| Allowance for bad and doubtful loans made during the year | Hathway Bhaskar CCN Multi Entertainment Private Limited | Joint Venture of Subsidiary | - | 0.30 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | (2.00) | 7.68 |
| | GTPL Hathway Limited | Associate | - | 2.50 |
| | Others | Joint Ventures of Subsidiaries | - | 0.35 |
| Allowance for bad and doubtful debts made during the year | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | - | 3.00 |
| | Hathway Dattatray Cable Network Private Limited | Joint Venture | - | 8.38 |
| | GTPL Hathway Limited | Associate | 3.69 | - |
| | Others | Joint Ventures | - | 1.46 |
| | Others | Joint Ventures | 0.42 | 2.27 |
| Net Advances / Trade Receivables / Trade Payables made during the year | Hathway Dattatray Cable Network Private Limited | Joint Venture | - | 6.91 |
| | TV18 Broadcast Limited | Fellow Subsidiary | 7.65 | - |
| | Others | Joint Ventures | 0.31 | 0.40 |
| | Others | Joint Ventures of Subsidiaries | 0.21 | 1.30 |
| | Others | Associate of Fellow Subsidiary | 0.57 | 1.67 |
| Net Advances / Trade Receivables / Trade Payables Recovered / Paid during the year | Others | Joint Venture of Fellow Subsidiary | 0.01 | 0.01 |
| | GTPL Hathway Limited | Associate | 8.82 | - |
| | Hathway SS Cable & Datacom LLP | Joint Venture | 0.14 | 0.20 |
| | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 2.00 | 0.27 |
| | Hathway Dattatray Cable Network Private Limited | Joint Venture | 4.27 | - |
| | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | 1.13 | 0.35 |
| | IndiaCast Media Distribution Private Limited | Fellow Subsidiary | 2.07 | - |
| Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 4.06 | 15.32 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature of Transactions | Name of the Party | Relationship | F.Y. 2019-20 | F.Y. 2018-19 |
|--------------------------------------|---|---------------------------------------|-----------------|-----------------|
| | Eenadu Television Private Limited | Associate of Fellow Subsidiary | 1.98 | - |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary | 13.29 | - |
| | Others | Joint Venture of Fellow Subsidiary | 0.06 | - |
| | Others | Joint Ventures | 3.66 | 0.60 |
| | Others | Joint Venture of Subsidiaries | 1.14 | 0.23 |
| | Others | Fellow Subsidiaries | - | 7.68 |
| Investment made during the year | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 0.70 | - |
| Equity shares issued during the year | Jio Content Distribution Holdings Private Limited | Entity exercising control | - | 1,729.75 |
| | Jio Internet Distribution Holdings Private Limited | Entity exercising control | - | 693.25 |
| | Jio Cable and Broadband Holdings Private Limited | Entity exercising control | - | 517.00 |

| Nature | Name of the Party | Relationship | As at March 31, 2020 | As at March 31, 2019 |
|--|---|-----------------------------------|----------------------------|----------------------------|
| CLOSING BALANCES | | | | |
| Equity Share Capital (incl. Securities Premium) | Jio Content Distribution Holdings Private Limited | Entity exercising control | 1,729.75 | 1,729.75 |
| | Jio Internet Distribution Holdings Private Limited | Entity exercising control | 693.25 | 693.25 |
| | Jio Cable and Broadband Holdings Private Limited | Entity exercising control | 517.00 | 517.00 |
| Investments | GTPL Hathway Limited | Associate | 168.75 | 168.75 |
| | Hathway Sai Star Cable & Datacom Private Limited | Joint Venture | 27.80 | 27.09 |
| | Others | Joint Ventures of Subsidiaries | 11.45 | 11.45 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Ventures | 42.65 | 42.65 |
| Loans & advances | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 13.48 | 15.48 |
| | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 1.63 | 1.63 |
| | Hathway VCN Cablenet Private Limited | Associate | 5.50 | 5.50 |
| | Others | Associate | 3.49 | 9.99 |
| | Others | Joint Ventures | 2.69 | 3.70 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature | Name of the Party | Relationship | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|---|--------------------------------|----------------------------|----------------------------|
| Post Employment benefit plan-Advance | Hathway Cable and Datacom Limited Employees Group Gratuity Assurance Scheme | Trust | 0.01 | 0.01 |
| Allowance for bad and doubtful debts | Hathway Channel 5 Cable & Datacom Private Limited | Joint Venture | 3.81 | 3.81 |
| | Hathway Dattatray Cable Network Private Limited | Joint Venture | 6.92 | 8.38 |
| | Others | Associate | 4.01 | 0.32 |
| | Others | Joint Venture | 3.49 | 3.08 |
| | Others | Joint Ventures of Subsidiaries | 4.47 | 4.46 |
| 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 | 15.17 | 15.17 |
| | Hathway Bhaskar CCN Multi Entertainment Private Limited | Joint venture of Subsidiary | 2.58 | 2.58 |
| | Others | Joint Ventures of Subsidiary | 0.15 | 0.15 |
| | Others | Associate | 0.10 | 0.10 |
| | Others | Joint Venture | 3.73 | 3.61 |
| Allowance for bad and doubtful loans | Hathway Sonali OM Crystal Cable Private Limited | Joint Venture | 13.45 | 15.45 |
| | Hathway VCN Cablenet Private Limited | Associate | 5.50 | 5.50 |
| | Hathway CCN Multinet Private Limited | Joint venture of Subsidiary | 1.63 | 1.63 |
| | Others | Associate | 3.09 | 3.09 |
| | Others | Joint Ventures | 1.42 | 1.42 |
| Trade Payables | TV18 Broadcast Limited | Fellow Subsidiary | 8.39 | 17.42 |
| | Eenadu Television Private Limited | Associate of Fellow Subsidiary | 3.84 | 0.32 |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary | 13.33 | - |
| | Others | Joint Ventures | 1.81 | 1.23 |
| | Others | Joint Ventures of Subsidiaries | - | 0.17 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

| Nature | Name of the Party | Relationship | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|---|------------------------------------|----------------------------|----------------------------|
| Trade Receivables | Hathway Dattatray Cable Network Private Limited | Joint Venture | 5.80 | 9.93 |
| | Others | Associate | 1.78 | 4.10 |
| | Others | Joint Ventures | 9.38 | 15.16 |
| | Others | Joint Ventures of Subsidiaries | 2.43 | 8.46 |
| | IndiaCast Media Distribution Private Limited | Fellow Subsidiary | 5.55 | 4.74 |
| | Others | Associate of Fellow Subsidiary | 4.10 | 1.83 |
| | TV18 Broadcast Limited | Fellow Subsidiary | 0.75 | - |
| | Others | Joint Venture of Fellow Subsidiary | - | 0.01 |
| Unbilled Revenue | TV18 Broadcast Limited | Fellow Subsidiary | - | 2.12 |
| | IndiaCast Media Distribution Private Limited | Fellow Subsidiary | - | 2.88 |
| | Eenadu Television Private Limited | Associate of Fellow Subsidiary | - | 0.15 |
| | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | 0.67 | 0.67 |
| | Others | Joint Ventures | 0.77 | 1.28 |
| | Others | Joint Ventures of Subsidiaries | 0.47 | 0.44 |
| Other Financial Liability | Hathway SS Cable & Datacom LLP | Joint Venture | 2.94 | 2.80 |
| Security Deposits (Received) | Hathway CBN Multinet Private Limited | Joint Venture of Subsidiary | - | 0.51 |
| | Hathway CCN Entertainment (India) Private Limited | Joint Venture of Subsidiary | - | 1.21 |
| | Hathway CCN Multinet Private Limited | Joint Venture of Subsidiary | - | 2.00 |
| | Others | Joint Venture | 0.02 | 0.02 |
| | Security Deposits (Given) | Mr. Viren R Raheja | Key Management Personnel | 1.84 |
| Mr. Akshay R Raheja | | Key Management Personnel | 1.84 | 1.84 |

The Company has extended aggregate loan of ₹ 43.95 to various joint ventures and associates, out of which ₹ 8.43 is interest free. The Company has given Corporate financial Guarantees of ₹ 20 (March 31, 2019 ₹ 39.69) on behalf of GTPL Hathway Limited. The Company has given Letter of Comfort of ₹ 7.46 (March 31, 2019: ₹ 58.07) to Banks towards various credit facilities extended by them to related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

4.10 Interest In Other Entities

a) Subsidiaries

The Group's subsidiaries at March 31, 2020 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 principal place of business.

| Name of Subsidiary | Principal Activity | Place of Incorporation & Operation | Proportion of ownership interest and voting power held by them | |
|--|-----------------------------------|------------------------------------|--|----------------|
| | | | March 31, 2020 | March 31, 2019 |
| Hathway New Concept Cable & Datacom Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Software Developers Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Bhawani Cabletel & Datacom Limited | Cable Television network Services | India | 51.60% | 51.60% |
| Hathway Digital Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Broadband Private Limited | Internet Service Provider | India | 100.00% | 100.00% |
| Hathway Krishna Cable Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Bee Network and Communication Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Nashik Cable Network Private Limited | Cable Television network Services | India | 90.06% | 90.06% |
| Hathway Kokan Crystal Cable Network Private Limited | Cable Television network Services | India | 96.36% | 96.36% |
| Hathway Cnet Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Channels India Network Private Limited | Cable Television network Services | India | 95.63% | 95.63% |
| Hathway Enjoy Cable Network Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway JMD Farukhabad Cable Network Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Chennai Cable Vision Network Private Limited | Cable Television network Services | India | 75.99% | 75.99% |
| Hathway Media Vision Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Elite Cable Network Private Limited | Cable Television network Services | India | 80.00% | 80.00% |
| Hathway United Cables Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| UTN Cable Communications Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Space Vision Cabletel Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Gwalior Cable & Datacom Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Ideal Cables Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Binary Technology Transfers Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Internet Satellite Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| ITV Interactive Media Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Liberty Media Vision Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Vision India Network Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Win Cable & Datacom Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Mysore Cable Network Private Limited | Cable Television network Services | India | 100.00% | 100.00% |
| Hathway Mantra Cable & Datacom Private Limited | Cable Television network Services | India | 100.00% | 100.00% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

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

Details of joint ventures

| Name of Joint ventures | March 31, 2020 | | March 31, 2019 | |
|--|--|--------|--|--------|
| | Proportion of ownership interest and voting power held by them | Amount | Proportion of ownership interest and voting power held by them | Amount |
| Hathway Cable MCN Nanded Private Limited | 45.05% | 0.46 | 45.05% | 0.30 |
| Hathway ICE Television Private Limited | 51.00% | - | 51.00% | - |
| Hathway Latur MCN Cable & Datacom Private Limited | 51.00% | - | 51.00% | - |
| Hathway Sai Star Cable & Datacom Private Limited | 51.00% | 10.89 | 51.00% | 10.12 |
| Hathway Sonali OM Crystal Cable Private Limited (Refer Note 4.18) | 68.00% | 1.10 | 68.00% | - |
| Net 9 Online Hathway Private Limited | 50.00% | 3.07 | 50.00% | 3.05 |
| Hathway Palampur Cable Network Private Limited | 51.00% | - | 51.00% | 0.19 |
| Hathway Prime Cable & Datacom Private Limited | 51.00% | - | 51.00% | - |
| Hathway MCN Private Limited | 51.00% | 5.40 | 51.00% | 4.41 |
| Hathway SS Cable & Datacom LLP | 51.00% | - | 51.00% | - |
| Hathway Digital Saharanpur Cable & Datacom Private Limited | 51.00% | - | 51.00% | - |
| Hathway Channel 5 Cable & Datacom Private Limited | 51.00% | - | 51.00% | - |
| Hathway Dattatray Cable Network Private Limited | 51.00% | - | 51.00% | - |
| Hathway CBN Multinet Private Limited (Joint venture of Subsidiary) | 51.00% | 1.30 | 51.00% | 0.72 |
| Hathway CCN Entertainment (India) Private Limited (Joint venture of Subsidiary) | 51.00% | 4.03 | 51.00% | 4.00 |
| Hathway CCN Multinet Private Limited (Joint venture of Subsidiary) | 51.00% | 6.99 | 51.00% | 6.39 |
| Hathway Bhaskar CCN Multi Entertainment Private Limited (Joint venture of Subsidiary) | 70.00% | - | 70.00% | - |
| Hathway Bhawani NDS Network Private Limited (Joint venture of Subsidiary) | 51.00% | 0.33 | 51.00% | 0.31 |

Place of Incorporation and Operation of all the joint ventures is in India only

Except for Net 9 Online Hathway Private Limited, the principal activity of joint ventures is Cable Television network services

The principal activity of Net 9 Online Hathway Private Limited is Internet Service provider

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

Details of Associates

| Name of Associates | March 31, 2020 | | March 31, 2019 | |
|--|--|--------|--|--------|
| | Proportion of ownership interest and voting power held by them | Amount | Proportion of ownership interest and voting power held by them | Amount |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) * | 37.32% | 632.27 | 37.32% | 607.71 |
| Hathway VCN Cablenet Private Limited | 25.03% | - | 25.03% | - |
| Pan Cable Services Private Limited | 33.33% | - | 33.33% | - |

Place of Incorporation and Operation of all the associates is in India only. The principal activity of all the associates is Cable Television network services except for GTPL Hathway Limited, which is engaged in activities of Cable Television network and Internet services

* Quoted fair value as on March 31, 2020: ₹ 171.04 (As on March 31, 2019: ₹ 287.93)

Information of associate that is material to the Group

GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) is the associate of the Group as at March 31, 2020 which, in the opinion of the directors, are material to the Group.

Share in Contingent liabilities of GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) :

- GTPL Broadband Private Limited (GBPL), one of 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. The Company, GBPL, 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 the Company. Further, GBPL has also filed petition with the TDSAT on inclusion of revenue from 'pure internet services' in the adjusted gross revenue for the computation of license fees (petition no. 193 of 2018). TDSAT has under the said petition directed DoT to not to take any coercive action against GBPL subject to GBPL submitting an undertaking to TDSAT stating that it shall pay full amount of the license fees with interest if finally the matter is decided against GBPL. On the basis of the TDSAT Order, the license fee till March 31, 2020 works out to ₹43.55 (Group share= ₹.16.25) (8% of ₹ 544.39 adjusted gross revenue). while for the period March 31, 2019, ₹31.12 (Group share= ₹.11.62) (8% of ₹ 389.03 adjusted gross revenue) has been considered to be contingent in nature.
- A shareholder of GTPL Kolkata Cable & Broadband Pariseva Limited (GTPL KCBPL) one of the subsidiary company of our associate GTPL Hathway Ltd offered to sale his 30,000 share to GTPL KCBPL (buy back), price offered by GTPL KCBPL was not accepted by him hence the matter was then referred to Company Law Board, whereby Board appointed valuer. Valuation finalized by Company Law Board was not accepted by GTPL KCBPL, hence, petition was filed with High Court against Board's order. Value was finalized 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 "GTPL KCBPL to deposit ₹ 2 in cash & ₹ 0.48 (Group share= ₹ 0.93) as bank guarantee with registrar of court". Hence, company has paid ₹ 2.48 (Group share= ₹ 0.93) as guarantee with Registrar and petition is yet to be heard in Supreme Court.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

- 3 The Department of Telecommunication, Ministry of Communication, Government of India, Gujrat Telecom circle, Ahmedabad ("DOT") vide its letters, the latest being February 15, 2020, have raised demand consisting of principal amount of ₹ 228.65 (Group share= ₹ 85.33) and interest, penalty and interest on penalty (as of January 15, 2020) of ₹ 706.88 (Group share= ₹ 263.81) towards license fee in respect of the GTPL internet service provider's license (ISP). GTPL has made representations contesting the basis of such demand of DOT. GTPL is currently waiting the outcome of the representations before deciding future course of action in the matter. Considering GTPL's assesment of this demand, uncertainty relating to outcome of the GTPL's representation to the DOT and based on the opinion of the legal expert, GTPL is confident that it has good ground on merit to defend itself in the above matter. Accordingly, GTPL is of the view that no provision is necessary in respect of the aforesaid matter in the financial statements.
- 4 Claims against the Company not acknowledged as debt: (Group's Share)

| Particulars | March 31, 2020 | March 31, 2019 |
|---------------------------|----------------|----------------|
| Income Tax Matters | 3.24 | 3.67 |
| Sales-Tax/VAT Matters | 3.93 | 3.14 |
| Entertainment Tax Matters | 2.63 | 2.63 |
| Custom Duty Matters | 17.30 | 11.67 |
| Services Tax Matters | 7.24 | 7.24 |
| ESIC Matters | 0.12 | - |

Summarised financial information for 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.

Summarised balance sheet

| Particulars | GTPL Hathway Limited (f.k.a GTPL Hathway Pvt Ltd) | |
|--------------------------------------|--|-----------------|
| | March 31, 2020 | March 31, 2019 |
| Current assets | | |
| Cash and cash equivalents | 76.95 | 123.50 |
| Other assets | 565.97 | 512.39 |
| Total Current assets | 642.92 | 635.89 |
| Total Non current assets | 1,541.03 | 1,396.09 |
| Current liabilities | | |
| Financial Liabilities | 844.60 | 593.80 |
| Other liabilities | 378.01 | 430.74 |
| Total current liabilities | 1,222.61 | 1,024.55 |
| Non current liabilities | | |
| Financial Liabilities | 83.69 | 152.64 |
| Other liabilities | 149.34 | 190.01 |
| Total Non current liabilities | 233.03 | 342.65 |
| Net assets | 728.30 | 664.78 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

Summarised statement of profit and loss

| Particulars | GTPL hathway Limited (f.k.a GTPL Hathway Pvt Ltd) | |
|--|--|----------------|
| | March 31, 2020 | March 31, 2019 |
| Revenue | 2,384.08 | 1,245.82 |
| Interest Income | 4.37 | 4.98 |
| Depreciation & amortisation | 231.74 | 201.92 |
| Interest expense | 44.95 | 51.36 |
| Income Tax expense | 69.80 | 18.45 |
| Profit or (loss) for the year | 87.72 | 24.80 |
| Other Comprehensive income or (loss) for the year | (0.67) | 0.29 |
| Total Comprehensive Income or (loss) for the year | 87.05 | 25.08 |
| Dividend received | 4.20 | 4.20 |

d) Individually immaterial Joint ventures and Associates

Commitments and Contingent liabilities in respect of immaterial Joint ventures and Associates

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Capital and Other commitments | | |
| Share of capital commitment in Joint Venture | - | - |
| Bank Guarantees | | |
| Share of bank guarantee in Joint Venture | - | - |
| Contingent liabilities | | |
| Share in Associates' contingent liabilities | - | - |
| Share in Joint Ventures' contingent liabilities in respect of VAT/CST, excise and service tax claims not acknowledged as debts | 0.19 | 0.23 |

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Aggregate carrying amount of individually immaterial Joint ventures and Associates | 33.57 | 29.49 |
| Aggregate amounts of the group's share of: | | |
| Profit/(loss) from continuing operations | 3.64 | (0.47) |
| Post-tax profit or loss from discontinued operations | - | - |
| Other comprehensive income | (0.01) | 0.01 |
| Total comprehensive income | 3.63 | (0.46) |

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Share of profits/ (losses) from Joint Venture | 2.40 | 1.05 |
| Share of profits / (losses) from Subsidiary's Joint Ventures | 1.23 | (1.51) |
| Share of profits/ (losses) from Associate | - | - |
| Total share of profits / (losses) from Joint Ventures and Associates | 3.63 | (0.46) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

Unrecognised share of loss of associates

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Unrecognised share of loss for the year of associates | * | * |
| Cumulative unrecognised share of loss of associates | (2.33) | (2.33) |

* Amount less than ₹ 50,000/-

e) Summary of carrying amount of Group's interest in associates and joint ventures accounted using equity method

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Carrying amount of material associate | 632.27 | 607.71 |
| Carrying amount of immaterial associates | - | - |
| Carrying amount of material joint ventures | - | - |
| Carrying amount of immaterial joint ventures | 33.57 | 29.49 |
| Total | 665.84 | 637.20 |
| Aggregate amount of impairment in carrying amount of investment | 7.26 | 7.14 |

f) 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, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Group's share in Net Assets of Associates' and Joint ventures as per Entity's Financials | 284.48 | 256.43 |
| Add/ (Less) : Consolidation adjustment | | |
| (i) Goodwill on consolidation | 100.62 | 100.62 |
| (ii) Fair value of Investments and Others | 333.71 | 333.12 |
| (iii) Change in stake | (52.97) | (52.97) |
| Net Asset as per Consolidated Financials | 665.84 | 637.20 |

Change in Group's ownership interest in subsidiary

There is no change in group's ownership interest in subsidiaries during the financial year 2019-20 and financial year 2018-19.

4.11 Exceptional Items

- During the year, the Group has Impaired (i) Investments in Joint ventures; and (ii) advances and receivable from erstwhile joint venture, which is currently under litigation. This impairment having one-time, non-routine impact on financial statements, hence been disclosed as "Exceptional Item" in Consolidated Financial Statements.
- During the previous financial year, the company In view of the New Regulatory Framework for Broadcasting and Cable services sector notified by the Telecom Regulatory Authority of India (TRAI), which was effective from 1st February 2019, resulted into changes in pricing mechanism and arrangements amongst the Company, LCOs and Broadcasters; the Management, based on a review, has provided for (a) impairment of trade receivables, advances and exposure to certain entities including Joint Ventures ; (b) write down to the recoverable value of certain assets ; (c) expenses relating to equity infusion. These adjustments, having one-time, non-routine material impact on financial statements, hence been disclosed as "Exceptional Item" in Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

4.12 Goodwill On Consolidation comprises of:

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Goodwill on Consolidation | 86.26 | 86.26 |
| Less :Capital Reserve on Consolidation | (1.87) | (1.87) |
| Net Goodwill on Consolidation | 84.39 | 84.39 |

4.13 Revenue from contract with customers

Management conclude that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivable and unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.

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

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Receivables, which are included in 'Trade and other receivables' | 29.33 | 120.77 |
| Contract assets | - | - |
| Contract liabilities (Unearned revenue) | 83.29 | 87.77 |

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

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Contract assets | Contract liabilities | Contract assets | Contract liabilities |
| Balance at the beginning of the year | - | 87.77 | - | 104.21 |
| Advance Income received from the customer during the year | - | 83.29 | - | 87.77 |
| Revenue recognized that is included in the contract assets balance at the beginning of the year | - | 87.77 | - | 104.21 |
| Balance at the end of the year | - | 83.29 | - | 87.77 |

Performance Obligations And Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performances as the performance obligations relates to contracts that have an original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

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

Contract costs

The group incurred cost of ₹ 36.94 (March 2019: ₹ 36.96) during the year as a result of obtaining customers. The group has therefore capitalised them as customer acquisition costs.

Customer acquisition costs are amortised over the period of five years.

4.14 Leases

(a) Lessee :

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application i.e. April 1, 2019 is 8.75%.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 4.02 of consolidated financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Short term leases accounted in the Statement of Profit and Loss for the Financial Year 2019-20 is ₹ 45.77.

The Group's significant leasing arrangements in terms of Ind AS 116 on lease are in respect of Leases for Premises and Equipments. Some of these lease arrangements have price escalation clauses. The period of these leasing arrangements, range between eleven months to nine years and are renewable by mutual consent.

(b) Lessor :

The right to use granted to 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.

4.15 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 For the Year ended March 31, 2020 | Segment Results For the Year ended March 31, 2020 | Segment Revenue For the Year ended March 31, 2019 | Segment Results For the Year ended March 31, 2019 |
|---|---------|--|--|--|--|
| Broadband Business | (a) | 567.69 | (20.54) | 527.63 | 42.01 |
| Cable Television | (b) | 1,230.71 | 84.77 | 1030.66 | (457.46) |
| | (a)+(b) | 1,798.39 | 64.23 | 1558.29 | (415.45) |
| Less: Inter Segment revenue | | - | - | - | - |
| Total | | 1,798.39 | 64.23 | 1,558.29 | (415.45) |
| Add: Other un-allocable income net of un-allocable expenditure | | | 239.06 | | 3.11 |
| Add: Share of profit/ (loss) of associates and joint ventures | | | 32.65 | | 6.58 |
| Less: Finance Costs | | | 226.37 | | 220.80 |
| Total | | | 109.57 | | (626.56) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

Segment Assets & Liabilities

| Particulars | | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|---------|-------------------------|-------------------------|
| Segment Assets | | | |
| Broadband Business | (a) | 3,988.41 | 1,044.84 |
| Cable Television | (b) | 863.09 | 1,080.75 |
| Total Segment Assets | (a)+(b) | 4,851.50 | 2,125.59 |
| Unallocable | | 1,519.95 | 4,298.25 |
| Consolidated Total Assets | | 6,371.45 | 6,423.84 |
| Segment Liabilities | | | |
| Broadband Business | (a) | 1,135.57 | 267.76 |
| Cable Television | (b) | 1,420.11 | 529.02 |
| Total Segment Liabilities | (a)+(b) | 2,555.69 | 796.78 |
| Unallocable | | 72.61 | 1,987.55 |
| Consolidated Total Liabilities | | 2,628.30 | 2,784.33 |

Other Segment Information

| Other Segment Information | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|-----------------------|---------------------|---------------|-----------------------|---------------------|---------------|
| | Broadband Business | Cable Television | Total | Broadband Business | Cable Television | Total |
| Capital Expenditure | | | | | | |
| Additions to Property, Plant & Equipment | 159.83 | 96.55 | 256.38 | 127.54 | 65.01 | 192.55 |
| Additions to Intangible assets | 39.28 | 19.84 | 59.12 | 42.63 | 8.59 | 51.22 |
| Material Non Cash items: | | | | | | |
| Depreciation | 92.29 | 142.12 | 234.41 | 94.01 | 177.52 | 271.53 |
| Amortisation | 16.89 | 21.57 | 38.46 | 9.06 | 20.71 | 29.77 |
| Impairment during the year of Property, Plant and Equipment / Intangibles | 43.02 | 55.21 | 98.23 | 12.84 | 38.27 | 51.11 |
| Write down to Property Plant and Equipments | - | - | - | 8.93 | 60.91 | 69.83 |
| Allowance for Doubtful Advances / impairment in value of Investments / Impairment of trade receivables from Entities Under/ Joint Control and other | 5.92 | 0.77 | 6.69 | 49.74 | 284.18 | 333.92 |
| Impairment on trade receivables during the year | 3.03 | 86.26 | 89.29 | 2.40 | 18.63 | 21.03 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

Information about Products and Services

Revenue from external customers (Disaggregation of revenue from contracts with customers)

| Product/Service | As at March 31, 2020 | | | As at March 31, 2019 | | |
|-----------------------------------|----------------------|------------------|----------|----------------------|------------------|----------|
| | Broadband Business | Cable Television | Total | Broadband Business | Cable Television | Total |
| Subscription Income | 564.07 | 871.55 | 1,435.62 | 517.52 | 654.34 | 1,171.86 |
| Placement and Carriage Income | - | - | - | - | 287.14 | 287.14 |
| Marketing and Promotional Income | - | 219.39 | 219.39 | - | 1.50 | 1.50 |
| Broadcaster's Incentive Income | - | 73.33 | 73.33 | - | - | - |
| Activation Income (Set top Boxes) | - | 59.50 | 59.50 | - | 65.89 | 65.89 |
| Other Operating Revenues | 3.61 | 6.94 | 10.55 | 10.11 | 21.79 | 31.90 |

Information about Geographical Areas

Since the group is domiciled in India and caters to domestic customers only, the disclosure requirements of information on geographical areas is not given.

4.16 Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries, Joint ventures and Associates

March 31, 2020:

| 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 | 90.09% | 3,372.91 | 4.83% | 5.01 | -344.68% | 0.04 | 4.87% | 5.05 |
| Subsidiaries (Group's share) | | | | | | | | |
| Indian | | | | | | | | |
| Hathway Bhawani Cabletel & Datacom Limited* | -0.02% | (0.65) | 2.87% | 2.98 | 232.38% | (0.03) | 2.85% | 2.95 |
| Hathway Digital Private Limited* | -3.52% | (131.75) | 33.20% | 34.43 | 70.31% | (0.01) | 33.19% | 34.43 |
| Hathway Broadband Private Limited | 0.09% | 3.38 | 0.07% | 0.07 | 0.00% | - | 0.07% | 0.07 |
| Hathway Krishna Cable Private Limited | -0.39% | (14.59) | 8.59% | 8.91 | 0.00% | - | 8.59% | 8.91 |
| Bee Network and Communication Pvt Ltd | -0.04% | (1.34) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Nashik Cable Network Pvt Ltd | -0.28% | (10.33) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Kokan Crystal Cable Network Private Limited | -0.07% | (2.52) | -0.30% | (0.32) | -2329.39% | 0.26 | -0.06% | (0.06) |
| Hathway Cnet Private Limited | -0.01% | (0.43) | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 |
| Channels India Network Private Limited | -0.04% | (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 | -0.05% | (1.99) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Media Vision Pvt Ltd | -0.10% | (3.67) | -1.39% | (1.44) | 0.00% | - | -1.39% | (1.44) |
| Elite Cable Network Pvt Ltd | 0.00% | (0.02) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway United Cables Pvt Ltd | 0.00% | (0.16) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| UTN Cable Communications Pvt Ltd | -0.62% | (23.27) | 7.17% | 7.44 | 0.00% | - | 7.17% | 7.44 |

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FOR THE YEAR ENDED MARCH 31, 2020

(₹ 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 Space Vision Cabletel Pvt Ltd | -0.03% | (1.04) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Gwalior Cable and Datacom Pvt Ltd | -0.02% | (0.58) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Ideal Cables Pvt Ltd | -0.02% | (0.78) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Binary Technology Transfers Pvt Ltd | -0.04% | (1.64) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Internet Satellite Pvt Ltd | -0.04% | (1.63) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| ITV Interactive Media Pvt Ltd | -0.01% | (0.42) | 0.00% | - | 0.00% | - | 0.00% | - |
| Liberty Media Vision Pvt Ltd | -0.06% | (2.27) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Vision India Network Pvt Ltd | -0.06% | (2.06) | 0.00% | - | 0.00% | - | 0.00% | - |
| Win Cable & Datacom Pvt.Ltd. | -0.53% | (19.70) | -0.14% | (0.15) | 0.00% | - | -0.14% | (0.15) |
| Hathway Mantra Cable and Datacom Pvt Ltd | -0.50% | (18.56) | 4.99% | 5.17 | 0.00% | - | 4.99% | 5.17 |
| Hathway New Concept Cable and Datacom Pvt Ltd | -0.09% | (3.36) | 0.57% | 0.59 | 0.00% | - | 0.57% | 0.59 |
| Hathway Software Developers Pvt Ltd | -0.39% | (14.74) | 3.44% | 3.56 | 0.00% | - | 3.44% | 3.56 |
| Hathway Mysore Cable Network Pvt Ltd | -0.53% | (19.76) | 5.83% | 6.04 | 0.00% | - | 5.83% | 6.04 |
| Non-controlling interests in all subsidiaries | 0.02% | 0.90 | 0.00% | | 0.00% | - | 0.00% | 0.00% |
| Indian | | | | | | | | |
| Joint ventures (Investment as per equity method) | | | | | | | | |
| Hathway Cable MCN Nanded Pvt Ltd | 0.01% | 0.46 | 0.16% | 0.16 | 0.00% | - | 0.16% | 0.16 |
| Hathway ICE Television Pvt Ltd | -0.02% | (0.60) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Latur MCN Cable and Datacom Pvt Ltd | 0.00% | (0.17) | -0.08% | (0.08) | 0.00% | - | -0.08% | (0.08) |
| Hathway Sai Star Cable and Datacom Pvt Ltd | 0.29% | 10.89 | 0.07% | 0.07 | 0.00% | - | 0.07% | 0.07 |
| Hathway Sonali OM Crystal Cable Pvt Ltd (Refer Note 4.18) | 0.03% | 1.10 | 1.06% | 1.10 | 0.00% | - | 1.06% | 1.10 |
| Net 9 Online Hathway Pvt Ltd | 0.08% | 3.07 | 0.03% | 0.03 | 0.00% | - | 0.03% | 0.03 |
| Hathway Palampur Cable Network Pvt Ltd | 0.00% | - | -0.06% | (0.07) | 0.00% | - | -0.06% | (0.07) |
| Hathway Prime Cable and Datacom Pvt Ltd | 0.00% | (0.18) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway MCN Pvt Ltd | 0.14% | 5.40 | 0.96% | 1.00 | 83.51% | (0.01) | 0.95% | 0.99 |
| Hathway SS Cable & Datacom LLP | -0.01% | (0.49) | -0.14% | (0.14) | 0.00% | - | -0.14% | (0.14) |
| Hathway Digital Saharanpur Cable and Datacom Pvt Ltd | -0.08% | (2.96) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Channel 5 Cable and Datacom Pvt Ltd | -0.01% | (0.34) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Dattatray Cable Network Pvt Ltd | -0.08% | (3.03) | 0.33% | 0.34 | 0.00% | - | 0.33% | 0.34 |
| Associate (Investment as per equity method) | | | | | | | | |
| Indian | | | | | | | | |
| Hathway VCN Cablenet Pvt Ltd | 0.00% | 0.00 | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 |
| Pan Cable Services Pvt Ltd | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) * | 16.89% | 632.27 | 27.97% | 29.01 | 2387.87% | (0.26) | 27.72% | 28.75 |
| Total | 100% | 3,744.05 | 100% | 103.73 | 100% | (0.01) | 100% | 103.72 |

* Based on consolidated financial statement of the respective entities

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FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

March 31, 2019:

| 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 | 92.22% | 3,356.70 | -117.03% | 219.51 | 74.02% | 0.84 | -118.19% | 220.35 |
| Subsidiaries (Group's share) | | | | | | | | |
| Indian | | | | | | | | |
| Hathway Bhawani Cabletel and Datacom Ltd* | -0.07% | (2.57) | -0.01% | 0.01 | 0.77% | 0.01 | -0.01% | 0.02 |
| Hathway Digital Private Limited * | -5.46% | (198.49) | 200.99% | (376.99) | 14.35% | 0.16 | 202.12% | (376.82) |
| Hathway Broadband Pvt Ltd | 0.09% | 3.20 | -0.10% | 0.18 | 0.00% | - | -0.10% | 0.18 |
| Hathway Krishna Cable Pvt Ltd | -0.38% | (13.88) | 3.67% | (6.89) | 0.00% | - | 3.69% | (6.89) |
| Bee Network and Communication Pvt Ltd | -0.04% | (1.34) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Nashik Cable Network Pvt Ltd | -0.28% | (10.33) | 0.02% | (0.03) | 0.00% | - | 0.02% | (0.03) |
| Hathway Kokan Crystal Cable Network Pvt Ltd | -0.04% | (1.47) | 1.30% | (2.43) | 0.00% | - | 1.30% | (2.43) |
| Hathway Cnet Pvt Ltd | -0.01% | (0.43) | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 |
| Channels India Network Pvt Ltd | -0.04% | (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 | -0.05% | (1.99) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Media Vision Pvt Ltd | -0.07% | (2.54) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Elite Cable Network Pvt Ltd | 0.00% | (0.02) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway United Cables Pvt Ltd | 0.00% | (0.16) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| UTN Cable Communications Pvt Ltd | -0.61% | (22.09) | 3.69% | (6.92) | 0.00% | - | 3.71% | (6.92) |
| Hathway Space Vision Cabletel Pvt Ltd | -0.03% | (1.04) | 0.00% | - | 0.00% | - | 0.00% | - |
| Hathway Gwalior Cable and Datacom Pvt Ltd | -0.02% | (0.58) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Ideal Cables Pvt Ltd | -0.02% | (0.78) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Binary Technology Transfers Pvt Ltd | -0.04% | (1.64) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Internet Satellite Pvt Ltd | -0.04% | (1.63) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| ITV Interactive Media Pvt Ltd | -0.01% | (0.42) | 0.00% | - | 0.00% | - | 0.00% | - |
| Liberty Media Vision Pvt Ltd | -0.06% | (2.27) | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 |
| Vision India Network Pvt Ltd | -0.06% | (2.06) | 0.00% | - | 0.00% | - | 0.00% | - |
| Win Cable & Datacom Pvt.Ltd. | -0.54% | (19.70) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Mantra Cable and Datacom Pvt Ltd | -0.51% | (18.71) | 3.17% | (5.95) | 0.00% | - | 3.19% | (5.95) |
| Hathway New Concept Cable and Datacom Pvt Ltd | -0.02% | (0.84) | 0.39% | (0.73) | 0.00% | - | 0.39% | (0.73) |
| Hathway Software Developers Pvt Ltd | -0.35% | (12.60) | 3.00% | (5.63) | 0.00% | - | 3.02% | (5.63) |
| Hathway Mysore Cable Network Pvt Ltd | -0.53% | (19.38) | 2.99% | (5.61) | 0.00% | - | 3.01% | (5.61) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ 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 |
| Non-controlling interests in all subsidiaries | -0.02% | (0.83) | 0.00% | - | 0.00% | - | 0.00% | - |
| Indian | | | | | | | | |
| Joint ventures (Investment as per equity method) | | | | | | | | |
| Hathway Cable MCN Nanded Pvt Ltd | 0.01% | 0.30 | 0.01% | (0.01) | 0.00% | - | 0.01% | (0.01) |
| Hathway ICE Television Pvt Ltd | -0.02% | (0.60) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway Latur MCN Cable and Datacom Pvt Ltd | 0.00% | (0.09) | 0.04% | (0.07) | 0.00% | - | 0.04% | (0.07) |
| Hathway Sai Star Cable and Datacom Pvt Ltd | 0.28% | 10.12 | 1.09% | (2.04) | 0.00% | - | 1.09% | (2.04) |
| Hathway Sonali OM Crystal Cable Pvt Ltd (Refer Note 4.18) | 0.00% | - | -1.99% | 3.74 | 0.00% | - | -2.00% | 3.74 |
| Net 9 Online Hathway Pvt Ltd | 0.08% | 3.05 | -0.03% | 0.06 | 1.34% | 0.02 | -0.04% | 0.07 |
| Hathway Palampur Cable Network Pvt Ltd | 0.01% | 0.19 | 0.03% | (0.06) | 0.00% | - | 0.03% | (0.06) |
| Hathway Prime Cable and Datacom Pvt Ltd | 0.00% | (0.18) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Hathway MCN Pvt Ltd | 0.12% | 4.41 | 0.43% | (0.81) | 0.00% | - | 0.44% | (0.81) |
| Hathway SS Cable & Datacom LLP | -0.01% | (0.35) | 0.11% | (0.20) | 0.00% | - | 0.11% | (0.20) |
| Hathway Digital Saharanpur Cable and Datacom Pvt Ltd | -0.08% | (2.96) | 0.02% | (0.03) | 0.00% | - | 0.02% | (0.03) |
| Hathway Channel 5 Cable and Datacom Pvt Ltd | -0.01% | (0.34) | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| Hathway Dattatray Cable Network Pvt Ltd | -0.09% | (3.37) | -0.26% | 0.49 | 0.00% | - | -0.26% | 0.49 |
| Associate (Investment as per equity method) | | | | | | | | |
| Indian | | | | | | | | |
| Hathway VCN Cablenet Pvt Ltd | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Pan Cable Services Pvt Ltd | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| GTPL Hathway Limited (f.k.a. GTPL Hathway Pvt Ltd) * | 16.70% | 607.69 | -1.52% | 2.85 | 9.51% | 0.11 | -1.59% | 2.96 |
| Total | 100.00% | 3,638.67 | 100% | (187.57) | 100.00% | 1.13 | 100.00% | (186.44) |

* Based on consolidated financial statement of the respective entities

4.17 Subsequent to the outbreak of Coronavirus (COVID -19) and consequential lock down across the country, the Group has continued to operate and provide internet and cable television services to its customers, which has been declared as an essential service, without any disruptions. However, disruptions to businesses worldwide and economic slowdown may have its eventual impact on the Group. A definitive assessment of the impact is not possible in view of the highly uncertain economic environment and the scenario is still evolving. The Group has evaluated its liquidity position and of recoverability and carrying values of its assets and have concluded that no material adjustments required at this stage in the consolidated financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores unless otherwise stated)

4.18 Note on Consolidation of Joint Venture based on management accounts

The Company holds 68% in one of its joint venture namely Hathway Sonali Om Crystal Cable Private Limited. In the absence of availability of the Audited financials for the purposes of consolidation, Consolidated Financial Statement for the financial year ended as at March 31, 2020 was prepared by considering the Management Accounts of this joint venture.

4.19 The Board of Directors of the Company at its meeting held on February 17, 2020, has approved a Composite Scheme of Amalgamation and Arrangement involving the Company (Hathway), Den Networks Limited (Den), Network18 Media & Investments Limited (Network18), TV18 Broadcast Limited (TV18), Media18 Distribution Services Limited (Cable Co.), Web18 Digital Services Limited (ISP Co.) and Digital18 Media Limited (Digital Co.) and their respective shareholders and creditors ("Scheme"). The Scheme provides for amalgamation of Hathway, Den and TV18 with Network 18 and subsequent consolidation of Cable, ISP and Digital businesses of the amalgamating companies by way of transfer of relevant undertakings to the respective companies. On amalgamation, the shareholders of Hathway will be issued shares of Network 18. The appointed date of the Scheme is February 1, 2020, however, it will take effect upon receipt of requisite approvals and fulfilment of conditions stated in the Scheme. Pending the Scheme coming into force, no effect of the same have been considered in this consolidated financial statement.

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: April 23, 2020

For and on behalf of the Board**(Saurabh Sancheti)**

Director

DIN: 08349457

(Ajay Singh)Head Corporate Legal, Company Secretary
& Chief Compliance Officer

FCS - 5189

(Rajan Gupta)

Managing Director

DIN: 07603128

(Sitendu Nagchaudhuri)

Chief Financial Officer

Place: Mumbai

Date: April 23, 2020

Hathway Cable and Datacom Limited

www.hathway.com

Toll Free No. 1800-221-119

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To
The Members
HATHWAY DIGITAL PRIVATE LIMITED
805/806, 8th Floor, Windsor
Off. CST Road, Kalina
Santacruz (East)
Mumbai – 400 098

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 Digital Private Limited** (hereinafter called “**the Company**”), wholly owned subsidiary of Hathway Cable and Datacom Limited (HCDL), a company whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The Company is a Material Subsidiary Company of HCDL within the meaning of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. 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 authorized 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 March 31, 2020, 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 Digital Private Limited (hereinafter called “the Company”) for the Financial Year ended on March 31, 2020, according to the provisions of:
 - (a) The Companies Act, 2013 (“the Act”) and the rules made there under;

2. Provisions of the following Acts were not applicable to the Company under the Financial Year under report:-
 - (a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (b) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (c) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
3. 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:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (h) 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; and

(i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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:

- (a) Cable Television Networks (Regulation) Act, 1995, Cable Television Network (Regulation) Rules, 1994 and Content Certification Rules, 2008;
- (b) The Cinematography Act, 1952;
- (c) Telecom Regulatory Authority of India Act, 1997;
- (d) Indecent Representation of Women (Prohibition) Act, 1986.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 for the Board Meetings and Annual General Meetings.

During the financial year under report, the Company has generally complied with the provisions of the Secretarial Standards and has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company was duly constituted as per the provisions of the Companies Act, 2013 and rules made thereunder. There were no changes in the composition

of the Board of Directors that took place during the period under report.

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 was 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, no event(s)/ action(s) which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above have been taken up by the Company.

For **RATHI & ASSOCIATES**
Company Secretaries

Himanshu S. Kamdar
Partner

Place: Mumbai
Date: April 21, 2020

FCS : 5171
COP: 3030